



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
30 NOVEMBER 2016**

**Contact**

C-13-09 Sunway Nexis

No.1, Jalan PJU 5/1

Dataran Sunway, Kota Damansara

47810 Petaling Jaya, Selangor D.E.

Tel: +603 6287 1111

Fax: +603 6287 1212

[www.tmlife.com](http://www.tmlife.com)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

	3 months ended	
	Current Year To Date 30/11/2016 RM'000	Preceding Year Corresponding Period 30/11/2015 RM'000
Revenue	36,202	31,332
Cost of sales	(12,284)	(10,652)
Gross profit	23,918	20,680
Other operating income	221	283
Operating expenses	(17,552)	(15,555)
Profit from operations	6,587	5,408
Depreciation	(2,449)	(2,314)
Interest income	1,985	1,813
Finance costs	(18)	(24)
<b>Profit before taxation</b>	6,105	4,883
Taxation	(1,666)	(1,545)
<b>Profit after taxation</b>	4,439	3,338
<b>Other comprehensive income, net of tax :-</b>		
Foreign currency translations	(34)	(13)
<b>Total comprehensive income for the period</b>	4,405	3,325
<b>Profit attributable to :-</b>		
Owners of the parent	4,439	3,338
Non-controlling interest	-	-
	4,439	3,338
<b>Total comprehensive income attributable to :-</b>		
Owners of the parent	4,405	3,325
Non-controlling interest	-	-
	4,405	3,325
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>		
Basic	0.26	0.26
Diluted	0.17	0.21

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

	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 RM'000			
<b>Balance at 1 September 2016</b>	173,290	445,441	46,960	39	1,689	19,908	687,327	-	687,327
<b>Total comprehensive income</b>	-	-	-	(34)	-	4,439	4,405	-	4,405
<b>Transaction with owners</b>									
Ordinary shares issued									
- acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
- ESOS	77	607	-	-	(107)	-	577	-	577
- Warrants	3	21	-	-	-	-	24	-	24
Share issuance expenses	-	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	204	-	204	-	204
Dividend paid	-	-	-	-	-	-	-	-	-
<b>Balance at 30 November 2016</b>	<b>173,370</b>	<b>446,069</b>	<b>46,960</b>	<b>5</b>	<b>1,786</b>	<b>24,347</b>	<b>692,537</b>	<b>-</b>	<b>692,537</b>
<b>Balance at 1 June 2015</b>	119,952	180,104	-	85	-	1,568	301,709	-	301,709
<b>Total comprehensive income</b>	-	-	-	(46)	-	20,765	20,719	-	20,719
<b>Transaction with owners</b>									
Ordinary shares issued									
- acquisition of a subsidiary	53,333	266,667	46,960	-	-	-	366,960	-	366,960
- ESOS	5	34	-	-	(5)	-	34	-	34
Share issuance expenses	-	(1,364)	-	-	-	-	(1,364)	-	(1,364)
Share options granted under ESOS	-	-	-	-	1,694	-	1,694	-	1,694
Dividend paid	-	-	-	-	-	(2,425)	(2,425)	-	(2,425)
<b>Balance at 31 August 2016</b>	<b>173,290</b>	<b>445,441</b>	<b>46,960</b>	<b>39</b>	<b>1,689</b>	<b>19,908</b>	<b>687,327</b>	<b>-</b>	<b>687,327</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 August 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2016**

	As At 30/11/2016 Unaudited RM'000	As At 31/08/2016 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	326,264	322,537
Goodwill	193,045	193,045
Total non-current assets	519,309	515,582
<b>Current assets</b>		
Inventories	7,289	6,867
Trade and other receivables	28,193	30,644
Current tax assets	66	47
Cash and bank balances	206,642	204,558
Total current assets	242,190	242,116
<b>TOTAL ASSETS</b>	<b>761,499</b>	<b>757,698</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	173,370	173,290
Retained earnings	24,347	19,908
Reserves	494,820	494,129
	692,537	687,327
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	<b>692,537</b>	<b>687,327</b>
<b>Non-current liabilities</b>		
Borrowings	1,772	1,804
Deferred tax liabilities	12,368	11,096
Total non-current liabilities	14,140	12,900
<b>Current liabilities</b>		
Trade and other payables	53,443	56,316
Borrowings	90	85
Current tax liabilities	1,289	1,070
Total current liabilities	54,822	57,471
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>761,499</b>	<b>757,698</b>
Net assets per share (RM)	0.40	0.40

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 August 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

	Current Year To Date 30/11/2016 RM'000	Preceding Year Corresponding Period 30/11/2015 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	6,105	4,883
Adjustments for :-		
Non-cash items	3,100	2,695
Interest paid	18	24
Interest income	(1,985)	(1,813)
Operating profit before changes in working capital	7,238	5,789
Changes in working capital		
Net change in current assets	1,818	4,044
Net change in current liabilities	(3,074)	5,569
Cash generated from operations	5,982	15,402
Interest paid	(18)	(24)
Net income tax paid	(195)	(191)
<b>Net cash from operating activities</b>	5,769	15,187
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(6,176)	(9,350)
Proceeds from disposal of property, plant and equipment	-	-
Acquisition of:		
subsidiaries for shares, net of cash acquired	-	164
Deposits withdrawn/(placed with) financial institutions with original maturity of more than three (3) months	82,222	(108,515)
Placement of deposits pledged with a licensed bank	(4)	(8)
Interest received	1,985	1,813
<b>Net cash from/(used in) investing activities</b>	78,027	(115,896)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares pursuant to:		
- Warrants exercised	575	-
- ESOS	25	-
Share issuance expenses	-	(1,364)
Dividend paid	-	(2,426)
Repayment of term loans	(21)	(15)
Repayment of hire purchase	(5)	(5)
<b>Net cash from/(used in) financing activities</b>	574	(3,810)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	84,370	(104,519)
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	49,871	142,725
<b>Exchange rate effects</b>	(68)	(22)
<b>Cash &amp; cash equivalents at end of the financial period</b>	134,173	38,184
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Short term deposits (not more than 3 months)	110,027	23,652
Cash and bank balances	24,661	15,049
	134,688	38,701
Less: Deposits pledged to a licensed bank	(515)	(517)
	134,173	38,184

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

**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 period ended 31 August 2016. 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 of the Group since the financial period ended 31 August 2016, and changes in financial performance since the preceeding year corresponding period, following the change of financial year end.

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 period ended 31 August 2016.

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 September 2016.

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 Group business is generally affected by festive periods and school holidays where lower patient load is expected.

**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 other than the following:

- (a) Issuance of 767,000 new ordinary shares of RM0.10 each under the Employees' Share Option Scheme at an issue price of RM0.75; and
- (b) Issuance of 32,850 new ordinary shares of RM0.10 each pursuant to the exercise of warrants at the exercise price of RM0.75.

**A6 DIVIDENDS PAID**

No dividend was paid during the financial period ended 30 November 2016.

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

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**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.

**A8 MATERIAL EVENT SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD**

There were no material event subsequent to 30 November 2016 and up to the date of this report that would likely affect substantially the results of the operations of the Group .

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

There were no changes in the composition of the Group during the current quarter under review.

**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 RM4.3 million as at 30 November 2016.

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 30 November 2016 is as follows:

	30/11/2016	31/08/2016
	RM'000	RM'000
Approved and contracted for	41,727	46,013
Approved but not contracted for	1,666	1,748
	<u>43,393</u>	<u>47,761</u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

Significant transactions between the Group and the companies ultimately controlled by a substantial shareholder are as follows:

	3 months ended 30/11/2016
	RM'000
(a) Professional fees paid to RSP Architects Planners & Engineers (Pte) Ltd ("RSP")	<u>2,408</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

**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	
	30/11/2016	30/11/2015
	RM'000	RM'000
Revenue	36,202	31,332
Profit before taxation	6,105	4,883

The Group recorded revenue of RM36.2 million and profit before taxation of RM6.1 million for the quarter ended 30 November 2016, a growth of 16% and 25% respectively compared to quarter ended 30 November 2015. Higher revenue was mainly due to higher patient load supported by additional bed capacity, additional consultants recruited and higher growth in fertility business. Profitability improved due to higher revenue recorded and interest income earned.

**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, additional services offered by the Group and higher intensity cases handled.

**B2 MATERIAL CHANGE IN PROFIT BEFORE TAX AS COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	3 months ended	
	30/11/2016	31/08/2016
	RM'000	RM'000
Revenue	36,202	33,805
Profit before taxation	6,105	5,421

Compared with the immediate preceding quarter ended 31 August 2016, revenue for the quarter ended 30 November 2016 was higher by 7% to RM36.2 million while profit before taxation was higher by 13% to RM6.1 million. The higher revenue and profit before taxation for the quarter ended 30 November 2016 was mainly due to higher patient load as opposed to the lower revenue for the immediate preceding quarter which was affected by festive and school holidays.

**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 AUGUST 2017**

While the growth outlook for the global economy remains relatively muted, the prospects for the private healthcare sector in Malaysia and Asia remain positive, driven by demographic and lifestyle changes, and growing middle class affluence. The Malaysian Government’s push to promote medical tourism is also helping to drive growth in the private healthcare sector. The Group remains committed to its expansion plans in Malaysia to serve this growing demand for high quality private healthcare. Our new TMC Fertility Centre branch will commence operations in Ipoh in January 2017. The Group’s two major expansion projects at Kota Damansara and Iskandariah Hospital in Johor Bahru are in the midst of obtaining regulatory approvals for construction.



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

There is no profit forecast or profit guarantee for the financial period ended 30 November 2016.

**B5 TAXATION**

	Current quarter RM'000
In respect of current financial period	
- income taxation	394
- deferred taxation	1,272
	<hr/> 1,666 <hr/>
(Over)/Under provision in respect of prior period	
- income taxation	-
- deferred taxation	-
	<hr/> - <hr/> <hr/> 1,666 <hr/> <hr/>

The effective tax rate of the Group's current tax charge for the current period under review was lower than the statutory tax rate mainly due to the utilisation of previous years' tax losses and unabsorbed capital allowances coupled with the tax exemption pursuant to the BioNexus incentive enjoyed by a subsidiary.

**B6 STATUS OF CORPORATE PROPOSAL**

There are no corporate proposals announced but not completed as at 16 January 2017, being the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report.

**B7 BORROWINGS**

The Group's borrowings as at 30 November 2016 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	1,772	90	1,862
	<hr/> 1,772 <hr/>	<hr/> 90 <hr/>	<hr/> 1,862 <hr/>

**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 2015: NIL).

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

	Current Quarter	
	30/11/2016	30/11/2015
(a) Basic EPS		
Net profit attributable to owners of the parent (RM'000)	4,439	3,338
Weighted average number of ordinary shares outstanding ('000)	1,732,941	1,293,969
EPS (sen)		
- Basic	0.26	0.26
(b) Diluted EPS		
Net profit attributable to owners of the parent (RM'000)	4,439	3,338
Weighted average number of ordinary shares outstanding ('000)	1,732,941	1,293,969
Effect of dilution ('000)	892,330	311,662
Adjusted weighted average number of shares ('000)	2,625,271	1,605,631
Diluted EPS (sen)		
- Diluted	0.17	0.21

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
	30/11/2016
	RM'000
Interest income	1,985
Other operating income excluding interest income	221
Interest expense	(18)
Depreciation	(2,449)
Impairment losses on receivables	(210)
Fair value charges on share options granted under ESOS	(204)
Foreign exchange loss	(276)

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

(Incorporated in Malaysia)

**B13 REALISED AND UNREALISED PROFITS/(LOSSES)**

	30/11/2016	31/08/2016
	RM'000	RM'000
		(Audited)
Total retained earnings:		
- realised	36,952	30,845
- unrealised	(12,605)	(10,937)
As at 30 November 2016 / 31 August 2016	<u>24,347</u>	<u>19,908</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 23 January 2017.