



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
30 NOVEMBER 2017**

**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 2017**

	3 months ended	
	Current Year To Date 30/11/2017 RM'000	Preceding Year Corresponding Period 30/11/2016 RM'000
Revenue	41,728	36,202
Cost of sales	(13,697)	(12,284)
Gross profit	28,031	23,918
Other operating income	280	221
Operating expenses	(18,888)	(17,552)
Profit from operations	9,423	6,587
Depreciation and amortisation	(3,032)	(2,449)
Interest income	1,955	1,985
Finance costs	(22)	(18)
<b>Profit before taxation</b>	8,324	6,105
Taxation	(1,995)	(1,666)
<b>Profit after taxation</b>	6,329	4,439
<b>Other comprehensive income, net of tax :-</b>		
Foreign currency translations	8	(34)
<b>Total comprehensive income for the period</b>	6,337	4,405
<b>Profit attributable to :-</b>		
Owners of the parent	6,329	4,439
Non-controlling interest	-	-
	6,329	4,439
<b>Total comprehensive income attributable to :-</b>		
Owners of the parent	6,337	4,405
Non-controlling interest	-	-
	6,337	4,405
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>		
Basic	0.36	0.26
Diluted	0.34	0.23

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 2017**

	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 2017</b>	621,699	-	46,960	5	2,491	43,269	714,424	-	714,424
<b>Total comprehensive income</b>	-	-	-	8	-	6,329	6,337	-	6,337
<b>Transactions with owners</b>									
Ordinary shares issued									
- ESOS	109	-	-	-	(15)	-	94	-	94
- Warrants	-	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	171	-	171	-	171
Dividend paid	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	109	-	-	-	156	-	265	-	265
<b>Balance at 30 November 2017</b>	<b>621,808</b>	<b>-</b>	<b>46,960</b>	<b>13</b>	<b>2,647</b>	<b>49,598</b>	<b>721,026</b>	<b>-</b>	<b>721,026</b>
<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)	-	26,034	26,000	-	26,000
<b>Transactions with owners</b>									
Ordinary shares issued									
- ESOS	821	2,085	-	-	(488)	-	2,418	-	2,418
- Warrant	15	47	-	-	-	-	62	-	62
Share options granted under ESOS	-	-	-	-	1,290	-	1,290	-	1,290
Dividend paid	-	-	-	-	-	(2,673)	(2,673)	-	(2,673)
<b>Total transactions with owners</b>	836	2,132	-	-	802	(2,673)	1,097	-	1,097
Effect of implementation of the Companies Act 2016	447,573	(447,573)	-	-	-	-	-	-	-
<b>Balance at 31 August 2017</b>	<b>621,699</b>	<b>-</b>	<b>46,960</b>	<b>5</b>	<b>2,491</b>	<b>43,269</b>	<b>714,424</b>	<b>-</b>	<b>714,424</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 August 2017 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 2017**

	As At 30/11/2017 Unaudited RM'000	As At 31/08/2017 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	328,862	326,361
Intangible assets	1,769	1,365
Goodwill	193,045	193,045
Total non-current assets	523,676	520,771
<b>Current assets</b>		
Inventories	9,324	8,247
Trade and other receivables	33,585	33,463
Tax recoverable	172	52
Cash and bank balances	212,622	206,989
Total current assets	255,703	248,751
<b>TOTAL ASSETS</b>	<b>779,379</b>	<b>769,522</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	621,808	621,699
Retained earnings	49,598	43,269
Reserves	49,620	49,456
	721,026	714,424
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	<b>721,026</b>	<b>714,424</b>
<b>Non-current liabilities</b>		
Borrowings	1,686	1,709
Deferred tax liabilities	12,211	10,636
Total non-current liabilities	13,897	12,345
<b>Current liabilities</b>		
Trade and other payables	44,279	42,603
Borrowings	94	93
Income tax payable	83	57
Total current liabilities	44,456	42,753
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>779,379</b>	<b>769,522</b>
Net assets per share (RM)	0.42	0.41

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2017 and the accompanying explanatory notes attached to the interim financial statements.

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2017**

	Current Year To Date 30/11/2017 RM'000	Preceding Year Corresponding Period 30/11/2016 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	8,324	6,105
Adjustments for :-		
Non-cash items	3,379	3,100
Interest paid	22	18
Interest income	(1,955)	(1,985)
Operating profit before changes in working capital	9,770	7,238
Changes in working capital		
Net change in current assets	(1,407)	1,818
Net change in current liabilities	1,707	(3,074)
Cash generated from operations	10,070	5,982
Interest paid	(22)	(18)
Net income tax paid	(515)	(195)
<b>Net cash flows from operating activities</b>	9,533	5,769
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,949)	(6,176)
Deposits (placed with)/withdrawn from financial institutions with original maturity of more than three (3) months	(8,119)	82,222
Placement of deposits pledged with a licensed bank	(4)	(4)
Interest received	1,955	1,985
<b>Net cash flows (used in)/from investing activities</b>	(12,117)	78,027
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares pursuant to:		
- Warrants exercised	-	575
- ESOS	94	25
Repayment of term loans	(17)	(21)
Repayment of hire purchase	(6)	(5)
<b>Net cash flows from financing activities</b>	71	574
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	(2,513)	84,370
<b>Cash &amp; cash equivalents at beginning of the financial year</b>	58,828	49,871
<b>Exchange rate effects</b>	23	(68)
<b>Cash &amp; cash equivalents at end of the financial year</b>	56,338	134,173
<b>Cash &amp; cash equivalents at end of the financial year</b>		
Short term deposits (not more than 3 months)	41,662	110,027
Cash and bank balances	15,190	24,661
	56,852	134,688
Less: Deposits pledged to a licensed bank	(514)	(515)
	56,338	134,173

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 2017**

**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 August 2017. 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 year ended 31 August 2017, 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 year ended 31 August 2017.

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 2017.

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 and holiday periods 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 125,000 new ordinary shares under the Employees' Share Option Scheme at an issue price of RM0.75.

**A6 DIVIDENDS PAID**

No dividend was paid during the financial period ended 30 November 2017.

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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 2017 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**

(a) Financial guarantees

	30/11/2017	31/08/2017
	RM'000	RM'000
Unsecured		
Corporate guarantee given to licensed bank for banking facility granted to a subsidiary of the Company	1,727	1,744
Letter of guarantee given to suppliers	3,321	2,638
	<u>5,048</u>	<u>4,382</u>

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 30 November 2017 is as follows:

	30/11/2017	31/08/2017
	RM'000	RM'000
Approved and contracted for	37,078	37,078
Approved but not contracted for	1,030	1,370
	<u>38,108</u>	<u>38,448</u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant transactions between the Group and the companies ultimately controlled by a substantial shareholder during the current quarter under review.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2017**

**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	
	30/11/2017	30/11/2016
	RM'000	RM'000
Revenue	41,728	36,202
Profit before taxation	8,324	6,105

The Group recorded revenue of RM41.7 million and profit before taxation of RM8.3 million for the quarter ended 30 November 2017, a growth of 15% and 36% respectively compared to quarter ended 30 November 2016. Higher revenue was mainly due to higher patient load, higher intensity cases handled, additional consultants recruited and continuing marketing activities. Higher profit before tax margin of 20% compared to quarter ended 30 November 2016 of 17% was mainly due to resource optimisation during the quarter.

**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	
	30/11/2017	31/08/2017
	RM'000	RM'000
Revenue	41,728	39,307
Profit before taxation	8,324	6,747

Compared with the immediate preceding quarter ended 31 August 2017, revenue and profit before taxation for the quarter ended 30 November 2017 was higher by 6% and 23% to RM41.7 million and RM8.3 million, respectively. Higher profit before taxation is mainly due to higher revenue achieved and higher EBITDA margin 23% in the current quarter compared to 20% in the preceding quarter.



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**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 AUGUST 2018**

The Group will continue to adopt measures to maintain growth such as managing operating costs while ramping up outreach and marketing efforts to ensure that it is the healthcare service provider of choice for private patients. Work on the Group's expansion project at Kota Damansara has begun; the Hospital Iskandariah project in Johor Bahru is in the midst of obtaining the relevant regulatory approvals. In view of these two projects, capex spending will increase in 2018.

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

There is no profit forecast or profit guarantee for the financial period ended 30 November 2017.

**B5 TAXATION**

	Current quarter RM'000
In respect of current financial period	
- income taxation	420
- deferred taxation	1,575
	<hr/> 1,995
Over provision in respect of prior year	
- income taxation	-
- deferred taxation	-
	<hr/> -
	<hr/> <hr/> 1,995

The effective tax rate of the Group's current tax charge for the current financial period under review was lower than the statutory tax rate mainly due to the utilisation of previous years' unrecognised investment tax allowances 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 22 January 2018, 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 2017 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	1,686	94	1,780
	<hr/> 1,686	<hr/> 94	<hr/> 1,780

**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 2016: NIL).

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**B10 EARNINGS PER SHARE (EPS)**

	Current Quarter	
	30/11/2017	30/11/2016
(a) Basic EPS		
Net profit attributable to owners of the parent (RM'000)	6,329	4,439
Weighted average number of ordinary shares outstanding ('000)	1,735,623	1,732,938
EPS (sen)		
- Basic	0.36	0.26
(b) Diluted EPS		
Net profit attributable to owners of the parent (RM'000)	6,329	4,439
Weighted average number of ordinary shares outstanding ('000)	1,735,623	1,732,938
Effect of dilution ('000)	111,694	196,405
Adjusted weighted average number of shares ('000)	1,847,317	1,929,343
Diluted EPS (sen)		
- Diluted	0.34	0.23

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 30/11/2017 RM'000
Interest income	1,955
Other operating income excluding interest income	280
Interest expense	(22)
Depreciation	(2,989)
Amortisation of intangible assets	(43)
Impairment losses on receivables	(210)
Fair value charges on share options granted under ESOS	(171)
Foreign exchange loss	(7)

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not entered into any derivative financial instruments which were outstanding at 30 November 2017 and 31 August 2017.

**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 29 January 2018.