

THOMSON MEDICAL GROUP LIMITED

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

Unaudited Third Quarter Financial Statement Announcement For The Financial Period Ended 30 September 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 SEPTEMBER 2018

	Group			Group		
	3rd quarter ended 30 September			9 months ended 30 September		
	2018	Restated ¹	Change	2018	Restated ¹	Change
\$'000	\$'000	%		\$'000	\$'000	
Healthcare - Continuing operations						
Revenue	53,963	50,624	7	159,464	148,236	8
Other income	1,719	2,369	(27)	4,850	5,883	(18)
Inventories and consumables	(11,136)	(10,144)	10	(33,088)	(29,827)	11
Staff costs	(13,338)	(12,834)	4	(44,298)	(42,366)	5
Depreciation and amortisation	(2,984)	(2,707)	10	(8,624)	(7,722)	12
Other operating expenses	(16,061)	(14,310)	12	(49,155)	(43,789)	12
Results from operating activities	12,163	12,998	(6)	29,149	30,415	(4)
Finance income	743	678	10	2,253	1,969	14
Finance costs	(5,557)	(2,445)	NM	(12,359)	(7,277)	70
Net finance costs	(4,814)	(1,767)	NM	(10,106)	(5,308)	90
Profit before tax from continuing operations	7,349	11,231	(35)	19,043	25,107	(24)
Income tax (expense)/ credit	(983)	34	NM	(5,143)	(3,927)	31
Profit from continuing operations, net of tax	6,366	11,265	(43)	13,900	21,180	(34)
Real Estate - Discontinued operation (to be divested)²						
Loss from discontinued operation, net of tax	(4,315)	(7,232)	(40)	(5,535)	(2,627)	NM
Profit for the period	2,051	4,033	(49)	8,365	18,553	(55)
Attributable to:						
Owners of the Company						
Profit from continuing operations, net of tax	5,065	9,289	(45)	10,316	17,522	(41)
Loss from discontinued operation, net of tax	(3,923)	(7,082)	(45)	(3,693)	(2,147)	72
Profit for the period attributable to owners of the company	1,142	2,207	(48)	6,623	15,375	(57)
Non-controlling interests						
Profit from continuing operations, net of tax	1,301	1,976	(34)	2,919	3,658	(20)
Loss from discontinued operation, net of tax	(392)	(150)	NM	(1,177)	(480)	NM
Profit for the period attributable to non-controlling interests	909	1,826	(50)	1,742	3,178	(45)
Healthcare - Continuing operations						
EBITDA	15,147	15,705	(4)	37,773	38,137	(1)
Adjusted EBITDA³	15,249	15,720	(3)	38,607	38,180	1

NM – Not meaningful

¹ The comparative figures have been re-presented to report separately profit or loss items for continuing and discontinued operations, and on the acquisition of Sasteria Pte Ltd and its subsidiaries, 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 OPERATION

	Group			Group		
	3rd quarter ended 30 September			9 months ended 30 September		
	2018	Restated ¹	Change	2018	Restated ¹	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Other expenses						
Rental expenses	(1,477)	(1,158)	28	(4,490)	(3,763)	19
Transaction costs on corporate exercise	8	-	NM	(993)	(43)	NM
(Loss)/gain on disposal of property, plant and equipment	(3)	(38)	(92)	(126)	28	NM
Property, plant and equipment written off	-	-	NM	(13)	-	NM
Allowance for/(reversal of) doubtful trade debts, net	54	(211)	NM	71	(346)	NM
Foreign exchange (loss)/gain, net	(151)	3	NM	(100)	(20)	NM
Income tax expenses						
Under provision of prior year tax	4	-	NM	3	-	NM

NM – Not meaningful

¹ The comparative figures have been re-presented to report separately profit or loss items for continuing and discontinued operations, and on 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 SEPTEMBER 2018

	Group			Group		
	3rd quarter ended 30 September			9 months ended 30 September		
	2018 \$'000	Restated ¹ 2017 \$'000	Change %	2018 \$'000	Restated ¹ 2017 \$'000	Change %
Profit for the period	2,051	4,033	(49)	8,365	18,553	(55)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(14,474)	1,983	NM	1,260	289	NM
Net change in fair value of available-for-sale financial assets	-	(111)	NM	(786)	(604)	30
	(14,474)	1,872	NM	474	(315)	NM
Other comprehensive income for the period, net of tax	(14,474)	1,872	NM	474	(315)	NM
Total comprehensive income for the period	(12,423)	5,905	NM	8,839	18,238	(52)
Attributable to:						
Owners of the Company	(10,612)	3,951	NM	6,871	15,222	(55)
Non-controlling interests	(1,811)	1,954	NM	1,968	3,016	(35)
Total comprehensive income for the period	(12,423)	5,905	NM	8,839	18,238	(52)
Attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	(6,436)	10,921	NM	10,897	17,633	(38)
Total comprehensive income from discontinued operations, net of tax	(4,176)	(6,970)	(40)	(4,026)	(2,411)	67
Total comprehensive income for the period attributable to owners of the Company	(10,612)	3,951	NM	6,871	15,222	(55)

NM – Not meaningful

¹ The comparative figures have been re-presented to report separately profit or loss items for continuing and discontinued operations, and on 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 30 Sept 2018	Restated ¹ As at 31 Dec 2017	As at 30 Sept 2018	As at 31 Dec 2017
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	343,096	400,743	418	123
Goodwill and intangible assets	489,299	547,688	-	-
Investment properties	152,206	151,612	-	-
Investment in subsidiaries	-	-	2,432,690	463,781
Investment in associated companies	-	27,321	-	-
Other investments	1,140	1,940	-	-
Deferred tax assets	-	532	-	-
	985,741	1,129,836	2,433,108	463,904
Current assets				
Development properties	143,674	143,152	-	-
Work-in-progress	-	32,422	-	-
Inventories	5,087	5,175	-	-
Amounts due from subsidiaries-non-trade	-	-	193,222	2,732
Trade and other receivables	25,392	57,301	1,375	1,811
Cash and short-term deposits	120,788	140,991	4,023	5,881
	294,941	379,041	198,620	10,424
Assets of disposal group classified as held for sale ²	228,126	-	-	-
	523,067	379,041	198,620	10,424
TOTAL ASSETS	1,508,808	1,508,877	2,631,728	474,328
EQUITY AND LIABILITIES				
Current liabilities				
Excess of progress billings over work-in-progress	-	5,617	-	-
Trade and other payables	42,091	73,916	11,312	5,707
Amounts due to a shareholder	9,811	437,391	-	-
Current tax liabilities	6,971	8,622	-	-
Purchase consideration payable	-	800	-	-
Borrowings	236,414	100,120	129,388	99,906
	295,287	626,466	140,700	105,613
Liabilities directly associated with disposal group classified as held for sale ²	72,153	-	-	-
	367,440	626,466	140,700	105,613
Net current assets/(liabilities)	155,627	(247,425)	57,920	(95,189)
Non-current liabilities				
Deferred tax liabilities	6,946	11,510	20	20
Purchase consideration payable	-	12,842	-	-
Borrowings	341,527	121,102	-	-
Provisions	297	194	-	-
	348,770	145,648	20	20
TOTAL LIABILITIES	716,210	772,114	140,720	105,633
NET ASSETS	792,598	736,763	2,491,008	368,695
Equity attributable to owners of the Company				
Share capital	2,772,202	788,267	2,772,202	788,267
Accumulated losses	(93,037)	(99,660)	(281,194)	(419,572)
Other reserves	(1,957,138)	(67,092)	-	-
Reserve of disposal group classified as held for sale ²	(1,450)	-	-	-
	720,577	621,515	2,491,008	368,695
Non-controlling interests	72,021	115,248	-	-
TOTAL EQUITY	792,598	736,763	2,491,008	368,695
TOTAL EQUITY AND LIABILITIES	1,508,808	1,508,877	2,631,728	474,328

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 September 2018		Restated As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loan	236,406	-	207	-
Medium Term Notes	-	-	-	99,906
Obligations under finance lease	8	-	7	-

Amount repayable after one year:

	As at 30 September 2018		Restated As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loan	341,524	-	121,093	-
Obligations under finance lease	3	-	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	
	3rd quarter ended 30 September		9 months ended 30 September	
	2018 \$'000	Restated ¹ 2017 \$'000	2018 \$'000	Restated ¹ 2017 \$'000
Operating activities				
Profit before tax from continued operations	7,349	11,231	19,043	25,107
Loss before tax from discontinued operation	(4,332)	(7,031)	(5,224)	(2,221)
Profit before tax, total	3,017	4,200	13,819	22,886
<u>Adjustments for:</u>				
Allowance for doubtful trade debts	1,569	287	1,793	317
Amortisation of intangible assets	768	470	2,389	1,383
Amortisation of upfront fees	186	(31)	364	89
Bad debts written off	42	34	44	35
Depreciation of property, plant and equipment	3,596	3,496	10,698	10,142
Finance costs	5,420	2,598	12,247	7,587
Fair value changes on purchase consideration	(172)	7,919	(3,378)	830
Gain on disposal of available-for-sale financial assets	-	-	144	-
Gain on disposal of a subsidiary	(2,088)	-	(2,088)	-
Interest income	(775)	(699)	(2,299)	(2,038)
Loss/(gain) on disposal of property, plant and equipment	3	36	126	(30)
Property, plant and equipment written off	-	-	13	-
(Reversal of)/ provision for allowance for foreseeable losses	(371)	639	394	(29)
Share of results of associates	(50)	(350)	(730)	(1,690)
Transaction costs on corporate exercise	(8)	-	993	43
Employee share-based expenses	48	130	172	345
Unrealised loss on foreign exchange	86	47	6	5
Operating cash flows before changes in working capital	11,271	18,776	34,707	39,875
<u>Changes in working capital:</u>				
Inventories	166	(389)	(108)	(421)
Work in progress	660	(1,940)	328	(2,384)
Trade and other receivables	(4,260)	(2,577)	(2,358)	228
Trade and other payables	1,395	3,160	(1,195)	(463)
Progress billings	846	615	378	2,332
Cash flows from operations	10,078	17,645	31,752	39,167
Interest received	768	688	2,454	2,007
Tax paid	(431)	(488)	(7,410)	(6,523)
Net cash flows from operating activities	10,415	17,845	26,796	34,651
Investing activities				
Acquisition of subsidiary, net of cash received	-	-	-	877
Acquisition of warrants ²	-	-	(25,000)	-
Additions to available-for-sale financial assets	-	-	(405)	-
Additions to intangible assets	(328)	(211)	(876)	(693)
Additions to property, plant and equipment	(6,782)	(5,368)	(18,831)	(13,611)
Dividend received from associate	-	-	1,549	2,873
Expenditure on investment property	(16)	-	(40)	(3)
Investment in associate	-	-	-	(70)
Net cash inflow/ (outflow) on disposal of a subsidiary	3,227	-	3,227	(907)
Payments made for acquisition expenses arising from acquisition of the Healthcare Business	(295)	-	(1,525)	-
Proceeds from disposal of available-for-sale financial assets	-	-	275	-
Proceeds from disposal of property, plant and equipment	-	144	9	227
Repayment of purchase consideration	(380)	-	(380)	-
Net cash flows used in investing activities	(4,574)	(5,435)	(41,997)	(11,307)

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	
	3rd quarter ended 30 September		9 months ended 30 September	
	2018 \$'000	Restated ¹ 2017 \$'000	2018 \$'000	Restated ¹ 2017 \$'000
Financing activities				
Changes in pledged deposits	(79)	3	(1,218)	(365)
Dividends paid to non-controlling interests shareholders of a subsidiary	-	-	(471)	(413)
Expenses arising from issuance of ordinary shares	-	-	(160)	(60)
Interest paid	(7,969)	(4,481)	(13,726)	(9,226)
Proceeds from exercise of employee share options	-	-	29	590
Proceeds from interest-bearing loans and borrowings	-	1,653	489,636	1,653
Proceeds from exercise of warrants	3	-	95	12
Repayment of interest-bearing loans and borrowings	(3,025)	(6)	(103,085)	(20)
Repayment of shareholder loan	-	(8,000)	(355,250)	(22,001)
Net cash flows (used in)/ generated from financing activities	(11,070)	(10,831)	15,850	(29,830)
Net (decrease)/ increase in cash and cash equivalents	(5,229)	1,579	649	(6,486)
Cash and cash equivalents at beginning of the period	143,458	135,171	135,541	143,770
Effect of exchange rate changes on cash and cash equivalents	(2,003)	129	36	(405)
Cash and cash equivalents at end of period	136,226	136,879	136,226	136,879
Note:				
<u>Continuing operations</u>				
Cash on hand and at banks	38,309	38,073	38,309	38,073
Short-term deposits	82,479	84,163	82,479	84,163
Cash and cash equivalents from continuing operations	120,788	122,236	120,788	122,236
<u>Discontinued operation</u>				
Cash on hand and at banks	18,170	16,331	18,170	16,331
Short-term deposits	3,936	3,371	3,936	3,371
Cash and cash equivalents from discontinued operation	22,106	19,702	22,106	19,702
Total cash and cash equivalents	142,894	141,938	142,894	141,938
Less: Pledged deposits	(6,668)	(5,059)	(6,668)	(5,059)
Cash and cash equivalents at end of period	136,226	136,879	136,226	136,879

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													
	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
At 1 January 2018 (previously reported)	788,267	(185,197)	100	(86,390)	89,462	15,426	379	405	197	2,791	-	625,440	115,248	740,688
Effects of adoption of SFRS(I)	-	85,537	-	-	(89,462)	-	-	-	-	-	-	(3,925)	-	(3,925)
At 1 January 2018 (restated)	788,267	(99,660)	100	(86,390)	-	15,426	379	405	197	2,791	-	621,515	115,248	736,763
Profit for the period	-	5,481	-	-	-	-	-	-	-	-	-	5,481	833	6,314
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	12,788	-	-	-	-	-	-	-	12,788	2,946	15,734
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(786)	-	-	-	(786)	-	(786)
Other comprehensive income for their period, net of tax	-	-	-	12,788	-	-	-	(786)	-	-	-	12,002	2,946	14,948
Total comprehensive income for the period	-	5,481	-	12,788	-	-	-	(786)	-	-	-	17,483	3,779	21,262
<u>Contributions by and distributions to owners</u>														
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	-	-	-	-	-	-	72	-	-	-	-	72	52	124
Exercise of employee share options	-	-	-	-	-	-	(5)	-	-	-	-	(5)	34	29
Acquisition of subsidiary under common control	-	-	(1,842,469)	-	-	-	-	-	-	-	-	(1,842,469)	-	(1,842,469)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(471)	(471)
Total contributions by and distributions to owners	1,983,932	-	(1,842,469)	-	-	-	67	-	-	-	-	141,530	(385)	141,145
<u>Changes in ownership interests in subsidiaries</u>														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	(49,377)	-	(49,377)	(44,824)	(94,201)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(49,377)	-	(49,377)	(44,824)	(94,201)
Total transactions with owners, recorded directly in equity	1,983,932	-	(1,842,469)	-	-	-	67	-	-	(49,377)	-	92,153	(45,209)	46,944
<u>Others</u>														
Reserve attributable to disposal group classified as held for sale	-	-	-	1,396	-	-	-	-	(197)	-	(1,199)	-	-	-
Total others	-	-	-	1,396	-	-	-	-	(197)	-	(1,199)	-	-	-
At 30 June 2018	2,772,199	(94,179)	(1,842,369)	(72,206)	-	15,426	446	(381)	-	(46,586)	(1,199)	731,151	73,818	804,969

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to owners of the Company											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	\$'000	\$'000	\$'000
At 1 July 2018	2,772,199	(94,179)	(1,842,369)	(72,206)	-	15,426	446	(381)	-	(46,586)	(1,199)	731,151	73,818	804,969
Profit for the period	-	1,142	-	-	-	-	-	-	-	-	-	1,142	909	2,051
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	(11,754)	-	-	-	-	-	-	-	(11,754)	(2,720)	(14,474)
Other comprehensive loss for the period, net of tax	-	-	-	(11,754)	-	-	-	-	-	-	-	(11,754)	(2,720)	(14,474)
Total comprehensive loss for the period	-	1,142	-	(11,754)	-	-	-	-	-	-	-	(10,612)	(1,811)	(12,423)
<u>Contributions by and distributions to owners</u>														
Shares issued on conversion of warrants	3	-	-	-	-	-	-	-	-	-	-	3	-	3
Grant of equity-settled share options to employees	-	-	-	-	-	-	34	-	-	-	-	34	14	48
Total contributions by and distributions to owners	3	-	-	-	-	-	34	-	-	-	-	37	14	51
Total transactions with owners, recorded directly in equity	3	-	-	-	-	-	34	-	-	-	-	37	14	51
<u>Others</u>														
Reserve attributable to disposal group classified as held for sale	-	-	-	252	-	-	-	-	-	-	(251)	1	-	1
Total others	-	-	-	252	-	-	-	-	-	-	(251)	1	-	1
At 30 September 2018	2,772,202	(93,037)	(1,842,369)	(83,708)	-	15,426	480	(381)	-	(46,586)	(1,450)	720,577	72,021	792,598

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	\$'000	\$'000	\$'000	\$'000
At 1 January 2017 (previously reported)	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	
Effects of adoption of SFRS(I)	-	84,231	-	-	(84,231)	-	-	-	-	-	-	-	-	-	
At 1 January 2017 (restated)	782,967	(78,633)	100	(96,457)	-	15,426	363	197	2,971	-	-	627,231	109,227	736,458	
Profit for the period	-	13,168	-	-	-	-	-	-	-	-	-	13,168	1,352	14,520	
<u>Other comprehensive income</u>															
Foreign currency translation	-	-	-	(1,404)	-	-	-	-	-	-	-	(1,404)	(290)	(1,694)	
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	(493)	-	-	-	-	(493)	-	(493)	
Other comprehensive loss for ther period, net of tax	-	-	-	(1,404)	-	-	(493)	-	-	-	-	(1,897)	(290)	(2,187)	
Total comprehensive income for the period	-	13,168	-	(1,404)	-	-	(493)	-	-	-	-	11,271	1,062	12,333	
<u>Contributions by and distributions to owners</u>															
Shares issued for acquisition of a subsidiary	5,360	-	-	-	-	-	-	-	-	-	-	5,360	-	5,360	
Share issuance expenses	(60)	-	-	-	-	-	-	-	-	-	-	(60)	-	(60)	
Grant of equity-settled share options to employees	-	-	-	-	-	112	-	-	-	-	-	112	103	215	
Exercise of employee share options	-	-	-	-	-	(123)	-	-	-	-	-	(123)	123	-	
Exercise of warrants in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	12	12	
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(413)	(413)	
Total contributions by and distributions to owners	5,300	-	-	-	-	(11)	-	-	-	-	-	5,289	(175)	5,114	
<u>Changes in ownership interests in subsidiaries</u>															
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	(40)	(40)	
Dilution of equity interests in a subsidiary due to the exercise of employee share options	-	-	-	-	-	-	-	-	(168)	-	-	(168)	758	590	
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(168)	-	-	(168)	718	550	
Total transactions with owners, recorded directly in equity	5,300	-	-	-	-	(11)	-	-	(168)	-	-	5,121	543	5,664	
At 30 June 2017	788,267	(65,465)	100	(97,861)	-	15,426	286	(130)	197	2,803	-	643,623	110,832	754,455	

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	\$'000	\$'000	\$'000
At 1 July 2017	788,267	(65,465)	100	(97,861)	-	15,426	286	(130)	197	2,803	-	643,623	110,832	754,455
Profit for the period	-	2,207	-	-	-	-	-	-	-	-	-	2,207	1,826	4,033
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	1,855	-	-	-	-	-	-	-	1,855	128	1,983
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(111)	-	-	-	(111)	-	(111)
Other comprehensive income for their period, net of tax	-	-	-	1,855	-	-	-	(111)	-	-	-	1,744	128	1,872
Total comprehensive income for the period	-	2,207	-	1,855	-	-	-	(111)	-	-	-	3,951	1,954	5,905
<u>Contributions by and distributions to owners</u>														
Grant of equity-settled share options to employees	-	-	-	-	-	-	67	-	-	-	-	67	63	130
Total contributions by and distributions to owners	-	-	-	-	-	-	67	-	-	-	-	67	63	130
<u>Changes in ownership interests in subsidiaries</u>														
Dilution of equity interests in a subsidiary due to the exercise of employee share options	-	-	-	-	-	-	-	-	-	(56)	-	(56)	57	1
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(56)	-	(56)	57	1
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	67	-	-	(56)	-	11	120	131
<u>Others</u>														
Reserve attributable to disposal group classified as held for sale	-	-	-	872	-	-	-	-	(197)	-	(674)	1	-	1
Total others	-	-	-	872	-	-	-	-	(197)	-	(674)	1	-	1
At 30 September 2017	788,267	(63,258)	100	(95,134)	-	15,426	353	(241)	-	2,747	(674)	647,586	112,906	760,492

STATEMENT OF CHANGES IN EQUITY

Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2018	788,267	(419,572)	368,695
Profit for the period, representing total comprehensive income for the period	-	171,016	171,016
<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
At 30 June 2018	2,772,199	(248,556)	2,523,643
At 1 July 2018	2,772,199	(248,556)	2,523,643
Loss for the period, representing total comprehensive income for the period	-	(32,638)	(32,638)
<u>Contributions by and distributions to owners</u>			
Shares issued on conversion of warrants	3	-	3
Total contributions by and distributions to owners	3	-	3
At 30 September 2018	2,772,202	(281,194)	2,491,008

STATEMENT OF CHANGES IN EQUITY

Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2017	782,967	(360,848)	422,119
Profit for the period, representing total comprehensive income for the period	-	5,632	5,632
<u>Contributions by and distributions to owners</u>			
Shares issued for acquisition of a subsidiary	5,360	-	5,360
Share issuance expenses	(60)	-	(60)
Total contributions by and distributions to owners	5,300	-	5,300
At 30 June 2017	788,267	(355,216)	433,051
At 1 July 2017	788,267	(355,216)	433,051
Profit for the period, representing total comprehensive income for the period	-	3,384	3,384
At 30 September 2017	788,267	(351,832)	436,435

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

	30 September 2018		30 September 2017	
	No. of issued shares	Amount \$'000	No. of issued shares	Amount \$'000
Balance as at 1 Jul	26,072,770,745	2,772,199	4,738,417,411	788,267
Conversion of warrants	30,000	3	-	-
Balance as at 30 Sept	26,072,800,745	2,772,202	4,738,417,411	788,267

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 September 2018, 1,050,000 Bonus Warrants have been exercised and 1,050,000 new ordinary shares were issued. At 30 September 2018 there were 9,475,784,822 Bonus Warrants outstanding.

Additionally, pursuant to the Bonus Warrants, 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 September 2018, 1,050,000 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 Sep 2018	As at 31 Dec 2017
Number of issued shares	26,072,800,745	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. 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.

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 financial statements for the current financial period compared with those of the audited financial statements as at 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 performance or position of the Group except for the following: -

(a) Application of SFRS(I) 1 First Time Adoption of SFRS(I)

Prior to the adoption of SFRS(I), the Group measured its freehold land and buildings and improvements (the "Assets") classified under property, plant and equipment at fair value. Upon adoption of SFRS(I), the Group has changed its measurement basis of the Assets to cost, and has elected the optional exemption under SFRS(I) to use the fair value of the Assets as at the date of transition as the deemed cost of the Assets. An amount of \$84,231,000 recorded in asset revaluation reserve relating to the Assets is transferred to accumulated losses directly. Subsequent to the date of transition, the Assets shall be carried at cost less any accumulated depreciation and impairment losses.

(b) Adoption of 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. There is no significant impact on the financial performance or position of the Group resulting from the adoption of SFRS(I) 9.

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 Group to focus on its own growth plans and strategies. Post divestment, the Group will maintain its strategic alliance with the Real Estate Business.

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 in 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):				
	3rd quarter ended 30 September		9 months ended 30 September	
	2018	Restated 2017	2018	Restated 2017
(a) Basic*	0.004	0.008	0.025	0.059
(b) Diluted**	0.004	0.008	0.025	0.059
Continuing operations				
(a) Basic*	0.019	0.036	0.040	0.067
(b) Diluted**	0.019	0.036	0.040	0.067
Weighted average number of ordinary shares on issue as at the end of the period***	26,072,555,663	26,041,862,148	26,072,290,305	26,029,980,685
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period***	26,072,555,663	26,041,862,148	26,494,758,475	26,029,980,685

* 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 Sept 2018	31 Dec 2017
Net asset value per ordinary share of		
Group (cents)	2.76	2.40 *
Company (cents)	9.55	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

3Q2018 compared with 3Q2017

The Group recorded a 6.6% increase in its quarterly revenue from \$50.6 million in 3Q2017 to \$54.0 million in 3Q2018 attributable mainly to higher overall patient load, higher average bill sizes and higher revenue intensity. The Group's adjusted EBITDA decreased from \$15.7 million to \$15.2 million during the quarter mainly due to higher operating expenses as a result of higher manpower and wage costs, cost inflation in general and costs associated with the opening of new medical centres and clinics.

Net finance costs were higher by \$3.0 million mainly due to additional bank borrowings taken as part of the acquisition of the Healthcare Business and an increase in borrowing rates in 3Q2018 compared to 3Q2017.

The effective tax rate was higher at 13.4% in 3Q2018 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 3Q2017.

The discontinued operation reported a loss, net of tax of \$4.3 million in 3Q2018 compared to a loss of \$7.2 million in 3Q2017. This is mainly attributable to gain on disposal of Ariva Pte Ltd of \$2.1 million on 30 September 2018 and a fair value gain of \$0.2 million compared to 3Q2017 of loss of \$8.0 million which arose from re-measurement of the purchase consideration payable. This is however, offset by lower revenue for the Real Estate Business for 3Q2018 by 20.0% compared to the corresponding period last year, as well as, lower contribution from associates for share of profits by \$0.3 million. Operating expenses had also increased by 9.2% due to acquisition of AC Consortium Pte Ltd and Ariva Pte Ltd on 30 June 2017 and 28 February 2017 respectively.

9M2018 compared with 9M2017

Revenue for 9M2018 increased by 7.6% or \$11.2 million from \$148.2 million in 9M2017 to \$159.5 million. The increase was mainly due to higher overall patient load, increase in average bill sizes and greater revenue intensity. The Group's adjusted EBITDA increased from \$38.2 million to \$38.6 million during the period. The increase was due to revenue growth offset by higher operating costs due to business expansion and cost inflation in goods, services and wages.

Net finance costs were higher by \$4.8 million mainly due to additional bank borrowings taken as part of the acquisition of a healthcare business and an increase in borrowing rates in 9M2018 compared to 9M2017.

The higher effective tax rate of 27.0% in 9M2018 compared to 15.6% in 9M2017 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 9M2017.

The discontinued operation reported an after tax loss of \$5.5 million in 9M2018 compared to a loss of \$2.6 million in 9M2017 attributable to lower revenue for the Real Estate Business compared to last year, a \$1.0 million lower profit contribution from associates and higher operating expenses from new business acquired during the year offset by gain on disposal of Ariva Pte Ltd of \$2.1 million on 30 September 2018.

REVIEW OF STATEMENT OF FINANCIAL POSITION

The decrease in total assets as at 30 September 2018 compared to 31 December 2017 was mainly due to the reclassification of assets belonging to the Real Estate Business division. These assets were presented separately as assets of disposal group classified as held for sale.

Non-current liabilities were \$203.1 million higher as at 30 September 2018 compared to 31 December 2017, due mainly to additional bank borrowings taken as part of the acquisition of a healthcare business.

Current liabilities were \$259.0 million lower as at 30 September 2018 compared to 31 December 2017 due mainly to repayment of amount due to a shareholder and redemption of Multicurrency Medium Note Programme of \$100.0 million, offset by additional bank borrowings.

REVIEW OF STATEMENT OF CASH FLOWS

3Q2018

The Group's net decrease in cash and cash equivalents for 3Q2018 was \$5.2 million. The Group generated net cash inflows from operating activities of \$10.4 million in 3Q2018, which was a result of operating profits, interest income received, offset by net working capital outflows and income tax paid.

Net cash flows used in investing activities of \$4.6 million was mainly due to purchase of equipment, which was partially offset by the net cash inflow on the disposal of a subsidiary in the quarter.

9M2018

The Group's net increase in cash and cash equivalents for 9M2018 was \$0.6 million due to net cash inflows from operating profits, interest income received and net proceeds from loans and borrowings offset by net working capital outflow, income tax paid, purchase of equipment and payments for warrants purchased as part of the acquisition of Sasteria Pte Ltd.

As at 30 September 2018, the Group's cash and cash equivalents amounted to \$136.2 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 healthy growth in revenue and total patient loads in spite of the challenging and competitive environment.

The Group will leverage on and deepen its core specialties and comparative advantages in women and children's health and expand into complementary services by developing strategic partnerships with world class and industry-leading institutions like IVI-RMA in expanding into the region and developing education, training and research capabilities and capacity. It is also increasing its operating capacity with the hospital expansion and opening of new clinics. While the expansion in business and capacity may affect short term profitability as a result of increased operating expenses and higher financing cost, the Group's underlying healthcare business remains robust and the future prospects continue to be healthy.

The construction of the additional hospital wing at Kota Damansara is on schedule. The Group has also announced on 31 October 2018 the award of the piling contract for the project in Thomson Iskandar Medical Hub in Johor Bahru. These two projects when completed in 2021 and 2022 respectively, will add 900 beds to the Group's total bed capacity bringing it to over 1,300 beds.

Based on the current economic outlook and barring any unforeseen circumstances, the Directors expect the Group to continue to be profitable for the rest of 2018.

11. Dividend.

	Period ended	
	30 September 2018	30 September 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) Previous corresponding period (cents)	Not applicable	Not applicable
(e) Previous corresponding period (cents)	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 September 2018, the proceeds from Bonus Warrants Issue amounting to \$94,500 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 of the directors of Thomson Medical Group Limited. (the "Company"), do hereby confirm on behalf of the directors of the Company that to the best of our 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 September 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)

9 November 2018