

THOMSON MEDICAL GROUP LIMITED

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

Unaudited Second Quarter Financial Statement Announcement For The Financial Period Ended 30 June 2018

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 JUNE 2018

	Group			Group		
	2nd quarter ended 30 June			Half year ended 30 June		
	2018 \$'000	Restated ¹ 2017 \$'000	Change %	2018 \$'000	Restated ¹ 2017 \$'000	Change %
Healthcare - Continuing operations						
Revenue	52,978	49,818	6	105,501	97,612	8
Other income	1,396	1,300	7	3,131	3,514	(11)
Inventories and consumables	(11,259)	(10,011)	12	(21,952)	(19,683)	12
Staff costs	(15,103)	(14,385)	5	(30,960)	(29,532)	5
Depreciation and amortisation	(2,841)	(2,509)	13	(5,640)	(5,015)	12
Other operating expenses	(16,936)	(14,851)	14	(33,759)	(29,479)	15
Results from operating activities	8,235	9,362	(12)	16,321	17,417	(6)
Finance income	752	650	16	1,510	1,291	17
Finance costs	(4,252)	(2,445)	74	(6,802)	(4,832)	41
Net finance costs	(3,500)	(1,795)	95	(5,292)	(3,541)	49
Profit before tax from continuing operations	4,735	7,567	(37)	11,029	13,876	(21)
Income tax expense	(2,174)	(2,052)	6	(4,160)	(3,961)	5
Profit from continuing operations, net of tax	2,561	5,515	(54)	6,869	9,915	(31)
Real Estate - Discontinued operation (to be divested)²						
Profit/(loss) from discontinued operation, net of tax	2,919	3,541	(18)	(555)	4,605	NM
Profit for the period	5,480	9,056	(39)	6,314	14,520	(57)
Attributable to:						
Owners of the Company						
Profit from continuing operations, net of tax	1,981	4,654	(57)	5,251	8,233	(36)
Profit from discontinued operation, net of tax	3,411	3,688	(8)	230	4,935	(95)
Profit for the period attributable to owners of the Company	5,392	8,342	(35)	5,481	13,168	(58)
Non-controlling interests						
Profit from continuing operations, net of tax	580	861	(33)	1,618	1,682	(4)
Loss from discontinued operation, net of tax	(492)	(147)	235	(785)	(330)	138
Profit for the period attributable to non-controlling interests	88	714	(88)	833	1,352	(38)
Healthcare - Continuing operations						
EBITDA	11,076	11,871	(7)	21,961	22,432	(2)
Adjusted EBITDA³	11,589	11,905	(3)	23,358	22,460	4

NM – Not meaningful

¹ The comparative figures have been re-presented to report separately profit and loss items for continuing and discontinued operations, and restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5

² Discontinued operation relates to Real Estate Business, as explained in Note 5

³ Adjusted for one-off transactions and non-recurring costs

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

	<u>Group</u>			<u>Group</u>		
	<u>2nd quarter ended 30 June</u>			<u>Half year ended 30 June</u>		
	<u>2018</u>	<u>Restated¹</u>	<u>Change</u>	<u>2018</u>	<u>Restated¹</u>	<u>Change</u>
<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	
<u>Other expenses</u>						
Rental expenses	(1,529)	(1,230)	24	(3,013)	(2,605)	16
Transaction costs on corporate exercise	(121)	(34)	252	(1,001)	(43)	2,224
(Loss)/gain on disposal of property, plant and equipment	(117)	4	NM	(123)	66	NM
Property, plant and equipment written off	(13)	-	NM	(13)	-	NM
Allowance for doubtful trade debts	66	(68)	NM	17	(135)	NM
Foreign exchange (loss)/ gain, net	(117)	4	NM	51	(23)	NM
<u>Income tax expense</u>						
Under provision of prior year tax	(1)	-	NM	(1)	-	NM

NM – Not meaningful

¹ The comparative figures have been re-presented to report separately profit and loss items for continuing and discontinued operations, and restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5

- 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)(iii) STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	Group			Group		
	2nd quarter ended 30 June			Half year ended 30 June		
	Restated ¹			Restated ¹		
	2018 \$'000	2017 \$'000	Change %	2018 \$'000	2017 \$'000	Change %
Profit for the period	5,480	9,056	(39)	6,314	14,520	(57)
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Net change in fair value of available-for-sale financial assets	19	(212)	NM	(786)	(493)	59
Foreign currency translation	(3,118)	11,044	NM	15,734	(1,694)	NM
Other comprehensive income for the period, net of tax	(3,099)	10,832	NM	14,948	(2,187)	NM
Total comprehensive income for the period	2,381	19,888	(88)	21,262	12,333	72
Attributable to:						
Owners of the Company	2,805	17,034	(84)	17,483	11,271	55
Non-controlling interests	(424)	2,854	NM	3,779	1,062	256
Total comprehensive income for the period	2,381	19,888	(88)	21,262	12,333	72
Attributable to:						
Owners of the Company						
Total comprehensive (loss)/income from continuing operations, net of tax	(1,120)	13,472	NM	17,333	6,712	158
Total comprehensive income from discontinued operation, net of tax	3,925	3,562	10	150	4,559	(97)
Total comprehensive income for the period attributable to owners of the Company	2,805	17,034	(84)	17,483	11,271	55

NM – Not meaningful

¹ The comparative figures have been re-presented to report separately profit and loss items for continuing and discontinued operations, and restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5

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	Restated ¹ As at	As at	As at
	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	348,832	405,843	119	123
Goodwill and intangible assets	491,712	547,688	-	-
Investment properties	155,784	151,612	-	-
Investment in subsidiaries	-	-	2,468,372	463,781
Investment in associated companies	-	27,321	-	-
Other investments	1,140	1,940	-	-
Deferred tax assets	-	532	-	-
	<u>997,468</u>	<u>1,134,936</u>	<u>2,468,491</u>	<u>463,904</u>
Current assets				
Development properties	147,068	143,152	-	-
Work-in-progress	-	32,422	-	-
Inventories	5,255	5,175	-	-
Amounts due from subsidiaries-non-trade	-	-	193,539	2,732
Trade and other receivables	21,761	57,301	2,018	1,811
Cash and short-term deposits	124,213	140,991	3,302	5,881
	<u>298,297</u>	<u>379,041</u>	<u>198,859</u>	<u>10,424</u>
Assets of disposal group classified as held for sale ²	240,844	-	-	-
	<u>539,141</u>	<u>379,041</u>	<u>198,859</u>	<u>10,424</u>
TOTAL ASSETS	<u>1,536,609</u>	<u>1,513,977</u>	<u>2,667,350</u>	<u>474,328</u>
EQUITY AND LIABILITIES				
Current liabilities				
Excess of progress billings over work-in-progress	-	5,617	-	-
Trade and other payables	45,151	73,916	13,687	5,707
Amounts due to a shareholder	9,811	437,391	-	-
Current tax liabilities	6,104	8,622	-	-
Purchase consideration payable	-	800	-	-
Borrowings	37,362	100,120	30,000	99,906
	<u>98,428</u>	<u>626,466</u>	<u>43,687</u>	<u>105,613</u>
Liabilities directly associated with disposal group classified as held for sale ²	80,349	-	-	-
	<u>178,777</u>	<u>626,466</u>	<u>43,687</u>	<u>105,613</u>
Net current assets/(liabilities)	<u>360,364</u>	<u>(247,425)</u>	<u>155,172</u>	<u>(95,189)</u>
Non-current liabilities				
Deferred tax liabilities	8,430	12,685	20	20
Purchase consideration payable	-	12,842	-	-
Borrowings	540,232	121,102	100,000	-
Provisions	276	194	-	-
	<u>548,938</u>	<u>146,823</u>	<u>100,020</u>	<u>20</u>
TOTAL LIABILITIES	<u>727,715</u>	<u>773,289</u>	<u>143,707</u>	<u>105,633</u>
NET ASSETS	<u>808,894</u>	<u>740,688</u>	<u>2,523,643</u>	<u>368,695</u>
Equity attributable to owners of the Company				
Share capital	2,772,199	788,267	2,772,199	788,267
Accumulated losses	(179,716)	(185,197)	(248,556)	(419,572)
Other reserves	(1,856,208)	22,370	-	-
Reserve of disposal group classified as held for sale ²	(1,199)	-	-	-
	<u>735,076</u>	<u>625,440</u>	<u>2,523,643</u>	<u>368,695</u>
Non-controlling interests	<u>73,818</u>	<u>115,248</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>808,894</u>	<u>740,688</u>	<u>2,523,643</u>	<u>368,695</u>
TOTAL EQUITY AND LIABILITIES	<u>1,536,609</u>	<u>1,513,977</u>	<u>2,667,350</u>	<u>474,328</u>

¹ Restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5

² Discontinued operation relates to Real Estate Business, as explained in Note 5

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 Jun 2018		Restated As at 31 Dec 2017	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loan	37,354	-	207	-
Medium Term Notes	-	-	-	99,906
Obligations under finance lease	8	-	7	-

Amount repayable after one year:

	As at 30 Jun 2018		Restated As at 31 Dec 2017	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loan	540,227	-	121,093	-
Medium Term Notes	-	-	-	-
Obligations under finance lease	5	-	9	-

Medium Term Notes ("MTN")

On 26 March 2018, the Company has fully redeemed the \$100 million 6.50 per cent notes issued under its \$500 million multicurrency medium term note programme.

Details of Collateral

The bank loans are secured by a charge over certain shares and warrants 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	
	2nd quarter ended 30 June		Half year ended 30 June	
	2018 \$'000	Restated ¹ 2017 \$'000	2018 \$'000	Restated ¹ 2017 \$'000
Cash flows from operating activities				
Profit before tax from continued operations	4,735	7,567	11,029	13,876
Profit before tax from discontinued operation	2,971	3,544	(227)	4,810
Profit before tax, total	7,706	11,111	10,802	18,686
<u>Adjustments for:</u>				
Allowance for doubtful trade debts	169	(36)	224	30
Amortisation of intangible assets	671	488	1,621	913
Amortisation of upfront fees	137	60	178	120
Bad debts written off	2	1	2	1
Depreciation of property, plant and equipment	3,689	3,304	7,102	6,646
Finance costs	4,141	2,515	6,827	4,989
Fair value changes on purchase consideration	(2,748)	(4,168)	(3,206)	(7,089)
Gain on disposal of available-for-sale financial assets	144	-	144	-
Interest income	(760)	(681)	(1,524)	(1,339)
Loss/(gain) on disposal of property, plant and equipment	117	(4)	123	(66)
Property, plant and equipment written off	13	-	13	-
Provision for/(reversal of) allowance for foreseeable losses	1,013	(129)	765	(668)
Share of loss/(profit) of associates	20	(767)	(680)	(1,340)
Transaction costs on corporate exercise	121	34	1,001	43
Employee share-based expenses	63	119	124	215
Unrealised (gain)/loss on foreign exchange	(55)	45	(80)	(42)
Operating cash flows before changes in working capital	14,443	11,892	23,436	21,099
<u>Changes in working capital:</u>				
Inventories	141	(218)	(274)	(32)
Work in progress	(2,744)	304	(332)	(444)
Trade and other receivables	2,238	(3,038)	1,902	2,805
Trade and other payables	677	4,771	(2,966)	(3,623)
Progress billings	(141)	2,519	(468)	1,717
Cash flows from operations	14,614	16,230	21,298	21,522
Interest received	773	676	1,686	1,319
Tax paid	(3,010)	(1,831)	(6,979)	(6,035)
Net cash flows from operating activities	12,377	15,075	16,005	16,806
Cash flows from investing activities				
Acquisition of subsidiary, net of cash received	-	1,712	-	877
Acquisition of warrants ²	(25,000)	-	(25,000)	-
Additions to available-for-sale financial assets	(405)	-	(405)	-
Additions to intangible assets	(58)	(482)	(548)	(482)
Additions to property, plant and equipment	(8,514)	(4,382)	(12,049)	(8,243)
Changes in fixed deposits	-	(3,368)	-	(2,032)
Dividend received from associate	827	1,111	1,549	2,873
Expenditure on investment property	(14)	(2)	(24)	(3)
Investment in associate	-	(70)	-	(70)
Net cashflow outflow from disposal of subsidiary	-	(551)	-	(907)
Payments made on acquisition expenses arising from proposed acquisition	(792)	-	(1,230)	-
Proceeds from disposal of available-for-sale financial assets	275	-	275	-
Proceeds from disposal of property, plant and equipment	8	15	9	83
Net cash flows used in investing activities	(33,673)	(6,017)	(37,423)	(7,904)

¹ Restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5

² This relates to the consideration paid for the warrants purchased, as part of the acquisition of Sasteria Pte Ltd

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group		Group	
	2nd quarter ended 30 June		Half year ended 30 June	
	2018 \$'000	Restated ¹ 2017 \$'000	2018 \$'000	Restated ¹ 2017 \$'000
Cash flows from financing activities				
Changes in pledged deposits	(3,500)	12	(1,139)	(368)
Dividends paid to non-controlling interests shareholders of a subsidiary	-	-	(471)	(413)
Expenses arising from issuance of ordinary shares	(160)	(30)	(160)	(60)
Interest paid	(1,190)	(894)	(5,757)	(4,745)
Proceeds from exercise of employee share options	-	123	29	591
Proceeds from interest-bearing loans and borrowings	383,712	-	490,012	-
Proceeds from exercise of warrants	92	-	92	12
Repayment of interest-bearing loans and borrowings	(60)	-	(100,060)	(14)
Repayment of shareholder loan	(350,000)	(3,001)	(355,250)	(14,001)
Net cash flows generated from/(used in) financing activities	28,894	(3,790)	27,296	(18,998)
Net increase/(decrease) in cash and cash equivalents	7,598	5,268	5,878	(10,096)
Cash and cash equivalents at beginning of the period	135,803	125,247	135,541	142,434
Effect of exchange rate changes on cash and cash equivalents	57	1,305	2,039	(518)
Cash and cash equivalents reclassified to disposal group held for sale	(25,865)	(26,154)	(25,865)	(26,154)
Cash and cash equivalents at end of period	117,593	105,666	117,593	105,666
Note:				
Cash and short-term deposits	109,948	102,471	109,948	102,471
Short-term deposits	14,265	11,605	14,265	11,605
Cash and bank balances	124,213	114,076	124,213	114,076
Less: Pledged deposits	(6,620)	(5,058)	(6,620)	(5,058)
Less: Fixed deposits with maturities of more than 6 months	-	(3,352)	-	(3,352)
Cash and cash equivalents at end of period	117,593	105,666	117,593	105,666

¹ Restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5

- 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											Total	Non-controlling interests	Total equity
	Share capital	Accumulated losses	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Employee share option reserve	Fair value reserve	Statutory reserve	Discount/ (premium) paid on acquisition of non-controlling interests	Reserve of disposal group classified as held for sale			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Opening balance at 1 January 2018	788,267	(185,197)	100	(86,390)	89,462	15,426	379	405	197	2,791	-	625,440	115,248	740,688
Profit for the period	-	89	-	-	-	-	-	-	-	-	-	89	745	834
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	15,394	-	-	-	-	-	-	-	15,394	3,458	18,852
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	(805)	-	-	-	-	(805)	-	(805)
Other comprehensive income for the period, net of tax	-	-	-	15,394	-	-	(805)	-	-	-	-	14,589	3,458	18,047
Total comprehensive income for the period	-	89	-	15,394	-	-	(805)	-	-	-	-	14,678	4,203	18,881
<u>Contributions by and distributions to owners</u>														
Grant of equity-settled share options to employees	-	-	-	-	-	32	-	-	-	-	-	32	29	61
Exercise of employee share options	-	-	-	-	-	(5)	-	-	-	-	-	(5)	5	-
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(471)	(471)
Total contributions by and distributions to owners	-	-	-	-	-	27	-	-	-	-	-	27	(437)	(410)
<u>Changes in ownership interests in subsidiaries</u>														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	(8)	-	(8)	36	28
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(8)	-	(8)	36	28
Total transactions with owners, recorded directly in equity	-	-	-	-	-	27	-	-	-	(8)	-	19	(401)	(382)
Closing balance at 31 March 2018	788,267	(185,108)	100	(70,996)	89,462	15,426	406	(400)	197	2,783	-	640,137	119,050	759,187

Group

	Attributable to owners of the Company													
	Share capital	Accumulated losses	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Employee share option reserve	Fair value reserve	Statutory reserve	Discount/ (premium) paid on acquisition of non-controlling interests	Reserve of disposal group classified as held for sale	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 April 2018	788,267	(185,108)	100	(70,996)	89,462	15,426	406	(400)	197	2,783	-	640,137	119,050	759,187
Profit for the period	-	5,392	-	-	-	-	-	-	-	-	-	5,392	88	5,480
Other comprehensive income														
Foreign currency translation	-	-	-	(2,606)	-	-	-	-	-	-	-	(2,606)	(512)	(3,118)
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	19	-	-	-	19	-	19
Other comprehensive income for the period, net of tax	-	-	-	(2,606)	-	-	-	19	-	-	-	(2,587)	(512)	(3,099)
Total comprehensive income for the period	-	5,392	-	(2,606)	-	-	-	19	-	-	-	2,805	(424)	2,381
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	-	-	-	-	-	-	40	-	-	-	-	40	23	63
Acquisition of subsidiary under common control	-	-	(1,842,469)	-	-	-	-	-	-	-	-	(1,842,469)	-	(1,842,469)
Total contributions by and distributions to owners	1,983,932	-	(1,842,469)	-	-	-	40	-	-	-	-	141,503	23	141,526
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	(49,369)	-	(49,369)	(44,831)	(94,200)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(49,369)	-	(49,369)	(44,831)	(94,200)
Total transactions with owners, recorded directly in equity	1,983,932	-	(1,842,469)	-	-	-	40	-	-	(49,369)	-	92,134	(44,808)	47,326
Others														
Reserve attributable to disposal group classified as held for sale	-	-	-	1,396	-	-	-	-	(197)	-	(1,199)	-	-	-
Total others	-	-	-	1,396	-	-	-	-	(197)	-	(1,199)	-	-	-
Closing balance at 30 June 2018	2,772,199	(179,716)	(1,842,369)	(72,206)	89,462	15,426	446	(381)	-	(46,586)	(1,199)	735,076	73,818	808,894

Group

	Attributable to owners of the Company												
	Share capital	Accumulated losses	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Employee share option reserve	Fair value reserve	Statutory reserve	Discount/ (premium) paid on acquisition of non-controlling interests	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2017	782,967	(306,108)	-	(72,159)	-	-	-	363	197	-	405,260	2,140	407,400
Acquisition of subsidiary under common control	-	143,244	100	(24,298)	84,231	15,426	297	-	-	2,971	221,971	107,087	329,058
Opening balance at 1 January 2017 - Restated	782,967	(162,864)	100	(96,457)	84,231	15,426	297	363	197	2,971	627,231	109,227	736,458
Profit for the period		4,826									4,826	638	5,464
<u>Other comprehensive income</u>													
Foreign currency translation	-	-	-	(10,308)	-	-	-	-	-	-	(10,308)	(2,430)	(12,738)
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(281)	-	-	(281)	-	(281)
Other comprehensive income for the period, net of tax	-	-	-	(10,308)	-	-	-	(281)	-	-	(10,589)	(2,430)	(13,019)
Total comprehensive income for the period	-	4,826	-	(10,308)	-	-	-	(281)	-	-	(5,763)	(1,792)	(7,555)
<u>Contributions by and distributions to owners</u>													
Shares issued for acquisition of subsidiaries	960	-	-	-	-	-	-	-	-	-	960	-	960
Share issuance expenses	(30)	-	-	-	-	-	-	-	-	-	(30)	-	(30)
Grant of equity-settled share options to employees	-	-	-	-	-	-	50	-	-	-	50	46	96
Exercise of employee share options	-	-	-	-	-	-	(102)	-	-	-	(102)	102	-
Exercise of warrants in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	12	12
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(406)	(406)
Total contributions by and distributions to owners	930	-	-	-	-	-	(52)	-	-	-	878	(246)	632
<u>Changes in ownership interests in subsidiaries</u>													
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(40)	(40)
Dilution of equity interests in a subsidiary due to the exercise of employee share options	-	-	-	-	-	-	-	-	-	(133)	(133)	601	468
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(133)	(133)	561	428
Total transactions with owners, recorded directly in equity	930	-	-	-	-	-	(52)	-	-	(133)	745	315	1,060
Closing balance at 31 March 2017	783,897	(158,038)	100	(106,765)	84,231	15,426	245	82	197	2,838	622,213	107,750	729,963

Group

Attributable to owners of the Company													
	Share capital	Accumulated losses	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Employee share option reserve	Fair value reserve	Statutory reserve	Discount/ (premium) paid on acquisition of non-controlling interests	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 April 2017	783,897	(158,038)	100	(106,765)	84,231	15,426	245	82	197	2,838	622,213	107,750	729,963
Profit for the period	-	8,342	-	-	-	-	-	-	-	-	8,342	714	9,056
<u>Other comprehensive income</u>													
Foreign currency translation	-	-	-	8,904	-	-	-	-	-	-	8,904	2,140	11,044
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(212)	-	-	(212)	-	(212)
Other comprehensive income for the period, net of tax	-	-	-	8,904	-	-	-	(212)	-	-	8,692	2,140	10,832
Total comprehensive income for the period	-	8,342	-	8,904	-	-	-	(212)	-	-	17,034	2,854	19,888
<u>Contributions by and distributions to owners</u>													
Shares issued for acquisition of subsidiaries	4,400	-	-	-	-	-	-	-	-	-	4,400	-	4,400
Share issuance expenses	(30)	-	-	-	-	-	-	-	-	-	(30)	-	(30)
Grant of equity-settled share options to employees	-	-	-	-	-	-	62	-	-	-	62	57	119
Exercise of employee share options	-	-	-	-	-	-	(21)	-	-	-	(21)	21	-
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Total contributions by and distributions to owners	4,370	-	-	-	-	-	41	-	-	-	4,411	71	4,482
<u>Changes in ownership interests in subsidiaries</u>													
Dilution of equity interests in a subsidiary due to the exercise of employee share options	-	-	-	-	-	-	-	-	-	(35)	(35)	157	122
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(35)	(35)	157	122
Total transactions with owners, recorded directly in equity	4,370	-	-	-	-	-	41	-	-	(35)	4,376	228	4,604
Closing balance at 30 June 2017	788,267	(149,696)	100	(97,861)	84,231	15,426	286	(130)	197	2,803	643,623	110,832	754,455

STATEMENT OF CHANGES IN EQUITY

Company

	COMPANY		
	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
Opening balance at 1 January 2018	788,267	(419,572)	368,695
Profit for the period, representing total comprehensive income for the period	-	(1,743)	(1,743)
Closing balance at 31 March 2018	788,267	(421,315)	366,952
Profit for the period, representing total comprehensive income for the period	-	172,759	172,759
<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)
Total contributions by and distributions to owners	1,983,932	-	1,983,932
Closing balance at 30 June 2018	2,772,199	(248,556)	2,523,643

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
	Opening balance at 1 January 2017	782,967	(360,848)
Profit for the period, representing total comprehensive income for the period	-	1,432	1,432
<u>Contributions by and distributions to owners</u>			
Shares issued for acquisition of subsidiaries	960	-	960
Share issuance expenses	(30)	-	(30)
Total contributions by and distributions to owners	930	-	930
Closing balance at 31 March 2017	783,897	(359,416)	424,481
Profit for the period, representing total comprehensive income for the period	-	4,200	4,200
<u>Contributions by and distributions to owners</u>			
Shares issued for acquisition of subsidiaries	4,400	-	4,400
Share issuance expenses	(30)	-	(30)
Total contributions by and distributions to owners	4,370	-	4,370
Closing balance at 30 June 2017	788,267	(355,216)	433,051

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.

On 25 April 2018, the Company completed its very substantial acquisition of the entire issued and paid-up share capital of Sasteria Pte. Ltd. ("VSA") and accordingly had issued 21,333,333,334 ordinary shares as consideration for the acquisition.

	30 Jun 2018		30 Jun 2017	
	No. of issued shares	Amount \$'000	No. of issued shares	Amount \$'000
Balance as at 1 Jan	4,738,417,411	788,267	4,669,643,931	782,967
Issuance of shares*	-	-	8,000,000	930
Balance as at 31 Mar	4,738,417,411	788,267	4,677,643,931	783,897
Issuance of shares*	21,333,333,334	1,983,840	60,773,480	4,370
Conversion of warrants	1,020,000	92	-	-
Balance as at 30 Jun	26,072,770,745	2,772,199	4,738,417,411	788,267

* Net of share issuance expenses

Pursuant to the VSA, 9,476,834,822 Bonus Warrants have been issued and allotted to the shareholders on 25 April 2018, which will expire on 24 April 2019. Each Bonus Warrant entitles the Bonus Warrant holder to subscribe for one (1) new ordinary share in the share capital of the Company at an exercise price of \$0.09 in cash during the exercise period. During the period ended 30 June 2018, 1,020,000 Bonus Warrants have been exercised and 1,020,000 new ordinary shares were issued. At 30 June 2018 there were 9,475,814,822 Bonus Warrants outstanding.

Additionally, pursuant to the Proposed Bonus Issue, 9,476,834,822 Piggyback Warrants will be issued and allotted to the shareholders on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant exercised. Each Piggyback Warrant entitles the Piggyback Warrant holder to subscribe for one (1) new ordinary share in the share capital of the Company at the exercise price of \$0.12 in cash. The piggybank warrants will expire on 24 April 2022. During the period ended 30 June 2018, 1,020,000 Piggyback Warrants have been issued and allotted to the shareholders.

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 Jun 2018	As at 31 Dec 2017
Number of issued shares	26,072,770,745	4,738,417,411
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.

2. Whether 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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the current financial reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2017.

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.

Changes in accounting policies

The Group has adopted the new SFRS(I) and Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of these new/revised SFRS(I) and SFRS(I) INT did not result in any significant impact on the financial statements of the Group for the period ended 30 June 2018.

SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of FRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017.

Basis of preparation of the acquisition of Sasteria Pte. Ltd. and its subsidiaries ("Sasteria" or collectively "Sasteria Group")

The acquisition of the entire issued and paid-up share capital of Sasteria has been accounted for using the pooling of interest method of accounting since both the Company and Sasteria were under common control.

Accordingly, the comparative financial information of the Group has been restated to reflect the combination as if the Company and Sasteria had always been combined since the date the Company and Sasteria had come under common control.

Divestment of Real Estate Business

Prior to the VSA, the Company's main business was in real estate, principally design, engineering and hospitality (the "Real Estate Business"). As stated in the shareholders' circular on the VSA, following the transaction, the Company will focus on the development and growth of its healthcare business. Consequently, the Company intends to divest the Real Estate Business (save for Vantage Bay Healthcare City). This will allow the Real Estate Business to focus on its own growth plans and strategies. Post divestment, it will maintain its strategic alliance with the Group.

The proposed divestment of the Real Estate Business has been presented as "discontinued operation" in accordance with SFRS(I) 5, *Non-current assets held for sale and discontinued operations*. Accordingly, the results of the Real Estate Business has been presented separately from the consolidated income statement. The assets and liabilities together with the related reserves in the Statement of Financial Position have been presented separately as "disposal group classified as held for sale".

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 :-**
- (a) **Based on the weighted average number of ordinary shares on issue; and**
- (b) **On a fully diluted basis (detailing any adjustments made to the earnings).**

EPS based on net profit attributable to shareholders of the Company (cents):				
	2nd quarter ended 30 June		Half year ended 30 June	
	2018	Restated 2017	2018	Restated 2017
(a) Basic*	0.021	0.032	0.021	0.051
(b) Diluted**	0.021	0.032	0.021	0.051
<u>Continuing operations</u>				
(a) Basic*	0.008	0.018	0.020	0.032
(b) Diluted**	0.008	0.018	0.020	0.032
Weighted average number of ordinary shares on issue as at the end of the period***	26,072,311,185	26,011,645,105	26,072,032,513	26,008,749,494
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period***	26,072,311,185	26,011,645,105	26,072,032,513	26,008,749,494

* 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

*** The weighted average number of shares for the current and comparative periods have been adjusted for the issuance of the 21,333,333,334 shares for the acquisition of the entire issued and paid-up share capital of Sasteria, which is assumed to be in issue since the beginning of the earliest period presented.

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 Jun 2018	31 Dec 2017
Net asset value per ordinary share of		
Group (cents)	2.82	2.40*
Company (cents)	9.68	7.78

* Restated upon the acquisition of Sasteria Pte Ltd, as explained in Note 5. The number of shares have been adjusted for the issuance of the 21,333,333,334 shares for the acquisition of the entire issued and paid-up share capital of Sasteria, which is assumed to be in issue as at the end of the reporting period.

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

2Q2018 compared with 2Q2017

The Group recorded a 6.3% increase in its quarterly revenue from \$49.8 million in 2Q2017 to \$53.0 million in 2Q2018 attributable mainly to higher patient load, higher average bill sizes and higher revenue intensity. Group's profit after tax from continuing operations for 2Q2018 was \$2.6 million compared to \$5.5 million in 2Q2017.

Total operating expenses for the quarter were higher due to higher manpower and wage costs, cost inflation, and costs associated with the opening of new clinics.

Net finance costs were higher by \$1.7 million mainly due to additional bank borrowings taken as part of the acquisition of a healthcare business and an increase in borrowing rates in 2Q2018 compared to 2Q2017.

The effective tax rate was higher at 45.9% in 2Q2018 compared to 27.1% in 2Q2017 due mainly to higher non-deductible expenses, lower tax utilisation of capital allowances and the absence of a one-off tax incentive utilised by a subsidiary in 2Q2017.

The discontinued operation reported a profit after tax of \$2.9 million in 2Q2018, 17.6% lower than \$3.5 million in 2Q2017. Overall, revenue for the Real Estate Business for 2Q2018 was 21.8% higher than the corresponding period last year, owing to higher consultancy business and new revenue contribution from AC Consortium Pte Ltd which was acquired on 30 June 2017. Profit after tax decreased by 17.6% mainly due to lower fair value gain of \$2.8 million compared to 2Q2017 of \$4.2 million which arose from re-measurement of the purchase consideration payable.

1H2018 compared with 1H2017

Revenue in 1H2018 increased by \$7.9 million from \$97.6 million in 1H2017 to \$105.5 million. The increase was mainly due to higher patient load, increase in average bill sizes and higher revenue intensity. Group's profit after tax from continuing operations for 1H2018 was \$6.9 million compared to \$9.9 million in 1H2017.

Profitability for the period was affected by higher operating expenses due to cost inflation of goods and services, higher manpower and wage costs, business expansion costs and transaction costs arising from the VSA.

Net finance costs were higher by \$1.8 million mainly due to additional bank borrowings taken as part of the acquisition of a healthcare business and an increase in borrowing rates in 1H2018 compared to 1H2017.

The higher effective tax rate of 37.7% in 1H2018 compared to 28.5% in 1H2017 was mainly due to higher non-deductible expenses, lower tax utilisation of capital allowances and the absence of a one-off tax incentive utilised by a subsidiary in 1H2017.

The discontinued operation reported a loss of \$0.6 million in 1H2018 compared to a profit after tax of \$4.6 million in 1H2017. Overall, revenue for the Real Estate Business was 6.6% higher, due to new revenue contribution from AC Consortium Pte Ltd and Ariva Pte Ltd which were acquired on 30 June 2017 and 28 February 2017 respectively. Profit after tax decreased by 112.0% mainly due to lower fair value gain of \$3.2 million in 1H2018 compared to \$7.1 million in 1H2017 which arose from re-measurement of the purchase consideration payable.

REVIEW OF STATEMENT OF FINANCIAL POSITION

The decrease in non-current assets and increase in current assets as at 30 June 2018 compared to the respective balances as at 31 December 2017 was due to the reclassification of non-current assets and current assets respectively amounting \$149.3 million, attributed to the Real Estate Business's assets of disposal group classified as held for sale.

Non-current liabilities were \$402.1 million higher as at 30 June 2018 mainly due to additional bank borrowings.

Current liabilities were \$447.7 million lower as at 30 June 2018 mainly due to repayment of amount due to a shareholder and redemption of MTN Programme of \$100.0 million.

REVIEW OF STATEMENT OF CASH FLOWS

2Q2018

The Group's net increase in cash and cash equivalents for 2Q2018 was \$7.6 million. The Group generated net cash inflows from operating activities of \$12.4 million in 2Q2018, which was a result of operating profits, interest income received, net working capital inflow offset by income tax paid.

Net cash outflows in investing activities of \$33.7 million was due to purchase of property and equipment and payments for warrants purchase as part of the acquisition of Sasteria Pte Ltd.

1H2018

The Group's net increase in cash and cash equivalents for 1H2018 was \$5.9 million due to higher operating profits, interest income received offset by net working capital outflow and income tax paid, purchase of property and equipment and payments for warrants purchase as part of the acquisition of Sasteria Pte Ltd and increase in loans and borrowings.

As at 30 June 2018, the Group's cash and cash equivalents amounted to \$117.6 million.

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's healthcare business continues to perform well with operations in Singapore and Malaysia both registering year-on-year increases in revenue and patient loads in spite of the competitive landscape.

The Company and IVI-RMA Global, the leading specialist Assisted Reproductive Technology ("ART") group in the world, had on 26 July 2018, signed an agreement to explore collaborating together, and with other parties if necessary, to set up a joint venture for the establishment and provision of ART services and education and research platforms in Asia (excluding India and the Middle East), Australia and New Zealand.

The Group will continue to grow its healthcare business through more strategic partnerships with industry-leading institutions like IVI-RMA Global even as it seeks to add additional operating capacity through its hospital projects and by opening more new clinics. While higher operating costs and post-VSA financing costs will affect short-term profit margins, the Group's underlying business remains strong and the investments in additional capacity and strategic partnerships will further strengthen its business prospects going forward.

A pile-capping ceremony was held on 18 July 2018 for the Group's hospital expansion project in Kota Damansara, Malaysia. The expansion project is progressing on schedule and is due for completion by end-2020. The Thomson Iskandar Medical Hub project in Johor Bahru is in the process of obtaining the relevant regulatory approvals.

As explained in Note 5, the Group is actively working on plans to divest its Real Estate Business and will make the necessary announcements at the appropriate time.

Based on the current economic outlook and barring any unforeseen circumstances, the Directors expect the Group to continue to be profitable in FY2018.

11. Dividend

	Period ended	
	30 Jun 2018	30 Jun 2017
(a) Declaration of interim (final) ordinary dividend	None	None
(b) (i) Dividend amount per share (cents)	Not applicable	Not applicable
(b) (ii) Previous corresponding period (cents)	-	-
(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend derived.	Not applicable	Not applicable
(d) The date the dividend is paid	Not applicable	Not applicable
(e) Book closure date	Not applicable	Not applicable

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

No dividend has been declared.

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.

There was no reportable IPT as required under Rule 920(1)(a)(ii) and no IPT general mandate has been obtained during the reporting financial period.

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

As at 30 June 2018, the proceeds from Bonus Warrants Issue amounting to \$91,800 had not been utilised. The Company will continue to 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)

We, Quek Hong Sheng Roy and Tan Wee Tuck, being two directors of Thomson Medical Group Limited. (the "Company") do hereby confirm on behalf of the directors of the Company that to the best of their knowledge and belief nothing has come to the attention of the board of directors of the Company which may render the financial statements for the financial period ended 30 June 2018 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

Quek Hong Sheng Roy
Executive Director and
Chief Executive Officer (Healthcare)

Tan Wee Tuck
Executive Director and
Chief Executive Officer (Real Estate)

14 August 2018