



TMC LIFE SCIENCES BERHAD
Company no. 200301021989 (624409-A)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED
30 NOVEMBER 2019**

Contact

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

	3 months ended	
	Current Year To Date 30/11/2019 RM'000	Preceding Year Corresponding Period 30/11/2018 RM'000
Revenue	52,534	-
Other operating income	245	-
Inventories and consumables	(15,729)	-
Staff costs	(17,012)	-
Other operating expenses	(7,562)	-
Depreciation and amortisation	(3,174)	-
Interest income	1,467	-
Finance costs	(104)	-
Profit before taxation	10,665	-
Taxation	(2,712)	-
Profit for the year	7,953	-
Other comprehensive income, net of tax :-		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translations	-	-
Total comprehensive income for the period	7,953	-
Profit attributable to owners of the parent	7,953	-
Total comprehensive income attributable to owners of the parent	7,953	-
Profit per ordinary share attributable to the owners of the parent (sen)		
Basic	0.46	-
Diluted	0.46	-

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

No comparative figures are shown following the change in financial year end from 31st August to 30th June.

TMC LIFE SCIENCES BERHAD (624409-A)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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		
Balance at 1 September 2019	625,986	-	31	3,352	132,867	762,236	762,236
Total comprehensive income	-	-	-	-	7,953	7,953	7,953
Transactions with owners							
Ordinary shares issued							
- Warrants	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	38	-	38	38
Dividend paid	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	38	-	38	38
Balance at 30 November 2019	625,986	-	31	3,390	140,820	770,227	770,227
Balance at 1 September 2018	621,912	46,960	34	3,169	68,165	740,240	740,240
Total comprehensive income	-	-	(3)	-	20,919	20,916	20,916
Transactions with owners							
Ordinary shares issued							
- Warrants	4,074	-	-	-	-	4,074	4,074
Share options granted under ESOS	-	-	-	183	-	183	183
Expiry of unexercised warrants	-	(46,960)	-	-	46,960	-	-
Dividend paid	-	-	-	-	(3,177)	(3,177)	(3,177)
Total transactions with owners	4,074	(46,960)	-	183	43,783	1,080	1,080
Balance at 31 August 2019	625,986	-	31	3,352	132,867	762,236	762,236

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 2019 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 FINANCIAL POSITION
AS AT 30 NOVEMBER 2019**

	As At 30/11/2019 Unaudited RM'000	As At 31/08/2019 Audited RM'000
Non-current assets		
Property, plant and equipment	470,053	421,012
Intangible assets	195,275	195,440
Right-of-use assets	7,215	-
Total non-current assets	<u>672,543</u>	<u>616,452</u>
Current assets		
Inventories	11,084	10,830
Trade and other receivables	30,967	33,965
Tax recoverable	8,589	7,544
Cash and bank balances	154,795	179,725
Total current assets	<u>205,435</u>	<u>232,064</u>
TOTAL ASSETS	<u>877,978</u>	<u>848,516</u>
Current liabilities		
Trade and other payables	77,688	64,790
Borrowings	83	88
Lease liabilities	1,372	-
Provision	278	265
Income tax payable	264	132
Total current liabilities	<u>79,685</u>	<u>65,275</u>
NET CURRENT ASSETS	<u>125,750</u>	<u>166,789</u>
Non-current liabilities		
Borrowings	1,523	1,542
Lease liabilities	5,914	-
Provision	42	55
Deferred tax liabilities	20,587	19,408
Total non-current liabilities	<u>28,066</u>	<u>21,005</u>
TOTAL LIABILITIES	<u>107,751</u>	<u>86,280</u>
NET ASSETS	<u>770,227</u>	<u>762,236</u>
Represented by:		
Equity attributable to owners of the parent		
Share capital	625,986	625,986
Retained profits	140,820	132,867
Reserves	3,421	3,383
TOTAL EQUITY	<u>770,227</u>	<u>762,236</u>
Net assets per share (RM)	<u>0.44</u>	<u>0.44</u>

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 2019 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 2019**

	Current Year To Date 30/11/2019 RM'000	Preceding Year Corresponding Period 30/11/2018 RM'000
Cash flows from operating activities		
Profit before tax	10,665	-
Adjustments for :-		
Non-cash items	3,367	-
Interest paid	104	-
Interest income	(1,467)	-
Operating profit before changes in working capital	12,669	-
Changes in working capital		
Net change in current assets	2,593	-
Net change in current liabilities	12,898	-
Cash generated from operations	28,160	-
Interest paid	(104)	-
Net income tax paid	(2,445)	-
Net cash flows from operating activities	25,611	-
Cash flows from investing activities		
Acquisition of property, plant and equipment	(51,648)	-
Proceeds from disposal of property, plant and equipment	3	-
Deposits withdrawn from financial institutions with original maturity of more than three (3) months	4,206	-
Placement of deposits pledged with a licensed bank	(4)	-
Interest received	1,467	-
Net cash flows (used in)/from investing activities	(45,976)	-
Cash flows from financing activities		
Payment of lease liabilities	(339)	-
Repayment of term loans	(19)	-
Repayment of hire purchase	(6)	-
Net cash flows used in financing activities	(364)	-
Net (decrease)/increase in cash & cash equivalents	(20,729)	-
Cash & cash equivalents at beginning of the financial period	101,515	-
Exchange rate effects	1	-
Cash & cash equivalents at end of the financial period	80,787	-
Cash & cash equivalents at end of the financial period		
Short term deposits (not more than 3 months)	65,504	-
Cash and bank balances	15,796	-
	81,300	-
Less: Deposits pledged to a licensed bank	(513)	-
	80,787	-

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

No comparative figures are shown following the change in financial year end from 31st August to 30th June.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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 2019. 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 2019, and changes in financial performance since the preceding year corresponding period.

The Company has changed its financial year end from 31 August 2020 to 30 June 2020.

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 2019, except for the adoption of the new, revised and amendments to MFRS and IC Interpretations effective as of 1 January 2019 as issued by the Malaysian Accounting Standards Board, which does not have any significant impact on the financial statements of the Group except for MFRS 16 Leases, using the modified retrospective approach.

On the adoption of MFRS 16, the Group recognised right-of-use assets of RM7,624,675 and lease liabilities of RM7,624,675 for its leases previously classified as operating leases as of 1 September 2019.

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 2019.

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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 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

30/11/2019
RM'000

Unsecured

Corporate guarantee given to licensed bank for banking facility granted
to a subsidiary of the Company
Letter of guarantee given to suppliers

1,600

3,562

5,162

A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 30 November 2019 is as follows:

30/11/2019
RM'000

Approved and contracted for

228,020

Approved but not contracted for

161

228,181

A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

3 months ended
30/11/2019
RM'000

(a) Rental and utility expenses incurred to Skies VB Sdn Bhd, a subsidiary of the
ultimate holding company, Thomson Medical Group Limited

25

(b) Expenses paid for administrative works and progress claim for civil and structural engineering
services to RSP Engineers Sdn Bhd ("RSPSB")

566

(c) Expenses paid for re-design works to RSP Architects Planners & Engineers (Pte) Ltd
("RSPPL")

542

1,133

A13 CHANGE OF FINANCIAL YEAR END

The Board of Directors of TMC Life Sciences Berhad ('the Company') had approved the change in the financial year end ('FYE') of the Company from 31 August to 30 June. The Audited Financial Statements for the current year shall be for a period of 10 months from 1 September 2019 to 30 June 2020 and thereafter, the FYE shall be 30 June for each subsequent year. The change in the FYE of the Company from 31 August to 30 June annually is to coincide with the FYE of its holding company.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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	
	30/11/2019	30/11/2018
	RM'000	RM'000
Revenue	52,534	47,164
Profit before taxation	10,665	9,406

The group recorded revenue of RM52.5 million and profit before taxation of RM10.7 million for the quarter ended 30 November 2019, an increase of 11% and 13% respectively compared to quarter ended 30 November 2018. Higher revenue was contributed by higher patient load and higher case intensity handled.

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, higher case intensity handled and continuous marketing effort to boost local and international branding.

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

	3 months ended	
	30/11/2019	31/08/2019
	RM'000	RM'000
Revenue	52,534	51,524
Profit before taxation	10,665	9,634

Compared with the immediate preceding quarter ended 31 August 2019, revenue and profit before taxation for the quarter ended 30 November 2019 was increased by 2% and 11% to RM52.5 million and RM10.7 million, respectively. Higher profit before taxation is mainly due to higher revenue achieved and higher EBITDA margin of 24% in the current quarter compared to EBITDA margin of 20% in the preceding quarter.

B3 PROSPECTS FOR THE FINANCIAL PERIOD ENDING 30 JUNE 2020

The Group's expansion project at Thomson Hospital Kota Damansara is progressing on schedule.

The Group is encouraged by the announcement by the Government that it will proceed with the Johor Bahru - Singapore Rail Transit System (RTS) project and the Group keenly awaits information on when the RTS is expected to be completed. The Group remains committed to the project at Thomson Iskandar Medical Hub, with the aim to complete the hospital within 12 to 24 months after the RTS project at Bukit Chagar is fully operational.

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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 2019.

B5 TAXATION

	Individual quarter 30/11/2019 RM'000
In respect of current quarter/ financial year	
- income tax	1,532
- deferred tax	1,180
	<u>2,712</u>
Under provision in respect of prior year	
- income tax	-
- deferred tax	-
	<u>-</u>
	<u>2,712</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 2 January 2020, 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 31 August 2019 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	<u>1,523</u>	<u>83</u>	<u>1,606</u>

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 2018: NIL).

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B10 EARNINGS PER SHARE (EPS)

Individual quarter
30/11/2019

(a) Basic EPS	
Net profit attributable to owners of the parent (RM'000)	7,953
Weighted average number of ordinary shares outstanding ('000)	1,738,981
EPS (sen)	
- Basic	0.46
(b) Diluted EPS	
Net profit attributable to owners of the parent (RM'000)	7,953
Weighted average number of ordinary shares outstanding ('000)	1,738,981
Effect of dilution ('000)	-
Adjusted weighted average number of shares ('000)	1,738,981
Diluted EPS (sen)	
- Diluted	0.46

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.

B12 NOTE TO STATEMENT OF COMPREHENSIVE INCOME

Individual quarter
30/11/2019

	RM'000
Interest income	1,467
Other operating income excluding interest income	245
Interest expense	(104)
Depreciation of property, plant and equipment and right-of-use assets	(2,882)
Amortisation of intangible assets	(292)
Impairment loss on receivables	(150)
Fair value charges on share options granted under ESOS	(38)
Property, plant and equipment written off	(8)
Gain / (loss) on disposal of property, plant and equipment	3
Realised loss on foreign exchange	(3)

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B13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group did not enter into any derivative financial instruments which were outstanding at 30 November 2019 and 31 August 2019.

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 9 January 2020.