

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 2019

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

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

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

	Group			Group		
	2nd quarter ended 30 June			6 months ended 30 June		
	2019 \$'000	2018 \$'000	Change %	2019 \$'000	2018 \$'000	Change %
Healthcare - Continuing operations						
Revenue	57,150	52,978	8	111,668	105,501	6
Other income	1,045	1,396	(25)	2,451	3,131	(22)
Inventories and consumables	(11,728)	(11,259)	4	(22,869)	(21,952)	4
Staff costs	(16,687)	(15,103)	10	(33,082)	(30,960)	7
Depreciation and amortisation	(4,402)	(2,841)	55	(8,441)	(5,640)	50
Other operating expenses	(15,712)	(16,936)	(7)	(30,703)	(33,759)	(9)
Results from operating activities	9,666	8,235	17	19,024	16,321	17
Finance income	660	752	(12)	1,373	1,510	(9)
Finance costs	(6,237)	(4,252)	47	(12,372)	(6,802)	82
Net finance costs	(5,577)	(3,500)	59	(10,999)	(5,292)	NM
Profit before tax from continuing operations	4,089	4,735	(14)	8,025	11,029	(27)
Income tax expense	(2,000)	(2,174)	(8)	(3,921)	(4,160)	(6)
Profit from continuing operations, net of tax	2,089	2,561	(18)	4,104	6,869	(40)
Real Estate - Discontinued operation						
Profit/ (loss) from discontinued operation, net of tax	-	2,919	NM	(2,260)	(555)	NM
Profit for the period	2,089	5,480	(62)	1,844	6,314	(71)
Attributable to:						
Owners of the Company						
Profit from continuing operations, net of tax	1,253	1,981	(37)	2,445	5,251	(53)
Profit/ (loss) from discontinued operation, net of tax	-	3,411	NM	(2,205)	230	NM
Profit for the period attributable to owners of the company	1,253	5,392	(77)	240	5,481	(96)
Non-controlling interests						
Profit from continuing operations, net of tax	836	580	44	1,659	1,618	3
Loss from discontinued operation, net of tax	-	(492)	NM	(55)	(785)	(93)
Profit for the period attributable to non-controlling interests	836	88	NM	1,604	833	93
Healthcare - Continuing operations						
EBITDA	14,068	11,076	27	27,465	21,961	25
Adjusted EBITDA¹	14,068	11,589	21	27,465	23,358	18

NM – Not meaningful

¹ 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

	Group			Group		
	2nd quarter ended 30 June			6 months ended 30 June		
	2019 \$'000	2018 \$'000	Change %	2019 \$'000	2018 \$'000	Change %
Other expenses						
Rental expenses	(56)	(1,529)	(96)	(80)	(3,013)	(97)
Transaction costs on corporate exercise	-	(121)	NM	-	(1,001)	NM
Loss on disposal of property and equipment	(14)	(117)	(88)	(16)	(123)	(87)
Property and equipment written off	-	(13)	NM	(1)	(13)	(92)
(Allowance for)/ reversal of expected credit losses on trade debts, net	(49)	66	NM	(99)	17	NM
Foreign exchange (loss)/gain, net	(15)	(117)	(87)	(14)	51	NM
Income tax expenses						
Over/ (under) provision of prior year tax	35	(1)	NM	35	(1)	NM

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

	Group			Group		
	2nd quarter ended 30 June			6 months ended 30 June		
	2019 \$'000	2018 \$'000	Change %	2019 \$'000	2018 \$'000	Change %
Profit for the period	2,089	5,480	(62)	1,844	6,314	(71)
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Net change in fair value of equity instruments at fair value through other comprehensive income	-	19	NM	62	(786)	NM
	-	19	NM	62	(786)	NM
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(9,871)	(3,118)	NM	(5,901)	15,734	NM
	(9,871)	(3,118)	NM	(5,901)	15,734	NM
Other comprehensive income for the period, net of tax	(9,871)	(3,099)	NM	(5,839)	14,948	NM
Total comprehensive income for the period	(7,782)	2,381	NM	(3,995)	21,262	NM
Attributable to:						
Owners of the Company	(6,697)	2,805	NM	(4,437)	17,483	NM
Non-controlling interests	(1,085)	(424)	NM	442	3,779	(88)
Total comprehensive income for the period	(7,782)	2,381	NM	(3,995)	21,262	NM
Attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	(6,697)	(1,120)	NM	(2,232)	17,333	NM
Total comprehensive income from discontinued operations, net of tax	-	3,925	NM	(2,205)	150	NM
Total comprehensive income for the period attributable to owners of the Company	(6,697)	2,805	NM	(4,437)	17,483	NM

NM – Not meaningful

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

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Jun 2019	As at 31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property and equipment	357,913	345,784	339	399
Intangible assets	488,018	489,130	-	-
Investment property	149,245	150,606	-	-
Investment in subsidiaries	-	-	2,294,803	2,294,803
Right-of-use assets	24,843	-	511	-
	<u>1,020,019</u>	<u>985,520</u>	<u>2,295,653</u>	<u>2,295,202</u>
Current assets				
Development property	141,616	142,916	-	-
Inventories	5,408	5,540	-	-
Amounts due from subsidiaries (non-trade)	-	-	175,399	175,314
Trade and other receivables	23,936	22,939	162	529
Cash and short-term deposits	121,329	121,745	34,261	6,141
	<u>292,289</u>	<u>293,140</u>	<u>209,822</u>	<u>181,984</u>
Assets of disposal group classified as held for distribution	-	210,406	-	154,041
	<u>292,289</u>	<u>503,546</u>	<u>209,822</u>	<u>336,025</u>
TOTAL ASSETS	<u>1,312,308</u>	<u>1,489,066</u>	<u>2,505,475</u>	<u>2,631,227</u>
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	2,587	3,410	-	-
Trade and other payables	42,924	40,235	741	1,839
Amounts due to the ultimate controlling shareholder	4,811	9,811	4,811	9,811
Income tax payable	4,862	8,316	-	-
Interest-bearing loans and borrowings	237,141	236,636	129,875	129,569
Lease liabilities	5,695	-	120	-
	<u>298,020</u>	<u>298,408</u>	<u>135,547</u>	<u>141,219</u>
Liabilities directly associated with disposal group classified as held for distribution	-	57,603	-	-
	<u>298,020</u>	<u>356,011</u>	<u>135,547</u>	<u>141,219</u>
Net (current liabilities)/ assets	<u>(5,731)</u>	<u>147,535</u>	<u>74,275</u>	<u>194,806</u>
Non-current liabilities				
Deferred tax liabilities	6,924	6,960	-	-
Interest-bearing loans and borrowings	334,439	341,665	-	-
Lease liabilities	19,152	-	396	-
Provisions	335	297	-	-
	<u>360,850</u>	<u>348,922</u>	<u>396</u>	<u>-</u>
TOTAL LIABILITIES	<u>658,870</u>	<u>704,933</u>	<u>135,943</u>	<u>141,219</u>
NET ASSETS	<u>653,438</u>	<u>784,133</u>	<u>2,369,532</u>	<u>2,490,008</u>
Equity attributable to owners of the Company				
Share capital	2,364,497	2,772,209	2,364,497	2,772,209
Retained earnings/ (accumulated losses)	183,463	(97,499)	5,035	(282,201)
Other reserves	(1,969,692)	(1,959,396)	-	-
Reserve of disposal group classified as held for distribution	-	(1,276)	-	-
	<u>578,268</u>	<u>714,038</u>	<u>2,369,532</u>	<u>2,490,008</u>
Non-controlling interests	<u>75,170</u>	<u>70,095</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>653,438</u>	<u>784,133</u>	<u>2,369,532</u>	<u>2,490,008</u>
TOTAL EQUITY AND LIABILITIES	<u>1,312,308</u>	<u>1,489,066</u>	<u>2,505,475</u>	<u>2,631,227</u>

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

Group

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

	As at 30 June 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loans	237,136	-	236,628	-
Obligations under finance lease	5	-	8	-

Amount repayable after one year:

	As at 30 June 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loans	334,439	-	341,664	-
Obligations under finance lease	-	-	1	-

Details of Collateral

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	2nd quarter ended 30 June		6 months ended 30 June	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Operating activities				
Profit before tax from continued operations	4,089	4,735	8,025	11,029
Profit/ (loss) before tax from discontinued operation	-	2,971	(2,225)	(227)
Profit before tax, total	4,089	7,706	5,800	10,802
<u>Adjustments for:</u>				
Allowance for expected credit losses on trade debts, net	49	169	99	224
Amortisation of intangible assets	92	671	251	1,621
Amortisation of upfront fees	311	137	678	178
Bad debts written off	3	2	4	2
Depreciation of property and equipment and right-of-use assets	4,310	3,689	8,518	7,102
Finance costs	5,926	4,141	11,694	6,827
Fair value changes on purchase consideration	-	(2,748)	25	(3,206)
Gain on disposal of other investments	-	144	-	144
Interest income	(660)	(760)	(1,373)	(1,524)
Loss on disposal of property and equipment	14	117	16	123
Property and equipment written off	-	13	-	13
Provision for allowance for foreseeable losses	-	1,013	-	765
Share of results of associates	-	20	86	(680)
Transaction costs on corporate exercise	-	121	-	1,001
Employee share-based expenses	45	63	92	124
Unrealised loss/ (gain) on foreign exchange	44	(55)	25	(80)
Operating cash flows before changes in working capital	14,223	14,443	25,915	23,436
<u>Changes in working capital:</u>				
Inventories	(50)	141	125	(274)
Trade and other receivables and contract assets	(400)	(506)	4,054	1,570
Trade and other payables and contract liabilities	1,914	536	523	(3,434)
Cash flows from operations	15,687	14,614	30,617	21,298
Interest received	660	773	1,373	1,686
Tax paid	(2,846)	(3,010)	(7,717)	(6,979)
Net cash flows from operating activities	13,501	12,377	24,273	16,005
Investing activities				
Acquisition of warrants	-	(25,000)	-	(25,000)
Additions to other investments	-	(405)	-	(405)
Additions to intangible assets	(45)	(58)	(59)	(548)
Additions to property and equipment	(11,143)	(8,514)	(19,607)	(12,049)
Dividend received from associate	-	827	-	1,549
Expenditure on investment property	-	(14)	(9)	(24)
Net cash outflow on disposal of discontinued operation	-	-	(24,101)	-
Payments made for acquisition expenses arising from acquisition of the Healthcare Business	-	(792)	-	(1,230)
Proceeds from disposal of other investments	-	275	-	275
Proceeds from disposal of property and equipment	2	8	2	9
Net cash flows used in investing activities	(11,186)	(33,673)	(43,774)	(37,423)
Financing activities				
Changes in pledged deposits	135	(3,500)	121	(1,139)
Dividends paid on ordinary shares	(6,610)	-	(6,610)	-
Dividends paid to non-controlling interests of subsidiaries	-	-	(493)	(471)
Expenses arising from issuance of ordinary shares	-	(160)	-	(160)
Interest paid	(5,673)	(1,190)	(11,286)	(5,757)
Payment of lease liabilities	(2,007)	-	(3,566)	-
Proceeds from exercise of employee share options	-	-	-	29
Proceeds from interest-bearing loans and borrowings	119	383,712	119	490,012
Proceeds from exercise of warrants	14,697	92	29,455	92
Proceeds from exercise of warrants issued by a subsidiary	1,331	-	1,331	-
Repayment of interest-bearing loans and borrowings	(7,505)	(60)	(7,513)	(100,060)
Repayment of shareholder loan	(5,000)	(350,000)	(5,000)	(355,250)
Net cash flows (used in)/ generated from financing activities	(10,513)	28,894	(3,442)	27,296
Net (decrease)/ increase in cash and cash equivalents	(8,198)	7,598	(22,943)	5,878
Cash and cash equivalents at beginning of the period	124,000	135,805	138,910	135,541
Effect of exchange rate changes on cash and cash equivalents	(932)	55	(1,097)	2,039
Cash and cash equivalents at end of period	114,870	143,458	114,870	143,458

- 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		6 months ended 30 June	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Note:				
<u>Continuing operations</u>				
Cash on hand and at banks	83,153	109,948	83,153	109,948
Short-term deposits	38,176	14,265	38,176	14,265
Cash and cash equivalents from continuing operations	121,329	124,213	121,329	124,213
<u>Discontinued operation</u>				
Cash on hand and at banks	-	21,504	-	21,504
Short-term deposits	-	4,361	-	4,361
Cash and cash equivalents from discontinued operation	-	25,865	-	25,865
Total cash and short-term deposits	121,329	150,078	121,329	150,078
Less: Pledged deposits	(6,459)	(6,620)	(6,459)	(6,620)
Cash and cash equivalents at end of period	114,870	143,458	114,870	143,458

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

Group

	Attributable to owners of the Company													
	Share capital	Accumulated losses/ (retained earnings)	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for sale	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	2,772,209	(97,499)	(1,842,369)	(85,867)	-	15,426	-	-	(46,586)	(1,959,396)	(1,276)	714,038	70,095	784,133
Loss for the period	-	(1,013)	-	-	-	-	-	-	-	-	-	(1,013)	768	(245)
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	3,211	-	-	-	-	-	3,211	-	3,211	759	3,970
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	62	-	-	62	-	62	-	62
Other comprehensive income for the period, net of tax	-	-	-	3,211	-	-	62	-	-	3,273	-	3,273	759	4,032
Total comprehensive income for the period	-	(1,013)	-	3,211	-	-	62	-	-	3,273	-	2,260	1,527	3,787
<u>Contributions by and distributions to owners</u>														
Shares issued on conversion of warrants	14,758	-	-	-	-	-	-	-	-	-	-	14,758	-	14,758
Non-cash distribution to owners of the Company	(155,973)	(9,288)	-	10,089	-	-	-	-	-	10,089	1,534	(153,638)	3,163	(150,475)
Capital reduction	(281,194)	281,194	-	-	-	-	-	-	-	-	-	-	-	-
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	47	47
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(493)	(493)
Total contributions by and distributions to owners	(422,409)	271,906	-	10,089	-	-	-	-	-	10,089	1,534	(138,880)	2,717	(136,163)
Total transactions with owners, recorded directly in equity	(422,409)	271,906	-	10,089	-	-	-	-	-	10,089	1,534	(138,880)	2,717	(136,163)
<u>Others</u>														
Reserve attributable to disposal group classified as held for distribution	-	-	-	320	-	-	(62)	-	-	258	(258)	-	-	-
Total others	-	-	-	320	-	-	(62)	-	-	258	(258)	-	-	-
At 31 March 2019	2,349,800	173,394	(1,842,369)	(72,247)	-	15,426	-	-	(46,586)	(1,945,776)	-	577,418	74,339	651,757

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

Group

	Attributable to owners of the Company													
	Share capital	Accumulated losses/ (retained earnings)	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for sale	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2019	2,349,800	173,394	(1,842,369)	(72,247)	-	15,426	-	-	(46,586)	(1,945,776)	-	577,418	74,339	651,757
Profit for the period	-	1,253	-	-	-	-	-	-	-	-	-	1,253	836	2,089
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	(7,948)	-	-	-	-	-	(7,948)	-	(7,948)	(1,923)	(9,871)
Other comprehensive income for the period, net of tax	-	-	-	(7,948)	-	-	-	-	-	(7,948)	-	(7,948)	(1,923)	(9,871)
Total comprehensive income for the period	-	1,253	-	(7,948)	-	-	-	-	-	(7,948)	-	(6,695)	(1,087)	(7,782)
<u>Contributions by and distributions to owners</u>														
Shares issued on conversion of warrants	14,697	-	-	-	-	-	-	-	-	-	-	14,697	-	14,697
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	45	45
Conversion of warrants in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1,331	1,331
Dividends on ordinary shares	-	(6,610)	-	-	-	-	-	-	-	-	-	(6,610)	-	(6,610)
Total contributions by and distributions to owners	14,697	(6,610)	-	-	-	-	-	-	-	-	-	8,087	1,376	9,463
<u>Changes in ownership interests in subsidiaries</u>														
Dilution of equity interests in a subsidiary due to the conversion of warrants	-	-	-	-	-	-	-	-	(542)	(542)	-	(542)	542	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(542)	(542)	-	(542)	542	-
Total transactions with owners, recorded directly in equity	14,697	(6,610)	-	-	-	-	-	-	(542)	(542)	-	7,545	1,918	9,463
<u>Others</u>														
Expiry of warrants issued by a subsidiary	-	15,426	-	-	-	(15,426)	-	-	-	(15,426)	-	-	-	-
Total others	-	15,426	-	-	-	(15,426)	-	-	-	(15,426)	-	-	-	-
At 30 June 2019	2,364,497	183,463	(1,842,369)	(80,195)	-	-	-	-	(47,128)	(1,969,692)	-	578,268	75,170	653,438

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

Group

	Attributable to owners of the Company													
	Share capital	Accumulated losses/ (retained earnings)	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for 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	405	197	2,791	21,991	-	625,061	115,627	740,688
Effects of adoption of SFRS(I)	-	85,537	-	-	(89,462)	-	-	-	-	(89,462)	-	(3,925)	-	(3,925)
At 1 January 2018 (restated)	788,267	(99,660)	100	(86,390)	-	15,426	405	197	2,791	(67,471)	-	621,136	115,627	736,763
Profit for the period	-	89	-	-	-	-	-	-	-	-	-	89	745	834
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	15,394	-	-	-	-	-	15,394	-	15,394	3,457	18,851
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(805)	-	-	(805)	-	(805)	-	(805)
Other comprehensive income for the period, net of tax	-	-	-	15,394	-	-	(805)	-	-	14,589	-	14,589	3,457	18,046
Total comprehensive income for the period	-	89	-	15,394	-	-	(805)	-	-	14,589	-	14,678	4,202	18,880
<u>Contributions by and distributions to owners</u>														
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	61	61
Exercise of employee share options in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	29	29
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(471)	(471)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	(381)	(381)
<u>Changes in ownership interests in subsidiaries</u>														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)	8	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)	8	-
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)	(373)	(381)
At 31 March 2018	788,267	(99,571)	100	(70,996)	-	15,426	(400)	197	2,783	(52,890)	-	635,806	119,456	755,262

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

Group

	Attributable to owners of the Company													
	Share capital	Accumulated losses/ (retained earnings)	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for sale	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2018	788,267	(99,571)	100	(70,996)	-	15,426	(400)	197	2,783	(52,890)	-	635,806	119,456	755,262
Profit for the period	-	5,392	-	-	-	-	-	-	-	-	-	5,392	88	5,480
<u>Other comprehensive income</u>														
Foreign currency translation	-	-	-	(2,606)	-	-	-	-	-	(2,606)	-	(2,606)	(512)	(3,118)
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	19	-	-	19	-	19	-	19
Other comprehensive income for the period, net of tax	-	-	-	(2,606)	-	-	19	-	-	(2,587)	-	(2,587)	(512)	(3,099)
Total comprehensive income for the period	-	5,392	-	(2,606)	-	-	19	-	-	(2,587)	-	2,805	(424)	2,381
<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	-	-	-	-	-	-	-	-	-	-	-	-	63	63
Acquisition of subsidiary under common control	-	-	(1,842,469)	-	-	-	-	-	-	(1,842,469)	-	(1,842,469)	-	(1,842,469)
Total contributions by and distributions to owners	1,983,932	-	(1,842,469)	-	-	-	-	-	-	(1,842,469)	-	141,463	63	141,526
<u>Changes in ownership interests in subsidiaries</u>														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	(49,369)	(49,369)	-	(49,369)	(44,831)	(94,200)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(49,369)	(49,369)	-	(49,369)	(44,831)	(94,200)
Total transactions with owners, recorded directly in equity	1,983,932	-	(1,842,469)	-	-	-	-	-	(49,369)	(1,891,838)	-	92,094	(44,768)	47,326
<u>Others</u>														
Reserve attributable to disposal group classified as held for distribution	-	-	-	1,396	-	-	-	(197)	-	1,199	(1,199)	-	-	-
Total others	-	-	-	1,396	-	-	-	(197)	-	1,199	(1,199)	-	-	-
At 30 June 2018	2,772,199	(94,179)	(1,842,369)	(72,206)	-	15,426	(381)	-	(46,586)	(1,946,116)	(1,199)	730,705	74,264	804,969

STATEMENT OF CHANGES IN EQUITY

Company

	Share capital	(Accumulated losses)/ retained earnings	Total equity
	\$'000	\$'000	\$'000
At 1 January 2019	2,772,209	(282,201)	2,490,008
Profit for the period, representing total comprehensive income for the period	-	15,483	15,483
<u>Contributions by and distributions to owners</u>			
Shares issued on conversion of warrants	14,758	-	14,758
Non-cash distribution to owners of the Company	(155,973)	(740)	(156,713)
Capital reduction	(281,194)	281,194	-
Total contributions by and distributions to owners	(422,409)	280,454	(141,955)
At 31 March 2019	2,349,800	13,736	2,363,536
At 1 April 2019	2,349,800	13,736	2,363,536
Loss for the period, representing total comprehensive income for the period	-	(2,091)	(2,091)
<u>Contributions by and distributions to owners</u>			
Shares issued on conversion of warrants	14,697	-	14,697
Dividends on ordinary shares	-	(6,610)	(6,610)
Total contributions by and distributions to owners	14,697	(6,610)	8,087
At 30 June 2019	2,364,497	5,035	2,369,532
At 1 January 2018	788,267	(419,572)	368,695
Loss for the period, representing total comprehensive income for the period	-	(1,743)	(1,743)
At 31 March 2018	788,267	(421,315)	366,952
At 1 April 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
At 30 June 2018	2,772,199	(248,556)	2,523,643

- 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 June 2019		30 June 2018	
	No. of issued shares	Amount \$'000	No. of issued shares	Amount \$'000
Balance as at 1 Apr	26,257,300,745	2,349,800	4,738,417,411	788,267
Issuance of shares	-	-	21,333,333,334	1,983,840
Conversion of warrants	183,716,062	14,697	1,020,000	92
Balance as at 30 Jun	26,441,016,807	2,364,497	26,072,770,745	2,772,199

The Bonus Warrants which were issued and allotted to the shareholders on 25 April 2018 pursuant to the Very Substantial Acquisition expired on 24 April 2019. Of the 9,476,834,822 Bonus Warrants issued, a total of 369,266,062 Bonus Warrants were exercised and 369,266,062 new ordinary shares were issued. Of the total warrants exercised, 183,712,062 bonus warrants were exercised and 183,712,062 new ordinary shares were issued for the second quarter ended 30 June 2019.

Total gross proceeds raised from the exercise of the Bonus Warrants amounting to \$29.5 million will be used in accordance with the uses as disclosed in the Company's Circular dated 28 February 2018.

Pursuant to the Bonus Warrants, the Company has issued and allotted a total of 369,266,062 Piggyback Warrants to the Warrantheolders. The Piggyback Warrants entitles the Warrantheolders to subscribe for one (1) new ordinary share in the share capital of the Company at an exercise price of \$0.11 in cash. The Piggyback Warrants will expire on 24 April 2022.

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

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

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

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

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

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

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

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Accounting policies and methods of computation used in the consolidated financial statements for the second quarter ended 30 June 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2019 as disclosed in item 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of new and revised standards does not have substantial effect on the financial results and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 Leases which took effect on 1 January 2019, using the modified retrospective approach. In compliance with SFRS(I) 16 Leases, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

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

EPS based on net profit attributable to shareholders of the Company (cents):				
	2nd quarter ended 30 June		6 months ended 30 June	
	2019	2018	2019	2018
(a) Basic*	0.005	0.021	0.001	0.021
(b) Diluted**	0.005	0.021	0.001	0.021
<u>Continuing operations</u>				
(a) Basic*	0.005	0.008	0.009	0.020
(b) Diluted**	0.005	0.008	0.009	0.020
Weighted average number of ordinary shares on issue as at the end of the period	26,407,529,837	26,072,311,185	26,262,661,161	26,072,032,513
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	26,407,529,837	26,072,311,185	26,262,661,161	26,072,032,513

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

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

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

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

	As at	
	30 June 2019	31 Dec 2018
Net asset value per ordinary share of		
Group (cents)	2.20	2.74
Company (cents)	9.02	9.55

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

2Q2019 compared with 2Q2018

Continuing operations

The Group registered an increase in revenue of 7.9% or \$4.2 million from \$53.0 million in 2Q2018 to \$57.2 million in 2Q2019. The increase was attributable mainly to higher overall patient load and average bill sizes in both hospital operations and ancillary services segment and specialised and other services segment. The Group's adjusted EBITDA increased by 21.4% from \$11.6 million to \$14.1 million during the quarter mainly due to lower rental expenses as a result of adoption of the new SFRS (I) 16 Leases, which resulted in a corresponding increase in depreciation expenses. Excluding the effect from the adoption of SFRS (I) 16 Leases, the Group's adjusted EBITDA increased by 4.1% on the back of revenue growth offset by higher operating costs due to cost inflation in goods, services and wages.

Staff costs increased by 10.5% or \$1.6 million mainly due to an increase in headcount and higher manpower and wage costs.

Net finance costs were higher by \$2.1 million mainly due to additional bank borrowings taken for the acquisition of the healthcare business.

The Group registered a lower net profit after tax of \$2.1 million in 2Q2019. The decrease was mainly due to higher financing costs arising from bank borrowings.

Discontinued operation

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

6M2019 compared with 6M2018

Continuing operations

Revenue for 6M2019 increased by 5.9% or \$6.2 million from \$105.5 million in 6M2018 to \$111.7 million. Profit from operating activities grew 16.6% from \$16.3 million in 6M2018 to \$19.0 million in 6M2019. The increases were mainly due to higher overall patient load, average bill sizes and greater revenue intensity. The Group's adjusted EBITDA increased 17.6% from \$23.4 million to \$27.5 million during the period mainly due to the adoption of the new SFRS (I) 16 Leases, which resulted from a lower rental expenses with a corresponding increase in depreciation expenses. Excluding the effect from the adoption of SFRS (I) 16 Leases, the Group's adjusted EBITDA increased by 2.3% on the back of revenue growth offset by higher operating costs due to cost inflation in goods, services and wages.

Staff costs increased by 6.8% or \$2.1 million mainly due to an increase in headcount and higher manpower and wage costs.

Net finance costs were higher by \$5.7 million mainly due to additional bank borrowings taken for the acquisition of the healthcare business.

The Group registered a lower net profit after tax of \$4.1 million in 6M2019. The decrease was mainly due to higher financing costs arising from bank borrowings.

Discontinued operation

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

REVIEW OF STATEMENT OF FINANCIAL POSITION

Total assets of the Group were \$176.8 million lower as at 30 June 2019 compared to 31 December 2018 mainly due to the distribution of the Real Estate Business assets, partially offset by the addition of property and equipment and the recognition of right-of-use assets as a result of the adoption of SFRS(I) 16 Leases.

Total liabilities were \$46.1 million lower as at 30 June 2019 compared to 31 December 2018, due mainly to the derecognition of liabilities following the completion of distribution of the Real Estate Business and repayments of bank borrowings and shareholder loan, partially offset by the recognition of lease liabilities as a result of the adoption of SFRS(I) 16 Leases.

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

REVIEW OF STATEMENT OF CASH FLOWS

2Q2019

The Group's net decrease in cash and cash equivalents for 2Q2019 was \$8.2 million. The Group generated net cash inflows from operating activities of \$13.5 million in 2Q2019, which was a result of operating profits, interest income received, net working capital inflows, offset by income tax paid.

Net cash flows used in investing activities of \$11.2 million was mainly due to additions to property and equipment during the quarter.

Net cash flows used in financing activities of \$10.5 million was mainly due to dividends paid on ordinary shares, repayments of bank borrowings and shareholder loan, payment of finance costs and lease liabilities, offset by proceeds from exercise of warrants in the holding company and the subsidiary.

6M2019

The Group's net decrease in cash and cash equivalents for 6M2019 was \$22.9 million. The Group generated net cash inflows from operating activities of \$24.3 million in 6M2019, which was a result of operating profits, interest income received, net working capital inflows, offset by income tax paid.

Net cash flows used in investing activities of \$43.8 million was mainly due to additions to property and equipment and the net cash outflow arising from the divestment of the Real Estate business during the period ended 30 June 2019.

Net cash flows used in financing activities of \$3.4 million was mainly due to dividends paid on ordinary shares, repayments of bank borrowings and shareholder loan, payment of finance costs and lease liabilities, offset by proceeds from exercise of warrants in the holding company and the subsidiary.

As at 30 June 2019, the Group's cash and cash equivalents amounted to \$114.9 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.

In July 2019, the Group launched a \$225 million 4.8% 3-year medium term note issue to refinance its existing bank borrowings. This debut bond offering was well received by investors and allows the Company to strengthen its balance sheet and diversify its sources of funding.

Operationally, the Group continues to work on bringing to fruition its strategy in deepening and expanding its core specialties in women and children's health, oncology, fertility, and preventive healthcare and wellness. The Group also continues to pursue its strategic partnership with other world renown partners internationally and in the region to deepen its core specialties and widen its geographical footprint.

In Singapore, the Paragon Nodal Centre, a multi-specialty medical centre has commenced operations. Situated in Orchard Road, the Paragon Nodal Centre houses in one location an integrated facility offering fertility treatment, obstetrics & gynaecology services, TCM, sports medicine, preventive medicine (which includes health screening and nutrition consultation), aesthetics and diagnostic imaging services. The fertility centre is expected to commence operations towards the end of 2019.

In Malaysia, the construction of the Thomson Hospital Kota Damansara expansion project is on schedule and the piling works of the Thomson Iskandar Medical Hub in Johor Bahru is in progress.

Based on the current economic outlook and barring any unforeseen circumstances, the Directors expect the Group to remain profitable in 2019.

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

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

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

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

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.**

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

15. **Negative Confirmation pursuant to rule 705(5)**

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

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

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Quek Hong Sheng Roy
Executive Director and Chief Executive Officer

8 August 2019