



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

Condensed Interim Financial Statements
For the six months ended 31 December 2021

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

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Condensed Interim Consolidated Statement of Profit or Loss

	Note	6 months ended 31 December		
		2021 \$'000	2020 \$'000	Change %
Revenue	5	145,379	116,640	24.6
Other income		4,949	8,143	(39.2)
Inventories and consumables used		(26,646)	(24,552)	8.5
Staff costs		(49,383)	(33,694)	46.6
Depreciation and amortisation expenses		(8,559)	(9,148)	(6.4)
Other operating expenses		(34,847)	(31,293)	11.4
Results from operating activities		30,893	26,096	18.4
Finance income		476	542	(12.2)
Finance costs		(11,473)	(12,293)	(6.7)
Net finance costs		(10,997)	(11,751)	(6.4)
Profit before taxation	6	19,896	14,345	38.7
Income tax expense	7	(5,945)	(4,610)	29.0
Profit for the period		13,951	9,735	43.3
Profit attributable to:				
Owners of the Company		12,485	8,101	54.1
Non-controlling interest		1,466	1,634	(10.3)
Profit for the period		13,951	9,735	43.3
EBITDA		39,452	35,244	11.9

NM – Not meaningful

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Condensed Interim Consolidated Statement of Other Comprehensive Income

	Note	6 months ended 31 December		
		2021 \$'000	2020 \$'000	Change %
Profit for the period		13,951	9,735	43.3
Other comprehensive income:				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation		160	6,103	(97.4)
Other comprehensive income for the period, net of tax		160	6,103	(97.4)
Total comprehensive income for the period		14,111	15,838	(10.9)
Attributable to:				
Owners of the Company		12,615	12,802	(1.5)
Non-controlling interests		1,496	3,036	(50.7)
Total comprehensive income for the period		14,111	15,838	(10.5)
Earnings per share for profit for the period attributable to the owners of the Company during the period (cents)				
Basic ⁽¹⁾		0.047	0.031	51.6
Diluted ⁽²⁾		0.047	0.031	51.6

⁽¹⁾ The calculation of basic and diluted earnings per share was based on weighted average number of shares in issue of 26,441,016,807 (31 December 2020: 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.

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Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
ASSETS					
Non-current assets					
Property and equipment	10	442,425	435,192	74	98
Intangible assets	11	486,479	486,749	–	–
Investment properties	12	102,118	102,115	–	–
Right-of-use assets		9,792	11,254	670	799
Investment in subsidiaries		–	–	2,214,498	2,214,498
		1,040,814	1,035,310	2,215,242	2,215,395
Current assets					
Development property	13	95,527	95,498	–	–
Inventories		5,374	5,399	–	–
Trade and other receivables		33,646	26,893	614,319	614,242
Cash and short-term deposits		137,421	122,678	69,877	57,723
		271,968	250,468	684,196	671,965
Total assets		1,312,782	1,285,778	2,899,438	2,887,360
Current liabilities					
Contract liabilities		3,143	3,663	–	–
Trade and other payables		69,033	65,601	8,769	8,456
Income tax payable		9,332	7,945	–	–
Interest-bearing loans and borrowings	14	224,894	321	224,715	–
Lease liabilities		5,811	5,796	234	234
		312,213	83,326	233,718	8,690
Net current (liabilities)/assets		(40,245)	167,142	450,478	663,275
Non-current liabilities					
Deferred tax liabilities		10,845	10,618	–	–
Interest-bearing loans and borrowings	14	409,287	619,084	338,544	562,765
Lease liabilities		4,385	5,874	414	530
Provisions		849	842	35	35
		425,366	636,418	338,993	563,330
Total liabilities		737,579	719,744	572,711	572,020
Net assets		575,203	566,034	2,326,727	2,315,340
Equity attributable to owners of the Company					
Share capital	15	2,364,497	2,364,497	2,364,497	2,364,497
Retained earnings/(accumulated losses)		107,308	98,264	(37,770)	(49,157)
Other reserves		(1,972,791)	(1,972,921)	–	–
		499,014	489,840	2,326,727	2,315,340
Non-controlling interests		76,189	76,194	–	–
Total equity		575,203	566,034	2,326,727	2,315,340
Total equity and liabilities		1,312,782	1,285,778	2,899,438	2,887,360

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Condensed Interim Statements of Changes in Equity

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
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							Non-controlling interests	Total equity
	Share capital	Retained earnings	Merger reserve	Foreign currency translation reserve	Capital reserve	Total other reserve	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

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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 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

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Condensed Interim Consolidated Statement of Cash Flows

	6 months ended 31 December	
	2021	2020
	\$'000	\$'000
Operating activities		
Profit before taxation	19,896	14,345
<u>Adjustments for:</u>		
Allowance for expected credit losses on trade debts, net	136	130
Amortisation of financing fees on bank loan	494	909
Depreciation of property and equipment, investment properties and right-of-use assets	8,352	8,946
Amortisation of intangible assets	207	202
Impairment on goodwill	146	-
Loss on disposal of property and equipment	-	4
Property and equipment written off	6	11
Finance income	(476)	(542)
Finance costs	10,979	11,384
Unrealised exchange gain	(1)	(21)
Employee share-based expenses	38	-
Total adjustments	19,881	21,023
Operating cash flows before changes in working capital	39,777	35,368
<u>Changes in working capital:</u>		
Decrease in inventories	27	757
(Increase)/decrease in trade and other receivables and contract assets	(7,156)	1,446
Increase/(decrease) in trade and other payables and contract liabilities	1,470	(1,247)
Total changes in working capital	(5,659)	956
Cash flows from operations	34,118	36,324
Interest income received	491	594
Income taxes paid	(4,098)	(3,333)
Net cash flows from operating activities	30,511	33,585
Investing activities		
Purchase of intangible assets	(51)	(68)
Purchase of property and equipment	(10,814)	(20,671)
Proceeds from disposal of property and equipment	-	8
Net cash flows used in investing activities	(10,865)	(20,731)

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

	6 months ended 31 December	
	2021	2020
	\$'000	\$'000
Financing activities		
Repayment of interest-bearing loans and borrowings	(159)	(275,005)
Proceeds from interest-bearing loans and borrowings	14,414	234,993
Changes in pledged deposits	(93)	2,493
Dividends paid to non-controlling interests of subsidiaries	(1,014)	(691)
Dividends paid on ordinary shares	(3,966)	–
Payment of principal portion of lease liabilities	(3,167)	(3,473)
Interest paid	(11,028)	(11,188)
Net cash flows used in financing activities	(5,013)	(52,871)
Net increase/(decrease) in cash and cash equivalents	14,633	(40,017)
Effect of exchange rate changes on cash and cash equivalents	17	379
Cash and cash equivalents at 1 July	112,091	147,507
Cash and cash equivalents at 31 December	126,741	107,869

Note:

Cash at banks and on hand	94,796	39,282
Short-term deposits	42,625	78,562
Total cash and short-term deposits	137,421	117,844
Less: Pledge deposits	(10,680)	(9,975)
Cash and cash equivalents at 31 December	126,741	107,869

A. Purchase of property and equipment

During the period ended 31 December 2021, the Group acquired property and equipment with an aggregate cost of \$12,321,000 (31 December 2020: \$20,695,000) by way of cash payments of \$10,814,000 (31 December 2020: \$20,554,000) and increase in other payables of \$1,507,000 (31 December 2020: \$141,000).

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 2021 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 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 period ended 31 December 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 13 - 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.

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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 2021	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
External customers	76,638	66,605	136	–		145,379
Inter-segment revenue	–	641	5	(646)	A	–
Total revenue	76,638	66,246	141	(646)		145,379
Results:						
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
Assets:						
Additions to non-current assets	12,393	1,668	–	–	B	14,061
Segment assets	1,007,388	35,815	269,579	–		1,312,782
Segment liabilities						
	(118,839)	(25,535)	(573,028)	–		(717,402)

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4.1 Reportable segments (cont'd)

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
6 months ended 31 December 2020	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
External customers	70,901	45,584	155	–		116,640
Inter-segment revenue	–	641	13	(654)	A	–
Total revenue	70,901	46,225	168	(654)		116,630
Results:						
Finance income	336	53	153	–		542
Finance costs	(43)	(220)	(12,030)	–		(12,293)
Depreciation and amortisation	(4,872)	(3,921)	(355)	–		(9,148)
Segment (loss)/profit before taxation	22,365	4,943	(12,963)	–		14,345
Assets:						
Additions to non-current assets	21,077	1,936	–	–	B	23,013
Segment assets	970,706	36,579	261,515	–		1,268,800
Segment liabilities	(75,006)	(26,808)	(581,715)	–		(683,529)

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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore	108,905	83,735	589,383	593,281
Malaysia	36,474	32,905	451,431	433,895
	145,379	116,640	1,040,814	1,027,176

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

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5 Disaggregation of revenue

	Group	
	6 months ended 31 December	
	2021	2020
	\$'000	\$'000
<u>Major product or service lines</u>		
Rendering of services, including sale of goods	143,746	115,087
Rental income	1,633	1,553
	145,379	116,640
<u>Timing of revenue recognition</u>		
At a point in time	141,670	113,292
Over time	3,709	3,348
	145,379	116,640

6. Profit before taxation

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

	Group	
	6 months ended 31 December	
	2021	2020
	\$'000	\$'000
Allowance for expected credit losses on trade receivables, net	136	130
Depreciation of property and equipment, investment properties and right-of-use assets	8,352	8,946
Amortisation of intangible assets	207	202
Impairment on goodwill	146	–
Net loss on disposal of property and equipment	–	4
Property and equipment written off	6	11

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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:

	Group	
	6 months ended 31 December 2021	2020
	\$'000	\$'000
Current income tax		
- current income taxation	5,672	4,448
- under/(over) provision in respect of previous years	48	(132)
	5,720	4,316
Deferred income tax		
- origination and reversal of temporary differences	228	294
- over provision in respect of previous years	(3)	-
	225	294
Income tax expense	5,945	4,610

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

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value per ordinary share (cents)	2.18	2.14	8.80	8.76

The calculation of net asset value per ordinary share was based on 26,441,016,807 shares as at 31 December 2021 (31 December 2020: 26,441,016,807).

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10. Property and equipment

During the period ended 31 December 2021, the Group acquired assets amounting to \$12,321,000 (31 December 2020: \$20,554,000) and disposed of assets with a net book value amounting to \$7,000 (31 December 2020: \$23,000).

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 2021. No indications of impairment were identified as at 31 December 2021.

As at 31 December 2021, the carrying value of BBWF's property and equipment amounted to \$88,402,000 (30 June 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	–	47	–	–	–	47
Exchange differences	32	1	–	–	–	33
At 31 December 2021	486,075	2,441	200	2,812	698	492,226
Accumulated amortisation and impairment						
At 1 July 2021	–	1,710	177	2,812	698	5,397
Amortisation	–	180	23	–	–	203
Impairment loss	146	–	–	–	–	146
Exchange differences	–	1	–	–	–	1
At 31 December 2021	146	1,891	200	2,812	698	5,747
Net carrying amount						
At 31 December 2021	485,929	550	–	–	–	486,479

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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	
	31 December 2021	30 June 2021
	\$'000	\$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
Clinic	–	146
TMC Life Sciences Berhad (TMCLS)	43,653	43,639
BB Waterfront Sdn Bhd (BBWF)	62,488	62,470
	485,929	486,043

Goodwill are 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 2021. 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 2021.

The Group carried out a review of the recoverable amount of the CGU attributed to Clinic. Following the review, an impairment loss of \$146,000 was recognised in the profit or loss as at 31 December 2021.

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 as at 30 June 2021	100,637	1,478	102,115
Cost			
At 1 July 2021			
Exchange differences	50	1	51
At 31 December 2021			
160,721 1,774 162,495			
Accumulated depreciation and impairment			
At 1 July 2021			
Charge for the period	60,034	295	60,329
Exchange differences	–	29	29
	19	–	19
At 31 December 2021			
60,053 324 60,377			
Net carrying amount			
At 31 December 2021			
100,668 1,450 102,118			

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

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 13 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 2021.

The Group obtains independent appraisals on an annual basis. No indications of impairments were identified as at 31 December 2021.

13. Development property

	Group	
	31 December 2021	30 June 2021
	\$'000	\$'000
Cost	151,756	151,710
Accumulated impairment losses	(56,229)	(56,212)
Carrying amount	95,527	95,498

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.

14. Interest-bearing loans and borrowings

	Group		Company	
	31 December 2021	31 June 2021	31 December 2021	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Current:				
Secured bank loans	179	321	–	–
Medium-term notes	224,715	–	224,715	–
	224,894	321	224,715	–
Non-current:				
Secured bank loans	234,743	220,186	164,000	163,867
Medium-term notes	174,544	398,898	174,544	398,898
	409,287	619,084	338,544	562,765
Total interest-bearing loans and borrowings	634,181	619,405	563,259	562,765

14. Interest-bearing loans and borrowings (cont'd)

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 \$70,921,000 (30 June 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 is due in 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.

15. Share capital

	Group and Company			
	31 December 2021		30 June 2021	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning and end of the period	26,441,017	2,364,497	26,441,017	2,364,497

The Company does not hold any treasury shares as at 31 December 2021 and 30 June 2021.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2021 and 30 June 2021.

16. 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 2021 and condensed interim statement of financial position of the Group and Company as at 31 December 2021 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.**

1H2022 compared with 1H2021

The Group revenue increased by 24.6% to \$145.4 million for the six-month period ended 31 December 2021 ("1H2022") compared to the same period last year of \$116.6 million. Revenue from the Hospital and Specialised Services segments grew by 8.1% and 46.1% 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 community treatment facility. In Malaysia revenue continued to improve due to higher patient loads and higher case intensity handled.

The Group's EBITDA increased by 11.9% from \$35.2 million to \$39.5 million during 1H2022 on the back of higher revenue growth.

Other income was lower at \$4.9 million during the 1H2022. 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 \$34.9 million during 1H2022. The increase was mainly due to higher professional fees paid to doctors and commissioning costs incurred for the new expansion wings at Thomson Hospital Kota Damansara ("THKD"). Staff costs during 1H2022 were higher by 46.6% compared to the same period last year mainly due to (a) increase in headcounts in Malaysia due to hiring ramp-up in anticipation of the opening of the new expansion wings at THKD, (b) additional resources incurred in Singapore to manage the vaccination centres and the community treatment facility and (c) general salary adjustments in a bid to maintain salary competitiveness for the staff.

Net finance costs were lower by \$0.8 million mainly due to lower interest rates during 1H2022 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 \$13.9 million in 1H2022 compared to \$9.7 million for the same period last year.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Total assets of the Group of \$1.31 billion as at 31 December 2021 were higher compared to \$1.29 billion as at 30 June 2021. The increase was largely due to the net increase in property and equipment of \$9.5 million and higher net cash flow generated during 1H2022. The net increase in the property and equipment was mainly attributed to the construction costs incurred for the new expansion wings at THKD.

Total liabilities of the Group of \$737.5 million as at 31 December 2021 were higher compared to \$719.7 million as at 30 June 2021. The increase was mainly due to additional loans drawdown to fund the construction costs incurred at THKD.

Total equity of the Group was \$575.2 million as at 31 December 2021 compared to \$566.0 million as at 30 June 2021. The increase was mainly due to the net profit generated during the period, offset by the dividends of \$4.0 million paid to shareholders of the Company.

REVIEW OF STATEMENT OF CASH FLOWS

The Group recorded a net increase in cash and cash equivalents during 1H2022 of \$14.6 million. The net increase was mainly due to the increase in net cash flows from operations of \$30.5 million and the proceeds from interest-bearing loans and borrowings of \$14.4 million. The increase was partially offset by the cash flow used to purchase property and equipment amounting to \$10.9 million, payments of loan interests and lease liabilities amounting to \$14.2 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

The Group has developed further its focus on harnessing technology to augment its service offerings and enhance accessibility to the Group's doctors and services to cater to a wider patient base. Its technology unit Thomson X has entered into a joint venture collaboration with our strategic partner, Whitecoat Global Holdings Pte Ltd ("**Whitecoat**"), to develop in Singapore, Malaysia and Indonesia, a mobile and digital web platform to provide comprehensive healthcare services for women and children. In Singapore, we collaborate with Whitecoat to provide telemedicine services to both our patients and Whitecoat's network of patients. In the initial phase this covers paediatric healthcare services provided by our network of paediatricians. It is our intention to subsequently extend this to include other specialities and services. Similar initiatives have also been undertaken in Malaysia to further exploit digital health technology services.

In Singapore, the Group continues to support the Government's anti-COVID-19 programme through various testing services such as Polymerase Chain Reaction ("**PCR**"), Antigen Rapid Test ("**ART**") and cPASS test for Neutralizing Antibodies at our Thomson GP clinic and the 24-hour family clinic at the hospital. Apart from operating two vaccination centres at Senja-Cashew Community Centre and Bishan Community Centre, the Group has further expanded its support to operate a COVID-19 community treatment facility.

In Malaysia, the Group's expansion project at Thomson Hospital Kota Damansara has been completed and the Certificate of Completion and Compliance has been obtained. We expect the hospital to open the new wing in phases and to commence 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?

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.

Not applicable.

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 2021.

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 2021 to be false or misleading in any material aspect.

10. Additional information required pursuant to Rule 706A

Streamax International Holding Co., Limited, a dormant company in which the Group owns an interest of 24.3% has been struck off from the register of Company Registry of Hong Kong during 1H2022.

None of the Directors and the controlling shareholders have any interest, direct or indirect, in the above matter. The striking off of the entity is not expected to have any material impact on the earnings and the net tangible asset per share of the Company for the financial year ending 30 June 2022.

BY ORDER OF THE BOARD

Dr Wong Chiang Yin
Executive Director and Group Chief Executive Officer

11 February 2022