



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

Condensed Interim Financial Statements  
For the six months ended 31 December 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)  
(Company Registration No: 199908381D)

**Condensed Interim Consolidated Statement of Profit or Loss**

	Note	6 months ended 31 December		
		2022 \$'000	2021 \$'000	Change %
Revenue	5	183,999	145,379	26.6
Other income		2,336	4,949	(52.8)
Inventories and consumables used		(29,696)	(26,646)	11.4
Staff costs		(62,581)	(49,383)	26.7
Depreciation and amortisation expenses		(10,249)	(8,559)	19.7
Other operating expenses		(38,581)	(34,847)	10.7
<b>Results from operating activities</b>		<b>45,228</b>	<b>30,893</b>	<b>46.4</b>
Finance income		1,500	476	215.0
Finance costs		(13,763)	(11,473)	20.0
<b>Net finance costs</b>		<b>(12,263)</b>	<b>(10,997)</b>	<b>11.5</b>
Share of loss of a joint venture		(286)	–	N.M.
<b>Profit before taxation</b>	6	<b>32,679</b>	<b>19,896</b>	<b>64.2</b>
Income tax expense	7	(8,401)	(5,945)	41.3
<b>Profit for the period</b>		<b>24,278</b>	<b>13,951</b>	<b>74.0</b>
<b>Profit attributable to:</b>				
Owners of the Company		22,795	12,485	82.6
Non-controlling interest		1,483	1,466	1.2
<b>Profit for the period</b>		<b>24,278</b>	<b>13,951</b>	<b>74.0</b>
<b>EBITDA</b>		<b>55,477</b>	<b>39,452</b>	<b>40.6</b>

*NM – Not meaningful*

**THOMSON MEDICAL GROUP LIMITED**  
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**Condensed Interim Consolidated Statement of Other Comprehensive Income**

	Note	6 months ended 31 December 2022 \$'000	2021 \$'000	Change %
<b>Profit for the period</b>		<b>24,278</b>	<b>13,951</b>	<b>74.0</b>
<b>Other comprehensive income:</b>				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation		(18,029)	160	N.M.
Net change in fair value of cash flow hedges		222	–	N.M.
<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		(178)	–	N.M.
<b>Other comprehensive income for the period, net of tax</b>		<b>(17,985)</b>	<b>160</b>	<b>N.M.</b>
<b>Total comprehensive income for the period</b>		<b>6,293</b>	<b>14,111</b>	<b>(55.4)</b>
<b>Attributable to:</b>				
Owners of the Company		9,036	12,615	(28.4)
Non-controlling interests		(2,743)	1,496	N.M.
<b>Total comprehensive income for the period</b>		<b>6,293</b>	<b>14,111</b>	<b>(55.4)</b>
<b>Earnings per share for profit for the period attributable to the owners of the Company during the period (cents)</b>				
Basic <sup>(1)</sup>		0.086	0.047	83.0
Diluted <sup>(2)</sup>		0.086	0.047	83.0

*NM – Not meaningful*

(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 (31 December 2021: 26,441,016,807).

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

**THOMSON MEDICAL GROUP LIMITED**  
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**Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property and equipment	10	431,214	444,027	295	310
Intangible assets	11	484,198	484,061	–	–
Investment properties	12	96,069	99,629	–	–
Right-of-use assets		13,220	13,425	414	541
Investment in subsidiaries		–	–	2,209,127	2,209,127
Investment in a joint venture		399	*	–	–
Deferred tax assets		–	919	–	–
Other investment	13	2,157	2,335	–	–
Derivative financial instruments		222	–	222	–
		<b>1,027,479</b>	<b>1,044,396</b>	<b>2,210,058</b>	<b>2,209,978</b>
<b>Current assets</b>					
Development property	14	89,920	93,225	–	–
Inventories		6,904	5,584	–	–
Trade and other receivables		63,554	60,147	617,005	615,695
Cash and short-term deposits		153,469	161,591	73,699	84,256
		<b>313,847</b>	<b>320,547</b>	<b>690,704</b>	<b>699,951</b>
<b>Total assets</b>		<b>1,341,326</b>	<b>1,364,943</b>	<b>2,900,762</b>	<b>2,909,929</b>
<b>Current liabilities</b>					
Contract liabilities		3,228	3,802	–	–
Trade and other payables		92,221	86,541	6,279	8,738
Income tax payable		14,827	15,170	–	–
Interest-bearing loans and borrowings	15	4,868	227,679	–	225,000
Lease liabilities		5,401	5,309	256	246
		<b>120,545</b>	<b>338,501</b>	<b>6,535</b>	<b>233,984</b>
<b>Net current assets/(liabilities)</b>		<b>193,302</b>	<b>(17,954)</b>	<b>684,169</b>	<b>465,967</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		7,654	7,353	–	–
Interest-bearing loans and borrowings	15	621,157	401,421	539,950	325,754
Lease liabilities		8,234	8,447	166	284
Provisions		795	879	35	35
		<b>637,840</b>	<b>418,100</b>	<b>540,151</b>	<b>326,073</b>
<b>Total liabilities</b>		<b>758,385</b>	<b>756,601</b>	<b>546,686</b>	<b>560,057</b>
<b>Net assets</b>		<b>582,941</b>	<b>608,342</b>	<b>2,354,076</b>	<b>2,349,872</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	16	2,364,503	2,364,503	2,364,503	2,364,503
Retained earnings/(accumulated losses)		140,934	148,546	(10,649)	(14,631)
Other reserves		(1,995,127)	(1,981,368)	222	–
		<b>510,310</b>	<b>531,681</b>	<b>2,354,076</b>	<b>2,349,872</b>
Non-controlling interests		72,631	76,661	–	–
<b>Total equity</b>		<b>582,941</b>	<b>608,342</b>	<b>2,354,076</b>	<b>2,349,872</b>
<b>Total equity and liabilities</b>		<b>1,341,326</b>	<b>1,364,943</b>	<b>2,900,762</b>	<b>2,909,929</b>

\*Amount less than \$1,000

**THOMSON MEDICAL GROUP LIMITED**  
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**Condensed Interim Statements of Changes in Equity**

Group	Attributable to owners of the Company										
	Share capital	Retained earnings	Merger reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Hedging reserve	Total reserves	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2022</b>	<b>2,364,503</b>	<b>148,546</b>	<b>(1,842,369)</b>	<b>(92,846)</b>	<b>(47,128)</b>	<b>975</b>	<b>–</b>	<b>(1,981,368)</b>	<b>531,681</b>	<b>76,661</b>	<b>608,342</b>
Profit for the period	–	22,795	–	–	–	–	–	–	22,795	1,483	24,278
<u>Other comprehensive income</u>											
Foreign currency translation	–	–	–	(13,803)	–	–	–	(13,803)	(13,803)	(4,226)	(18,029)
Net change in fair value of cash flow hedges	–	–	–	–	–	–	222	222	222	–	222
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	(178)	–	(178)	(178)	–	(178)
<b>Other comprehensive income for the period, net of tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(13,803)</b>	<b>–</b>	<b>(178)</b>	<b>222</b>	<b>(13,759)</b>	<b>(13,759)</b>	<b>(4,226)</b>	<b>(17,985)</b>
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>22,795</b>	<b>–</b>	<b>(13,803)</b>	<b>–</b>	<b>(178)</b>	<b>222</b>	<b>(13,759)</b>	<b>9,036</b>	<b>(2,743)</b>	<b>6,293</b>
<u>Contributions by and distributions to owners</u>											
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	–	–	19	19
Dividends on ordinary shares	–	(30,407)	–	–	–	–	–	–	(30,407)	–	(30,407)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	(1,306)	(1,306)
<b>Total contributions by and distributions to owners</b>	<b>–</b>	<b>(30,407)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(30,407)</b>	<b>(1,287)</b>	<b>(31,694)</b>
<b>At 31 December 2022</b>	<b>2,364,503</b>	<b>140,934</b>	<b>(1,842,369)</b>	<b>(106,649)</b>	<b>(47,128)</b>	<b>797</b>	<b>222</b>	<b>(1,995,127)</b>	<b>510,310</b>	<b>72,631</b>	<b>582,941</b>

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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 other reserve \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>At 1 July 2021</b>	<b>2,364,497</b>	<b>98,264</b>	<b>(1,842,369)</b>	<b>(83,424)</b>	<b>(47,128)</b>	<b>(1,972,921)</b>	<b>489,840</b>	<b>76,194</b>	<b>566,034</b>
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
<b>Other comprehensive income for the period, net of tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>130</b>	<b>–</b>	<b>130</b>	<b>130</b>	<b>30</b>	<b>160</b>
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>12,485</b>	<b>–</b>	<b>130</b>	<b>–</b>	<b>130</b>	<b>12,615</b>	<b>1,496</b>	<b>14,111</b>
<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)
<b>Total contributions by and distributions to owners</b>	<b>–</b>	<b>(3,966)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3,966)</b>	<b>(976)</b>	<b>(4,942)</b>
<u>Others</u>									
Lapsed employees' share options	–	525	–	–	–	–	525	(525)	–
<b>Total others</b>	<b>–</b>	<b>525</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>525</b>	<b>(525)</b>	<b>–</b>
<b>At 31 December 2021</b>	<b>2,364,497</b>	<b>107,308</b>	<b>(1,842,369)</b>	<b>(83,294)</b>	<b>(47,128)</b>	<b>(1,972,791)</b>	<b>499,014</b>	<b>76,189</b>	<b>575,203</b>

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**Condensed Interim Statements of Changes in Equity**

Company	Share capital \$'000	Accumulated losses \$'000	Hedging reserve \$'000	Total equity \$'000
<b>At 1 July 2022</b>	<b>2,364,503</b>	<b>(14,631)</b>	–	<b>2,349,872</b>
Profit for the period, representing total comprehensive income for the period	–	34,389	–	34,389
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	–	–	222	222
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	–	(30,407)	–	(30,407)
	–	(30,407)	–	(30,407)
<b>At 31 December 2022</b>	<b>2,364,503</b>	<b>(10,649)</b>	<b>222</b>	<b>2,354,076</b>
<b>At 1 July 2021</b>	<b>2,364,497</b>	<b>(49,157)</b>	–	<b>2,315,340</b>
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)
<b>At 31 December 2021</b>	<b>2,364,497</b>	<b>(37,770)</b>	–	<b>2,326,727</b>



**THOMSON MEDICAL GROUP LIMITED**  
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**Condensed Interim Consolidated Statement of Cash Flows**

	<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit before taxation	32,679	19,896
<u>Adjustments for:</u>		
Allowance for expected credit losses on trade debts, net	129	136
Amortisation of financing fees on bank loan	322	494
Depreciation of property and equipment, investment properties and right-of-use assets	9,831	8,352
Amortisation of intangible assets	418	207
Inventory written off	183	–
Impairment on goodwill	–	146
Loss on disposal of property and equipment	57	–
Property and equipment written off	4	6
Finance income	(1,500)	(476)
Finance costs	13,441	10,979
Share of loss of a joint venture	286	–
Unrealised exchange loss/(gain)	131	(1)
Employee share-based expenses	19	38
Total adjustments	23,321	19,881
<b>Operating cash flows before changes in working capital</b>	<b>56,000</b>	<b>39,777</b>
<u>Changes in working capital:</u>		
(Increase)/decrease in inventories	(1,627)	27
Increase in trade and other receivables	(3,749)	(7,156)
Increase in trade and other payables and contract liabilities	8,448	1,470
Total changes in working capital	3,072	(5,659)
<b>Cash flows from operations</b>	<b>59,072</b>	<b>34,118</b>
Interest income received	1,192	491
Income taxes paid	(7,453)	(4,098)
<b>Net cash flows from operating activities</b>	<b>52,811</b>	<b>30,511</b>
<b>Investing activities</b>		
Purchase of intangible assets	(234)	(51)
Purchase of property and equipment	(6,454)	(10,814)
Proceeds from disposal of property and equipment	58	–
Investment in a joint venture	(685)	–
<b>Net cash flows used in investing activities</b>	<b>(7,315)</b>	<b>(10,865)</b>

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

	<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financing activities</b>		
Repayment of interest-bearing loans and borrowings	(240,149)	(159)
Proceeds from interest-bearing loans and borrowings	239,080	14,414
Changes in pledged deposits	575	(93)
Dividends paid to non-controlling interests of subsidiaries	(1,306)	(1,014)
Dividends paid on ordinary shares	(30,407)	(3,966)
Payment of principal portion of lease liabilities	(3,224)	(3,167)
Interest paid	(15,979)	(11,028)
<b>Net cash flows used in financing activities</b>	<b>(51,410)</b>	<b>(5,013)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,914)</b>	<b>14,633</b>
Effect of exchange rate changes on cash and cash equivalents	(1,633)	17
<b>Cash and cash equivalents at 1 July</b>	<b>150,899</b>	<b>112,091</b>
<b>Cash and cash equivalents at 31 December</b>	<b>143,352</b>	<b>126,741</b>

**Note:**

Cash at banks and on hand	62,046	94,796
Short-term deposits	91,423	42,625
Total cash and short-term deposits	153,469	137,421
Less: Pledge deposits	(10,117)	(10,680)
<b>Cash and cash equivalents at 31 December</b>	<b>143,352</b>	<b>126,741</b>

**A. Purchase of property and equipment**

During the period ended 31 December 2022, the Group acquired property and equipment with an aggregate cost of \$6,454,000 (31 December 2021: \$12,321,000) by way of cash payments of \$6,454,000 (31 December 2021: \$10,814,000) and increase in other payables of nil (31 December 2021: \$1,507,000).

## **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 ended 31 December 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 last audited financial statements for the year ended 30 June 2022.

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 2022.

##### ***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

### **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, Traditional Chinese Medicine, specialist skin centre and a pre-natal, clinical diagnostic laboratory and project related services. 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
6 months ended 31 December 2022	\$'000	\$'000	\$'000	\$'000		\$'000
<b>Revenue:</b>						
External customers	91,288	92,530	181	–		183,999
Inter-segment revenue	–	1,024	–	(1,024)	A	–
Total revenue	91,288	93,554	181	(1,024)		183,999
<b>Results:</b>						
Finance income	388	45	1,067	–		1,500
Finance costs	(1,765)	(240)	(11,758)	–		(13,763)
Depreciation and amortisation	(6,267)	(3,645)	(337)	–		(10,249)
Share of loss of a joint venture	–	–	(286)	–		(286)
Segment profit/(loss) before taxation	15,622	29,522	(12,465)	–		32,679
<b>Assets:</b>						
Additions to non-current assets	6,654	3,167	15	–	B	9,836
Investment in a joint venture	–	–	685	–		685
Segment assets	1,032,243	40,497	265,035	–		1,337,775
<b>Segment liabilities</b>						
	(157,108)	(31,786)	(547,010)	–		(735,904)

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**4.1 Reportable segments (cont'd)**

6 months ended 31 December 2021	Hospital services \$'000	Specialised services \$'000	Investment holdings \$'000	Elimination \$'000	Note	Consolidated \$'000
<b>Revenue:</b>						
External customers	79,638	65,605	136	–		145,379
Inter-segment revenue	–	641	5	(646)	A	–
<b>Total revenue</b>	<b>79,638</b>	<b>66,246</b>	<b>141</b>	<b>(646)</b>		<b>145,379</b>
<b>Results:</b>						
Finance income	297	43	136	–		476
Finance costs	(96)	(188)	(11,189)	–		(11,473)
Depreciation and amortisation	(4,506)	(3,715)	(338)	–		(8,559)
Segment profit/(loss) before taxation	21,605	10,794	(12,503)	–		19,896
<b>Assets:</b>						
Additions to non-current assets	12,393	1,668	–	–	B	14,061
Segment assets	1,007,388	35,815	269,579	–		1,312,782
<b>Segment liabilities</b>	<b>(118,839)</b>	<b>(25,535)</b>	<b>(573,028)</b>	<b>–</b>		<b>(717,402)</b>

**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 and right-of-use assets.

**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	
	6 months ended 31 December		31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore	138,958	108,905	594,118	589,383
Malaysia	45,041	36,474	433,361	451,431
	<b>183,999</b>	<b>145,379</b>	<b>1,027,479</b>	<b>1,040,814</b>

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

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**5 Disaggregation of revenue**

	<b>Group</b>	
	<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Major product or service lines</u>		
Rendering of services, including sale of goods	182,126	143,746
Rental income	1,873	1,633
	<b>183,999</b>	<b>145,379</b>
<u>Timing of revenue recognition</u>		
At a point in time	179,969	141,670
Over time	4,030	3,709
	<b>183,999</b>	<b>145,379</b>

**6. Profit before taxation**

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

	<b>Group</b>	
	<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Allowance for expected credit losses on trade receivables, net	129	136
Depreciation of property and equipment, investment properties and right-of-use assets	9,831	8,352
Amortisation of intangible assets	418	207
Impairment on goodwill	–	146
Net loss on disposal of property and equipment	57	–
Inventory written off	183	–
Property and equipment written off	4	6

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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 condensed interim consolidated statement profit or loss are:

	<b>Group</b>	
	<b>6 months ended 31 December 2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Current income tax		
- current income taxation	7,019	5,672
- under provision in respect of previous years	1	48
	7,020	5,720
Deferred income tax		
- origination and reversal of temporary differences	1,381	228
- over provision in respect of previous years	-	(3)
	1,381	225
Income tax expense	8,401	5,945

**8. Related party transactions**

There is no significant related party transaction entered into by the Group in the ordinary course of business during the financial period.

**9. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2022</b>	<b>30 June 2022</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
Net asset value per ordinary share (cents)	2.20	2.30	8.90	8.89

The calculation of net asset value per ordinary share was based on 26,441,066,807 shares as at 31 December 2022 (30 June 2022: 26,441,066,807).

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**10. Property and equipment**

During the period ended 31 December 2022, the Group acquired assets amounting to \$6,454,000 (31 December 2021: \$12,321,000) and disposed of assets with a net book value amounting to \$115,000 (31 December 2021: \$7,000).

*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 were disclosed in the audited financial statements for the year ended 30 June 2022. No indications of impairment were identified as at 31 December 2022.

As at 31 December 2022, the carrying value of BBWF's property and equipment amounted to \$83,960,000 (30 June 2022: \$86,353,000).

**11. Intangible assets**

<b>Group</b>	<b>Goodwill \$'000</b>	<b>Computer software \$'000</b>	<b>Brand name \$'000</b>	<b>Customer relationship \$'000</b>	<b>Hospital management \$'000</b>	<b>Total \$'000</b>
<b>At 30 June 2022</b>						
Cost	483,518	2,714	200	2,812	698	489,942
Accumulated amortisation and impairment	(146)	(2,025)	(200)	(2,812)	(698)	(5,881)
Net carrying amount	483,372	689	–	–	–	484,061
<b>Cost</b>						
<b>At 1 July 2022</b>	<b>483,518</b>	<b>2,714</b>	<b>200</b>	<b>2,812</b>	<b>698</b>	<b>489,942</b>
Additions	–	234	–	–	–	234
Disposals	–	(118)	–	–	–	(118)
Reclassifications	–	4,041	–	–	–	4,041
Exchange differences	(3,672)	(106)	–	–	–	(3,778)
<b>At 31 December 2022</b>	<b>479,846</b>	<b>6,765</b>	<b>200</b>	<b>2,812</b>	<b>698</b>	<b>490,321</b>
<b>Accumulated amortisation and impairment</b>						
<b>At 1 July 2022</b>	<b>146</b>	<b>2,025</b>	<b>200</b>	<b>2,812</b>	<b>698</b>	<b>5,881</b>
Amortisation	–	418	–	–	–	418
Disposals	–	(118)	–	–	–	(118)
Exchange differences	–	(58)	–	–	–	(58)
<b>At 31 December 2022</b>	<b>146</b>	<b>2,267</b>	<b>200</b>	<b>2,812</b>	<b>698</b>	<b>6,123</b>
<b>Net carrying amount At 31 December 2022</b>	<b>479,700</b>	<b>4,498</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>484,198</b>



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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:

	<b>Group</b>	
	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
TMC Life Sciences Berhad (TMCLS)	41,091	42,601
BB Waterfront Sdn Bhd (BBWF)	58,821	60,983
	<b>479,700</b>	<b>483,372</b>

Goodwill is tested for impairment annually, or more frequently when there is an indication that the CGUs may be impaired. The Group performed its annual impairment test in June 2022. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 30 June 2022.

**12. Investment properties**

<b>Group</b>	<b>Freehold land \$'000</b>	<b>Building \$'000</b>	<b>Total \$'000</b>
<b>At 30 June 2022</b>			
Cost	156,848	1,731	158,579
Accumulated depreciation and impairment	(58,605)	(345)	(58,950)
Net carrying amount as at 30 June 2022	98,243	1,386	99,629
<b>Cost</b>			
<b>At 1 July 2022</b>			
Exchange differences	(5,561)	(61)	(5,622)
<b>At 31 December 2022</b>			
<b>151,287</b>			
<b>Accumulated depreciation and impairment</b>			
<b>At 1 July 2022</b>			
Charge for the period	58,605	345	58,950
Exchange differences	–	27	27
	(2,077)	(12)	(2,089)
<b>At 31 December 2022</b>			
<b>56,528</b>			
<b>Net carrying amount</b>			
<b>At 31 December 2022</b>			
<b>94,759</b>			
<b>1,310</b>			
<b>96,069</b>			

**12. Investment properties (cont'd)**

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

Impairment testing of freehold land

The investment properties are measured at cost, including transaction costs, on initial recognition. Subsequent to recognition, investment properties, except for freehold land, are carried at cost less accumulated depreciation and accumulated impairment losses.

The recoverable amounts of the freehold land and development property as disclosed in Note 14 were determined based on the fair value 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 fair value measurement was categorised as Level 3 based on the inputs in the valuation technique used were disclosed in the audited financial statements for the year ended 30 June 2022.

The Group obtains independent appraisals on an annual basis. No indications of impairments were identified as at 31 December 2022.

**13. Other investment**

	<b>Group</b>	
	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Equity instrument designated at fair value through OCI</i></b>		
<u>Non-listed equity investment</u>		
Whitecoat Global Holdings Pte. Ltd.	2,157	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 31 December 2022, a change in fair value of \$178,000 has been recognised in other comprehensive income.

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.

**13. Other investment (cont'd)**

(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:

	<b>Group</b>			<b>Carrying amount</b> S\$'000
	<b>Fair value measurements at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1)</b> S\$'000	<b>Significant observable inputs other than quoted prices (Level 2)</b> S\$'000	<b>Significant unobservable inputs (Level 3)</b> S\$'000	
<b>31 December 2022</b>				
<u>Financial assets designated fair value through OCI:</u>				
Non-listed equity investment	–	–	2,157	2,157
<u>Derivative financial instruments:</u>				
Interest rate swaps	–	222	–	222
<b>30 June 2022</b>				
<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 is estimated with reference to the recent subscription price of shares issued. As the fair value of the equity investment is determined based on unobservable inputs, the fair value is classified as a Level 3 measurement.

**14. Development property**

	<b>Group</b>	
	<b>31 December 2022</b> \$'000	<b>30 June 2022</b> \$'000
Cost	142,849	148,100
Accumulated impairment losses	(52,929)	(54,875)
<b>Carrying amount</b>	<b>89,920</b>	<b>93,225</b>

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

The determination of the recoverable amount of development property is disclosed in Note 12.

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**15. Interest-bearing loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2022</b>	<b>30 June 2022</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current:</b>				
Secured bank loans	4,868	2,679	–	–
Medium-term notes	–	225,000	–	225,000
	4,868	227,679	–	225,000
<b>Non-current:</b>				
Secured bank loans	446,461	226,801	365,254	151,134
Medium-term notes	174,696	174,620	174,696	174,620
	621,157	401,421	539,950	325,754
Total interest-bearing loans and borrowings	626,025	629,100	539,950	550,754

**Secured bank loans**

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

Bank loans of the subsidiaries amounting to \$86,075,000 (30 June 2022: 78,346,000) are secured by a charge over certain shares and property 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 had 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.

**16. Share capital**

	<b>Group and Company</b>			
	<b>31 December 2022</b>		<b>30 June 2022</b>	
	<b>No. of shares '000</b>	<b>\$'000</b>	<b>No. of shares '000</b>	<b>\$'000</b>
<b>Issued and fully paid ordinary shares:</b>				
At beginning of the period	26,441,067	2,364,503	26,441,017	2,364,497
Shares issued on conversion of warrants	–	–	50	6
At end of the period	26,441,067	2,364,503	26,441,067	2,364,503

The Company does not hold any treasury shares as at 31 December 2022 and 30 June 2022.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022 and 30 June 2022.

**17. Subsequent events**

There are no subsequent events that have led to adjustments to this set of interim financial statements.

## **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 condensed interim consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows of the Group for the financial period ended 31 December 2022 and condensed interim statement of financial position of the Group and Company as at 31 December 2022 have not been audited or reviewed 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.**

### **1H2023 compared with 1H2022**

The Group's revenue increased by 26.6% to \$184.0 million for the six-month period ended 31 December 2022 ("1H2023") compared to the same period last year of \$145.4 million. Revenue from the Hospital and Specialised Services segments grew by 14.6% and 41.0% respectively. The growth was mainly attributed to the increase in overall patient loads and higher average bill sizes. In Singapore the revenue growth was further augmented by the income received from project related services such as managing the vaccination centres and the Transitional Care Facilities ("TCFs"). While in Malaysia, revenue continued to improve due to higher patient loads and higher case intensity handled, which is partially attributed to the increased operating capacity at Thomson Hospital Kota Damansara ("THKD").

The Group's EBITDA increased by 40.6% from \$39.5 million to \$55.5 million during 1H2023 on the back of higher revenue growth.

Other income was lower at \$2.3 million during the 1H2023. The decrease was mainly due to lower government grants received under the Jobs Support Scheme and property tax rebates granted by the Singapore Government.

Other operating expenses were higher at \$38.6 million during 1H2023. The increase was mainly due to higher professional fees paid to doctors and higher operating costs incurred on the new expansion wing at THKD. Staff costs during 1H2023 were higher by 26.7% compared to the same period last year mainly due to the increase in headcounts in Malaysia, which resulted from the opening of the new expansion wing at THKD, and increased competition in the healthcare market. Depreciation and amortisation expenses increased by \$1.6 million as compared to 1H2022 mainly due to depreciation charged on the new expansion wing at THKD.

Net finance costs were higher by \$1.3 million mainly due to the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use during 2H2022 and higher interest rates during 1H2023 compared to the same period last year.

Income tax expense was higher mainly due to higher taxable profits.

As a result of the above, the Group recorded a net profit after tax of \$24.3 million in 1H2023 compared to \$14.0 million for the same period last year.

### **REVIEW OF STATEMENT OF FINANCIAL POSITION**

Total assets of the Group of \$1.34 billion as at 31 December 2022 were lower compared to \$1.36 billion as at 30 June 2022. The decrease was largely due to the loss in translation on the assets denominated in Ringgit Malaysia, as a result of the depreciation of Ringgit Malaysia against Singapore Dollars, as well as the lower cash and short-term deposits due to the purchase of property and equipment, dividends paid to the shareholders of the Company and payment of interests on bank loans. The decrease is partially offset by the increase in trade and other receivables as a result of higher revenue generated and net cash flow generated during 1H2023.

Total liabilities of the Group of \$758.4 million as at 31 December 2022 were higher compared to \$756.6 million as at 30 June 2022. The increase was mainly due to the increase in trade and other payables as a result of higher operating expenses incurred, and the additional loans drawdown to fund the construction costs incurred at THKD.

**REVIEW OF STATEMENT OF FINANCIAL POSITION (cont'd)**

Total equity of the Group was \$582.9 million as at 31 December 2022 compared to \$608.3 million as at 30 June 2022. The decrease was mainly due to the movement in foreign currency translation reserve as a result of the depreciation of Ringgit Malaysia against Singapore Dollar, as well as the dividends paid to shareholders of the Company, which is partially offset by the net profit generated during the period.

**REVIEW OF STATEMENT OF CASH FLOWS**

The Group recorded a net decrease in cash and cash equivalents during 1H2023 of \$5.9 million. The net decrease was mainly due to the cash flow used to purchase property and equipment amounting to \$6.5 million, payments of loan interests and lease liabilities amounting to \$19.2 million and dividends paid to shareholders of the Company of \$30.4 million. The decrease was partially offset by the increase in net cash flows from operations of \$52.8 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 remains focused on the execution of its expansion plan with the opening of new medical centres and clinics. With a transition to an endemic phase of COVID-19, we have seen an increasing trend of in-patient admissions at our hospital. Our paediatric business has also shown a healthy return to pre-pandemic levels. In addition, we continue to support the government in several public-private partnerships - managing vaccination centres and Transitional Care Facilities (TCFs).

Malaysia has reopened its international borders since 1 April 2022. The Group expects a strong recovery in the healthcare sector in Malaysia, especially in fertility services. The expansion project at Thomson Hospital Kota Damansara ("THKD") has completed in Q3 of FY2022. The new wing will open in phases; total licence beds have increased from 240 to 340 with a further potential to increase to 550 beds. The increased operating capacity at THKD has led to higher revenue in 1H2023 due to increased admissions and higher case intensity.

Barring any 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?**

No.

**(b) Corresponding Period of the Immediate Preceding Financial Year**

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

No.

**(c) Date payable**

Not applicable.

**(d) Book Closure Date**

Not applicable.

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

No dividend has been declared or recommended for the current financial period as the Company will only consider declaring a final dividend after the end of each financial year.

**6. Interested person transactions**

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

**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. There is no utilisation of the proceeds from Warrant Issue during the financial period 31 December 2022.

**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. 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 condensed interim financial statements for the six-month period ended 31 December 2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Dr Heng Jun Li Melvin  
Executive Director and Group Chief Executive Officer

10 February 2023