



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
31 MAY 2019**

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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 31 MAY 2019**

	Individual Quarter		9 months ended	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/05/2019 RM'000	31/05/2018 RM'000	31/05/2019 RM'000	31/05/2018 RM'000
Revenue	51,130	44,406	143,454	125,845
Other operating income	210	163	572	807
Inventories and consumables	(14,824)	(13,358)	(41,355)	(37,406)
Staff costs	(16,240)	(14,272)	(46,890)	(40,863)
Other operating expenses	(8,708)	(7,743)	(24,273)	(22,155)
Depreciation and amortisation	(2,522)	(3,231)	(8,713)	(9,444)
Interest income	1,864	2,054	5,787	6,006
Finance costs	(22)	(22)	(65)	(66)
<b>Profit before taxation</b>	<b>10,888</b>	<b>7,997</b>	<b>28,517</b>	<b>22,724</b>
Taxation	(2,531)	(2,370)	(6,884)	(6,008)
<b>Profit for the period</b>	<b>8,357</b>	<b>5,627</b>	<b>21,633</b>	<b>16,716</b>
<b>Other comprehensive income, net of tax :-</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translations	(6)	(1)	(1)	14
<b>Total comprehensive income for the period</b>	<b>8,351</b>	<b>5,626</b>	<b>21,632</b>	<b>16,730</b>
<b>Profit attributable to owners of the parent</b>	<b>8,357</b>	<b>5,627</b>	<b>21,633</b>	<b>16,716</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>8,351</b>	<b>5,626</b>	<b>21,632</b>	<b>16,730</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>				
Basic	0.48	0.32	1.25	0.96
Diluted	0.48	0.31	1.25	0.92

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 31 MAY 2019**

	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>	-	-	(1)	-	21,633	21,632	21,632
<b>Transactions with owners</b>							
Ordinary shares issued							
- Warrants	902	-	-	-	-	902	902
Share options granted under ESOS	-	-	-	420	-	420	420
Dividend paid	-	-	-	-	(3,177)	(3,177)	(3,177)
<b>Total transactions with owners</b>	902	-	-	420	(3,177)	(1,855)	(1,855)
<b>Balance at 31 May 2019</b>	622,814	46,960	33	3,589	86,621	760,017	760,017
<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 31 MAY 2019**

	As At 31/05/2019 Unaudited RM'000	As At 31/08/2018 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	393,044	355,414
Intangible assets	195,385	195,311
<b>Total non-current assets</b>	<b>588,429</b>	<b>550,725</b>
<b>Current assets</b>		
Inventories	10,872	9,939
Trade and other receivables	32,719	30,824
Tax recoverable	7,552	7,503
Cash and bank balances	192,967	202,849
<b>Total current assets</b>	<b>244,110</b>	<b>251,115</b>
<b>TOTAL ASSETS</b>	<b>832,539</b>	<b>801,840</b>
<b>Current liabilities</b>		
Trade and other payables	57,492	46,572
Borrowings	93	92
Provision	81	81
Income tax payable	45	65
<b>Total current liabilities</b>	<b>57,711</b>	<b>46,810</b>
<b>NET CURRENT ASSETS</b>	<b>186,399</b>	<b>204,305</b>
<b>Non-current liabilities</b>		
Borrowings	1,562	1,626
Provision	193	193
Deferred tax liabilities	13,056	12,971
<b>Total non-current liabilities</b>	<b>14,811</b>	<b>14,790</b>
<b>TOTAL LIABILITIES</b>	<b>72,522</b>	<b>61,600</b>
<b>NET ASSETS</b>	<b>760,017</b>	<b>740,240</b>
<b>Represented by:</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	622,814	621,912
Retained profits	86,621	68,165
Reserves	50,582	50,163
<b>TOTAL EQUITY</b>	<b>760,017</b>	<b>740,240</b>
Net assets per share (RM)	0.44	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 31 MAY 2019**

	Current Year To Date  31/05/2019 RM'000	Preceding Year Corresponding Period 31/05/2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	28,517	22,724
Adjustments for :-		
Non-cash items	9,637	10,322
Interest paid	65	66
Interest income	(5,787)	(6,006)
Operating profit before changes in working capital	<u>32,432</u>	<u>27,106</u>
Changes in working capital		
Net change in current assets	(3,278)	(1,165)
Net change in current liabilities	14,454	(1,644)
Cash generated from operations	<u>43,608</u>	<u>24,297</u>
Interest paid	(65)	(66)
Net income tax paid	(6,868)	(4,847)
<b>Net cash flows from operating activities</b>	<u>36,675</u>	<u>19,384</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(49,998)	(21,564)
Proceeds from disposal of property, plant and equipment	-	5
Deposits withdrawn from/(placed with) financial institutions with original maturity of more than three (3) months	46,079	(14,176)
Placement of deposits pledged with a licensed bank	4	4
Interest received	5,787	6,006
<b>Net cash flows from/(used in) investing activities</b>	<u>1,872</u>	<u>(29,725)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares pursuant to:		
- Warrants exercised	902	-
- ESOS	-	183
Dividend paid	(3,177)	(2,900)
Repayment of term loans	(46)	(45)
Repayment of hire purchase	(18)	(16)
<b>Net cash flows used in financing activities</b>	<u>(2,339)</u>	<u>(2,778)</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<u>36,208</u>	<u>(13,119)</u>
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	61,097	58,828
<b>Exchange rate effects</b>	(6)	41
<b>Cash &amp; cash equivalents at end of the financial period</b>	<u>97,299</u>	<u>45,750</u>
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Short term deposits (not more than 3 months)	70,654	30,693
Cash and bank balances	27,151	15,563
	<u>97,805</u>	<u>46,256</u>
Less: Deposits pledged to a licensed bank	(506)	(506)
	<u>97,299</u>	<u>45,750</u>

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 31 MAY 2019**

**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**

During the financial period ended 31 May 2019, the Company paid the final single tier dividend of 0.183 sen per ordinary share on 1,736,450,269 ordinary shares, amounting RM3,177,700 in respect of the financial year ended 31 August 2018.

**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 and fertility centres.

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

There was no material event subsequent to 31 May 2019 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

	31/05/2019	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	1,637	1,683
Letter of guarantee given to suppliers	<u>3,698</u>	<u>3,571</u>
	<u><u>5,335</u></u>	<u><u>5,254</u></u>

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 31 May 2019 is as follows:

	31/05/2019	31/08/2018
	RM'000	RM'000
Approved and contracted for	287,514	277,959
Approved but not contracted for	<u>164</u>	<u>217</u>
	<u><u>287,678</u></u>	<u><u>278,176</u></u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	9 months ended 31/05/2019 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)	76
(b) Expenses paid for administrative works to RSP Engineers Sdn Bhd ("RSP")	<u>56</u>
	<u><u>132</u></u>

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

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019****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	
	31/05/2019	31/05/2018
	RM'000	RM'000
Revenue	51,130	44,406
Profit before taxation	10,888	7,997

The Group recorded revenue of RM51.1 million and profit before taxation of RM10.9 million for the quarter ended 31 May 2019, an increase of 15% and 36% respectively compared to quarter ended 31 May 2018. Higher revenue was contributed by higher patient load and higher intensity cases handled. Higher profit before tax margin of 21% compared to quarter ended 31 May 2018 of 18% was mainly due to resource optimisation during the current quarter.

**Review of results for the financial period**

	9 months ended	
	31/05/2019	31/05/2018
	RM'000	RM'000
Revenue	143,454	125,845
Profit before taxation	28,517	22,724

For the financial period ended 31 May 2019, the Group recorded revenue of RM143.5 million and profit before taxation of RM28.5 million, an increase of 14% and 25% respectively compared to the 9 months financial period ended 31 May 2018. Higher growth rate in profit before taxation compared to revenue is mainly due to resource optimisation during the period which have driven higher EBITDA margin of 22% compared to 21% in the previous corresponding financial period.

**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.



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

	3 months ended	
	31/05/2019 RM'000	28/02/2019 RM'000
Revenue	51,130	45,160
Profit before taxation	10,888	8,223

Compared with the immediate preceding quarter ended 28 February 2019, revenue and profit before taxation for the quarter ended 31 May 2019 was increased by 13% and 32% to RM51.1 million and RM10.9 million, respectively. The lower revenue for the preceding quarter year ended 28 February 2019 was mainly affected by extended holiday season brought about by the proximity of the start of the new calendar year and the Chinese New Year festivities which affected patient volumes. Higher profit before taxation is mainly due to higher revenue achieved and higher EBITDA margin of 23% in the current quarter compared to 20% 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 introduction of more tertiary specialty and sub-specialty services. The Group's expansion project at Thomson Hospital Kota Damansara and the piling work at Thomson Iskandar Medical Hub in Johor Bahru are both progressing on schedule.

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

There is no profit forecast or profit guarantee for the financial period ended 31 May 2019.

**B5 TAXATION**

	Current quarter RM'000	9 months ended 31/05/2019 RM'000
In respect of current quarter/ financial period		
- income tax	3,576	6,808
- deferred tax	(1,037)	84
	<u>2,539</u>	<u>6,892</u>
Under provision in respect of prior period		
- income tax	(8)	(8)
- deferred tax	-	-
	<u>(8)</u>	<u>(8)</u>
	<u>2,531</u>	<u>6,884</u>

The effective tax rate of the Group's current tax charge for the current financial period under review remained the same with the statutory tax rate.

**B6 STATUS OF CORPORATE PROPOSAL**

There are no corporate proposals announced but not completed as at 19 July 2019, being the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report.

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**B7 BORROWINGS**

The Group's borrowings as at 31 May 2019 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	1,562	93	1,655

**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 31 May 2018: NIL).

**B10 EARNINGS PER SHARE (EPS)**

	Individual Quarter		9 months ended	
	31/05/2019	31/05/2018	31/05/2019	31/05/2018
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	8,357	5,627	21,633	16,716
Weighted average number of ordinary shares outstanding ('000)	1,736,479	1,736,281	1,736,479	1,736,281
EPS (sen)				
- Basic	0.48	0.32	1.25	0.96
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	8,357	5,627	21,633	16,716
Weighted average number of ordinary shares outstanding ('000)	1,736,479	1,736,281	1,736,479	1,736,281
Effect of dilution ('000)	-	71,506	-	71,506
Adjusted weighted average number of shares ('000)	1,736,479	1,807,787	1,736,479	1,807,787
Diluted EPS (sen)				
- Diluted	0.48	0.31	1.25	0.92

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)**

(Incorporated in Malaysia)

**B12 NOTE TO STATEMENT OF COMPREHENSIVE INCOME**

	Current quarter 31/05/2019 RM'000	9 months ended 31/05/2019 RM'000
Interest income	1,864	5,787
Other operating income excluding interest income	210	572
Interest expense	(22)	(65)
Depreciation	(2,349)	(8,191)
Amortisation of intangible assets	(173)	(522)
Impairment losses on receivables	(150)	(450)
Fair value charges on share options granted under ESOS	(140)	(420)
Loss on disposal of property, plant and equipment	(1)	(53)
Realised loss on foreign exchange	(1)	(4)

**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding at 31 May 2019 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 26 July 2019.