



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
30 NOVEMBER 2018**

**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 2018**

	3 months ended	
	Current Year To Date 30/11/2018 RM'000	Preceding Year Corresponding Period 30/11/2017 RM'000
Revenue	47,164	41,728
Other operating income	196	280
Inventories and consumables	(13,620)	(12,221)
Staff costs	(15,055)	(12,950)
Other operating expenses	(7,894)	(7,414)
Depreciation and amortisation	(3,339)	(3,032)
Interest income	1,976	1,955
Finance costs	(22)	(22)
<b>Profit before taxation</b>	<b>9,406</b>	<b>8,324</b>
Taxation	(2,336)	(1,995)
<b>Profit for the year</b>	<b>7,070</b>	<b>6,329</b>
<b>Other comprehensive income, net of tax :-</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translations	(5)	8
<b>Total comprehensive income for the period</b>	<b>7,065</b>	<b>6,337</b>
<b>Profit attributable to owners of the parent</b>	<b>7,070</b>	<b>6,329</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>7,065</b>	<b>6,337</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>		
Basic	0.41	0.36
Diluted	0.41	0.34

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 2018**

	Attributable to owners of the parent					Total attributable to owners of the parent RM'000	Total equity RM'000
	Non-distributable			Distributable			
	Share capital RM'000	Warrants reserve RM'000	Foreign exchange translation RM'000	Share options reserve RM'000	Retained profits RM'000		
<b>Balance at 1 September 2018</b>	621,912	46,960	34	3,169	68,165	740,240	740,240
<b>Total comprehensive income</b>	-	-	(5)	-	7,070	7,065	7,065
<b>Transactions with owners</b>							
Share options granted under ESOS	-	-	-	140	-	140	140
<b>Total transactions with owners</b>	-	-	-	140	-	140	140
<b>Balance at 30 November 2018</b>	621,912	46,960	29	3,309	75,235	747,445	747,445
<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>	-	-	29	-	27,796	27,825	27,825
<b>Transactions with owners</b>							
Ordinary shares issued							
- ESOS	213	-	-	(30)	-	183	183
Share options granted under ESOS	-	-	-	708	-	708	708
Dividend paid	-	-	-	-	(2,900)	(2,900)	(2,900)
<b>Total transactions with owners</b>	213	-	-	678	(2,900)	(2,009)	(2,009)
<b>Balance at 31 August 2018</b>	621,912	46,960	34	3,169	68,165	740,240	740,240

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 2018 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 2018**

	As At 30/11/2018 Unaudited RM'000	As At 31/08/2018 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	353,166	355,414
Intangible assets	195,690	195,311
Total non-current assets	548,856	550,725
<b>Current assets</b>		
Inventories	10,186	9,939
Trade and other receivables	33,273	30,824
Tax recoverable	7,283	7,503
Cash and bank balances	206,842	202,849
Total current assets	257,584	251,115
<b>TOTAL ASSETS</b>	<b>806,440</b>	<b>801,840</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	621,912	621,912
Retained profits	75,235	68,165
Reserves	50,298	50,163
	747,445	740,240
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	<b>747,445</b>	<b>740,240</b>
<b>Non-current liabilities</b>		
Borrowings	1,602	1,626
Provision	193	193
Deferred tax liabilities	12,060	12,971
Total non-current liabilities	13,855	14,790
<b>Current liabilities</b>		
Trade and other payables	44,910	46,572
Borrowings	93	92
Provision	81	81
Income tax payable	56	65
Total current liabilities	45,140	46,810
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>806,440</b>	<b>801,840</b>
Net assets per share (RM)	0.43	0.43

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 2018 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 2018**

	Current Year To Date 30/11/2018 RM'000	Preceding Year Corresponding Period 30/11/2017 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	9,406	8,324
Adjustments for :-		
Non-cash items	3,681	3,379
Interest paid	22	22
Interest income	(1,976)	(1,955)
Operating profit before changes in working capital	11,133	9,770
Changes in working capital		
Net change in current assets	(2,846)	(1,407)
Net change in current liabilities	1,871	1,707
Cash generated from operations	10,158	10,070
Interest paid	(22)	(22)
Net income tax paid	(3,036)	(515)
<b>Net cash flows from operating activities</b>	7,100	9,533
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,050)	(5,949)
Deposits withdrawn from/(placed with) financial institutions with original maturity of more than three (3) months	24,884	(8,119)
Placement of deposits pledged with a licensed bank	(4)	(4)
Interest received	1,976	1,955
<b>Net cash flows from/(used in) investing activities</b>	21,806	(12,117)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares pursuant to: - ESOS	-	94
Repayment of term loans	(17)	(17)
Repayment of hire purchase	(6)	(6)
<b>Net cash flows (used in)/from financing activities</b>	(23)	71
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	28,883	(2,513)
<b>Cash &amp; cash equivalents at beginning of the financial year</b>	61,097	58,828
<b>Exchange rate effects</b>	(9)	23
<b>Cash &amp; cash equivalents at end of the financial year</b>	89,971	56,338
<b>Cash &amp; cash equivalents at end of the financial year</b>		
Short term deposits (not more than 3 months)	69,680	41,662
Cash and bank balances	20,804	15,190
	90,484	56,852
Less: Deposits pledged to a licensed bank	(513)	(514)
	89,971	56,338

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 2018**

**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 2018. 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 2018, and changes in financial performance since the preceeding year corresponding period.

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 2018, except for the adoption of the new, revised and amendments to MFRS and IC Interpretations effective as of 1 January 2018 as issued by the Malaysian Accounting Standards Board, which does not have any significant impact on the financial statements of the Group.

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 2018.

**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 ACCOUNTING 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**

No dividend was paid during the financial period ended 30 November 2018.

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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 and fertility centres.

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

There was no material event subsequent to 30 November 2018 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**

Financial guarantees

	30/11/2018	31/08/2018
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantee given to licensed bank for banking facility granted to a subsidiary of the Company	1,665	1,683
Letter of guarantee given to suppliers	<u>3,772</u>	<u>3,571</u>
	<u><u>5,437</u></u>	<u><u>5,254</u></u>

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 30 November 2018 is as follows:

	30/11/2018	31/08/2018
	RM'000	RM'000
Approved and contracted for	327,557	277,959
Approved but not contracted for	<u>164</u>	<u>217</u>
	<u><u>327,721</u></u>	<u><u>278,176</u></u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

Significant transactions between the Group and related party are as follows:

	3 months ended 30/11/2018 RM'000
(a) Rental and utility expenses paid to Skies VB Sdn Bhd, a subsidiary of the ultimate holding company, Thomson Medical Group Limited (formerly known as Rowsley Limited)	<u>25</u>

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

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018****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	
	30/11/2018 RM'000	30/11/2017 RM'000
Revenue	47,164	41,728
Profit before taxation	9,406	8,324

The Group recorded revenue of RM47.2 million and profit before taxation of RM9.4 million for the quarter ended 30 November 2018, both at the same growth rate of 13% compared to quarter ended 30 November 2017. Higher revenue was contributed by higher patient load, higher intensity cases handled and additional consultants recruited.

**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	
	30/11/2018 RM'000	31/08/2018 RM'000
Revenue	47,164	43,194
Profit before taxation	9,406	10,373

Compared with the immediate preceding quarter ended 31 August 2018, revenue increased by 9% to RM47.2 million while profit before taxation decreased by 9% to RM9.4 million. The lower revenue for the quarter ended 31 August 2018 was mainly affected by the Hari Raya festive season. Lower profit before taxation is mainly due to higher total operating expenditure which resulted a lower EBITDA margin of 23% in the current quarter compared to EBITDA margin of 27% in the preceding quarter.



**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 AUGUST 2019**

The Group will continue to adopt measures to maintain growth by introducing more services while ramping up outreach and marketing efforts to ensure that it is the healthcare service provider of choice for private patients, including the new Thomson TCM Centre in Puchong in November 2018 in the provision of traditional complementary medicine services. The Group's expansion project at Thomson Hospital Kota Damansara is progressing on schedule in its construction work after the completion piling work in July 2018; the Thomson Iskandar Medical Hub in Johor Bahru is in the midst of obtaining the relevant regulatory approvals and has begun piling work in December 2018.

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

There is no profit forecast or profit guarantee for the financial period ended 30 November 2018.

**B5 TAXATION**

	Current quarter RM'000
In respect of current quarter/ financial year	
- income tax	3,247
- deferred tax	(911)
	<u>2,336</u>
Under provision in respect of prior year	
- income tax	-
- deferred tax	-
	<u>-</u>
	<u>2,336</u>

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

**B6 STATUS OF CORPORATE PROPOSAL**

There are no corporate proposals announced but not completed as at 17 January 2019, 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 2018 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	<u>1,602</u>	<u>93</u>	<u>1,695</u>

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**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 2017: NIL).

**B10 EARNINGS PER SHARE (EPS)**

	Current quarter	
	30/11/2018	30/11/2017
(a) Basic EPS		
Net profit attributable to owners of the parent (RM'000)	7,070	6,329
Weighted average number of ordinary shares outstanding (000)	1,736,430	1,735,623
EPS (sen)		
- Basic	0.41	0.36
(b) Diluted EPS		
Net profit attributable to owners of the parent (RM'000)	7,070	6,329
Weighted average number of ordinary shares outstanding (000)	1,736,430	1,735,623
Effect of dilution ('000)	-	112,292
Adjusted weighted average number of shares ('000)	1,736,430	1,847,915
Diluted EPS (sen)		
- Diluted	0.41	0.34

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 year, 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.

**TMC LIFE SCIENCES BERHAD (624409-A)**  
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**B12 NOTE TO STATEMENT OF COMPREHENSIVE INCOME**

	Current quarter 30/11/2018 RM'000
Interest income	1,976
Other operating income excluding interest income	196
Interest expense	(22)
Depreciation	(3,168)
Amortisation of intangible assets	(171)
Impairment losses on receivables	(150)
Fair value charges on share options granted under ESOS	(140)
Loss on disposal of property, plant and equipment	(52)
Realised loss on foreign exchange	(2)
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**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding at 30 November 2018 and 31 August 2018.

**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 24 January 2019.