



**TMC LIFE SCIENCES BERHAD**  
**Company no. 624409-A**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
30 NOVEMBER 2015**

**Contact**

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**TMC LIFE SCIENCES BERHAD (624409-A)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

	Individual Quarter		6 months ended	
	30/11/2015 RM'000	30/11/2014 RM'000	30/11/2015 RM'000	30/11/2014 RM'000
Revenue	31,332	25,101	61,406	48,273
Cost of sales	(10,652)	(8,906)	(21,095)	(17,385)
Gross profit	20,680	16,195	40,311	30,888
Other operating income	283	162	632	262
Operating expenses	(15,555)	(12,462)	(30,741)	(24,866)
Profit from operations	5,408	3,895	10,202	6,284
Depreciation	(2,314)	(2,028)	(4,567)	(3,986)
Interest income	1,813	280	3,647	518
Finance costs	(24)	(26)	(49)	(51)
<b>Profit before taxation</b>	4,883	2,121	9,233	2,765
Taxation	(1,545)	186	(3,001)	270
<b>Profit after taxation</b>	3,338	2,307	6,232	3,035
<b>Other comprehensive income, net of tax :-</b>				
Foreign currency translations	(13)	3	(41)	8
<b>Total comprehensive income for the period</b>	3,325	2,310	6,191	3,043
<b>Profit attributable to :-</b>				
Owners of the parent	3,338	2,307	6,232	3,035
Non-controlling interest	-	-	-	-
	3,338	2,307	6,232	3,035
<b>Total comprehensive income attributable to :-</b>				
Owners of the parent	3,325	2,310	6,191	3,043
Non-controlling interest	-	-	-	-
	3,325	2,310	6,191	3,043
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>				
Basic	0.24	0.28	0.44	0.37
Diluted	0.19	0.20	0.35	0.26

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements.

**TMC LIFE SCIENCES BERHAD (624409-A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

	Attributable to owners of the parent						Total attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total equity RM'000
	Non-distributable					Distributable			
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Foreign exchange translation RM'000	Share options reserve RM'000	Retained earnings/ (Accumulated losses) RM'000			
<b>Balance at 1 June 2015</b>	119,952	180,104	-	85	-	1,568	301,709	-	301,709
<b>Total comprehensive income</b>	-	-	-	(41)	-	6,232	6,191	-	6,191
<b>Transaction with owners</b>									
Ordinary shares issued	53,333	266,667	-	-	-	-	320,000	-	320,000
- acquisition of a subsidiary									
Issuance of warrants		(46,960)	46,960				-	-	-
Share issuance expenses	-	(1,364)	-	-	-	-	(1,364)	-	(1,364)
Share options granted under ESOS	-	-	-	-	309	-	309	-	309
Dividend paid	-	-	-	-	-	(2,425)	(2,425)	-	(2,425)
<b>Balance at 30 November 2015</b>	<b>173,285</b>	<b>398,447</b>	<b>46,960</b>	<b>44</b>	<b>309</b>	<b>5,375</b>	<b>624,420</b>	<b>-</b>	<b>624,420</b>
<b>Balance at 1 June 2014</b>	80,237	33,159	28,083	80	-	(6,169)	135,390	-	135,390
<b>Total comprehensive income</b>	-	-	-	8	-	3,035	3,043	-	3,043
<b>Transaction with owners</b>									
Ordinary shares issued	5,376	19,891	(3,763)	-	-	-	21,504	-	21,504
- conversion of warrants									
Dividend paid	-	-	-	-	-	(2,468)	(2,468)	-	(2,468)
<b>Balance at 30 November 2014</b>	<b>85,613</b>	<b>53,050</b>	<b>24,320</b>	<b>88</b>	<b>-</b>	<b>(5,602)</b>	<b>157,469</b>	<b>-</b>	<b>157,469</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements.

**TMC LIFE SCIENCES BERHAD (624409-A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2015**

	As At 30/11/2015 Unaudited RM'000	As At 31/5/2015 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	299,668	113,242
Goodwill	146,085	-
Total non-current assets	445,753	113,242
<b>Current assets</b>		
Inventories	6,182	6,512
Trade and other receivables	31,009	28,125
Current tax assets	198	173
Cash and bank balances	198,046	191,634
Total current assets	235,435	226,444
<b>TOTAL ASSETS</b>	<b>681,188</b>	<b>339,686</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	173,285	119,952
Retained earnings	5,375	1,568
Reserves	445,760	180,189
	624,420	301,709
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	<b>624,420</b>	<b>301,709</b>
<b>Non-current liabilities</b>		
Borrowings	1,857	1,899
Deferred tax liabilities	10,281	805
Total non-current liabilities	12,138	2,704
<b>Current liabilities</b>		
Trade and other payables	44,252	35,158
Borrowings	82	81
Current tax liabilities	296	34
Total current liabilities	44,630	35,273
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>681,188</b>	<b>339,686</b>
Net assets per share (RM)	0.36	0.25

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements.

**TMC LIFE SCIENCES BERHAD (624409-A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

	6 months ended 30/11/2015 RM'000	6 months ended 30/11/2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	9,233	2,765
Adjustments for :-		
Non-cash items	5,298	3,977
Interest paid	49	51
Interest income	(3,647)	(518)
Operating profit before changes in working capital	10,933	6,275
Changes in working capital		
Net change in current assets	(2,975)	(1,876)
Net change in current liabilities	9,075	4,696
Cash flows from operating activities	17,033	9,095
Interest paid	(49)	(51)
Net income tax paid	(464)	(142)
<b>Net cash flows from operating activities</b>	16,520	8,902
<b>Cash flows used in investing activities</b>		
Acquisition of property plant and equipment	(10,994)	(5,873)
Proceeds from disposal of property plant and equipment	-	8
Acquisition of:		
subsidiaries for cash, net of cash acquired	1,149	-
Deposits placed with financial institutions with original maturity of more than three (3) months	(109,823)	(10,951)
Placement of deposits pledged with a licensed bank	(11)	-
Interest received	3,647	518
	(116,032)	(16,298)
<b>Cash flows used in financing activities</b>		
Proceeds from issuance of ordinary shares pursuant to the exercise of warrants	-	21,504
Share issuance expenses	(1,364)	-
Dividend paid	(2,426)	(2,468)
Repayment of term loans	(30)	(29)
Repayment of hire purchase	(10)	(9)
	(3,830)	18,998
<b>Net change in cash &amp; cash equivalents</b>	(103,342)	11,602
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	141,605	32,567
<b>Exchange rate effects</b>	(79)	9
<b>Cash &amp; cash equivalents at end of the financial period</b>	38,184	44,178
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Short term deposits (not more than 3 months)	23,652	30,067
Cash and bank balances	15,049	14,111
	38,701	44,178
Less: Deposits pledged to a licensed bank	(517)	-
	38,184	44,178

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARD (“MFRS”)**

**A1 BASIS OF PREPARATION**

The interim financial report is not audited and has been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding the changes in the financial position and performance of the Group since the financial year ended 31 May 2015.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 May 2015.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 June 2015.

The adoption and application of the amendments to MFRSs and IC Interpretations are not expected to have any significant financial impact to the financial statements of the Group.

**A2 SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business of the Group is not significantly affected by any seasonal or cyclical factors.

**A3 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no material items or events that arose, which affected assets, liabilities, equity, net income or cash flows that are unusual by reasons of their nature, size or incidence.

**A4 CHANGE IN ESTIMATES**

There were no material changes in the nature and amount of estimates reported that have a material effect in the current financial quarter under review.

**A5 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities in the current financial quarter under review.

**A6 DIVIDENDS PAID**

During the financial period ended 30 November 2015, the Company paid the final single tier dividend of 0.14 sen per ordinary share on 1,732,854,769 ordinary shares, amounting RM2,425,996 in respect of the financial year ended 31 May 2015.

**A7 SEGMENTAL INFORMATION**

The Group operates mainly in Malaysia and is involved in the healthcare sector which includes providing specialist healthcare services in its multi disciplinary tertiary hospital.

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**A8 MATERIAL EVENT SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD**

There were no other material event subsequent to 30 November 2015 and up to the date of this report except as disclosed in B6.

**A9 CHANGES IN THE COMPOSITION OF THE GROUP**

On 23 June 2015 ("Acquisition Date"), the Company completed the acquisition of 100% equity interest in BB Waterfront for a purchase consideration of RM320,000,000 to be satisfied via the issuance of 533,333,333 new ordinary shares of RM0.10 each in TMC ("Shares" or TMC shares") ("Consideration Shares") at an issue price of RM0.60 per share, together with 266,666,666 free detachable warrants ("Consideration Warrants") on the basis of one (1) consideration warrant for every two (2) consideration shares. The shares consideration was based on the fair value of RM0.60 per ordinary share of the Company, which represents the last traded market price at Acquisition Date.

The fair value of the identifiable assets and liabilities of BB Waterfront as at the date of acquisition are as follows:

	RM'000
Property, plant and equipment	180,000
Other receivables	1
Cash and bank balances	1,149
Deferred tax liabilities	(7,177)
Other payables	(58)
Total identifiable net assets	<u><u>173,915</u></u>

**A10 CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

The Company has provided corporate guarantees to licensed financial institutions for banking facilities and suppliers amounting to RM2.1 million and RM2.4 million, respectively. The guarantees were granted for the benefit of the Company's subsidiaries. Arising from this, the Company is contingently liable for the amount utilised by its subsidiaries of approximately RM4 million as at 30 November 2015.

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 30 November 2015 is as follows:

	30/11/2015	31/5/2015
	RM'000	RM'000
Approved and contracted for	512	3,651
Approved but not contracted for	3,721	3,915
	<u><u>4,233</u></u>	<u><u>7,566</u></u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

	6 months ended 30/11/2015 RM'000
Consultancy fees payable to Thomson International Health Services Pte Ltd, a company ultimately controlled by substantial shareholder	<u><u>5,212</u></u>

The consultancy fees payable above remained outstanding at 30 November 2015.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD  
("BURSA SECURITIES")**

**B1 REVIEW OF THE PERFORMANCE OF THE GROUP**

**Analysis of performance**

**Review of results for the financial quarter**

	3 months ended	
	30/11/2015	30/11/2014
	RM'000	RM'000
Revenue	31,332	25,101
Profit before taxation	4,883	2,121

Revenue increased by 25% to RM31.3 million compared to the previous corresponding quarter. Higher revenue was contributed by higher patient load supported by expanded bed capacity and additional consultants recruited. Profitability improved due to higher revenue recorded and interest income earned.

**Review of results for the financial period**

	6 months ended	
	30/11/2015	30/11/2014
	RM'000	RM'000
Revenue	61,406	48,273
Profit before taxation	9,233	2,765

The Group recorded 27% growth in revenue for the 6 months ended 30 November 2015 compared with the corresponding period in the previous financial year. The growth was contributed by additional bed capacity and more variety of services offered coupled with continuing marketing activities.

The Group recorded profit before taxation of RM9.2 million for the current financial period mainly attributable to higher revenue and interest income. Higher costs incurred to retain and recruit experienced healthcare professionals to manage the expanded capacity had resulted in higher operating expenses for the current financial period. Nevertheless, the Group was able to optimise existing resources and achieved higher EBITDA of 17% compared to the corresponding period in the previous year of 13%.

**Material factors affecting the earnings and / or revenue of the Group**

The material factors that affect the earnings and / or revenue of the Group are the successful recruitment of doctors practicing in our facilities and variety of services offered by the Group.



**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**B2 MATERIAL CHANGE IN PROFIT BEFORE TAX AS COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	3 months ended	
	30/11/2015	31/8/2015
	RM'000	RM'000
Revenue	31,332	30,074
Profit before taxation	4,883	4,350

For the current quarter, revenue rose by 4% to RM31.3 million while profit before tax increased to RM4.9 million as compared to the immediate preceding quarter of RM4.4 million. Improvement in profit before taxation was mainly due to higher revenue achieved.

**B3 PROSPECTS FOR THE FINANCIAL PERIOD ENDING 31 AUGUST 2016**

The growth prospects for the healthcare sector in Malaysia remain positive, fuelled by changing demographics, a more affluent society and more health-conscious lifestyles in Malaysia. Medical tourism is also growing. On the other hand, recent foreign exchange rate movements have affected our imported supplies of medicines and medical equipment. The imposition of the Goods and Services Tax (GST), rising manpower and overhead costs, have had an impact on our overall operating cost structure. Nonetheless, the Group continues to expand the breadth and diversity of our services to generate more revenue growth. With the recent completion of the 2 new wards comprising 51 beds, our hospital in Kota Damansara is now a 200-bed hospital to meet the growing demand.

**B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE**

There is no profit forecast or profit guarantee for the financial period ended 30 November 2015.

**B5 TAXATION**

	Current	6 months ended
	quarter	30/11/2015
	RM'000	RM'000
In respect of current financial year		
- income taxation	329	1,785
- deferred taxation	1,200	1,200
	<u>1,529</u>	<u>2,985</u>
Under / (over) provision in respect of prior period		
- income taxation	16	16
- deferred taxation	-	-
	<u>16</u>	<u>16</u>
	<u>1,545</u>	<u>3,001</u>

The effective tax rate of the Group's current tax charge for the current period under review was higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**B6 STATUS OF CORPORATE PROPOSAL**

Except as disclosed below, there are no other corporate proposals announced but not completed as at 15 January 2016, being the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report.

Based on the Record of Depositors as at 26 November 2015, the Company's public shareholding spread is 21.79%. As such, the Company does not comply with the public shareholding spread requirement pursuant to paragraph 8.02(1) of the Main Market Listing Requirement. On 3 December 2015, the Company had submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") pertaining to the Required Public Shareholding Spread wherein the Company has sought Bursa Securities' approval for an acceptance of a lower percentage of public shareholding spread of 21.79% or failing which, an extension of time from 24 December 2015 to 30 June 2016 for the Company to comply with the Required Public Shareholding Spread.

On 28 December 2015, Bursa Securities approved the current public shareholding spread of 21.79% of the Company's issued and paid-up ordinary shares as being in compliance with the public shareholding spread requirements. The percentage of public shareholding spread and number of public shareholders based on the Company's record of depositors as at 26 November 2015 is 21.79% and 3,553 respectively. However, the Company is advised by Bursa Securities to continue its best endeavours to increase the percentage of public shareholding spread to 25% where possible. The Company is required to notify Bursa Securities in writing immediately if the Company becomes aware of the following:

- a. any decrease to the Company's issued and paid-up capital; and
- b. any decrease in the percentage of public shareholding spread below 21.79%.

**B7 BORROWINGS**

The Group's borrowings as at 30 November 2015 are as follows:-

	Long Term	Short Term	Total
	RM'000	RM'000	RM'000
Secured - Denominated in Ringgit Malaysia	1,857	82	1,939

**B8 MATERIAL LITIGATION**

There was no material litigation as at the date of this report.

**B9 DIVIDENDS**

The Board does not recommend any dividend for the current quarter under review (previous year corresponding period ended 30 November 2014: NIL).

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**B10 EARNINGS PER SHARE (EPS)**

	Individual Quarter		6 months ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	3,338	2,307	6,232	3,035
Weighted average number of ordinary shares outstanding (000)	1,413,664	810,824	1,413,664	810,824
EPS (sen)				
- Basic	0.24	0.28	0.44	0.37
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	3,338	2,307	6,232	3,035
Weighted average number of ordinary shares outstanding (000)	1,413,664	810,824	1,413,664	810,824
Effect of dilution ('000)	386,932	347,427	386,932	347,427
Adjusted weighted average number of shares ('000)	1,800,596	1,158,251	1,800,596	1,158,251
Diluted EPS (sen)				
- Diluted	0.19	0.20	0.35	0.26

Diluted EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average of ordinary shares outstanding during the financial period, adjusted to assume the conversion of dilutive potential ordinary shares.

**B11 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the preceding annual financial statements was unqualified.

**B12 NOTE TO STATEMENT OF COMPREHENSIVE INCOME**

	Current quarter RM'000	6 months ended 30/11/2015 RM'000
Interest income	1,813	3,647
Other operating income excluding interest income	283	632
Interest expense	(24)	(49)
Depreciation and amortisation	(2,314)	(4,567)
Impairment losses on receivables	(207)	(418)
Fair value charges on share options granted under ESOS	(170)	(309)
Foreign exchange gain	1	11

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**B13 REALISED AND UNREALISED PROFITS/(LOSSES)**

	30/11/2015	31/5/2015
	RM'000	RM'000
		(Audited)
Total retained earnings:		
- realised	15,642	2,374
- unrealised	(10,267)	(806)
As at 30 November 2015 / 31 May 2015	<u>5,375</u>	<u>1,568</u>

**B14 AUTHORISED FOR ISSUE**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 January 2016.