



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
30 SEPTEMBER 2020**

**Contact**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	3 months ended	
	Current Year To Date 30/09/2020 RM'000	Preceding Year Corresponding Period 30/09/2019 RM'000
Revenue	50,827	-
Other operating income	206	-
Inventories and consumables	(16,240)	-
Staff costs	(14,302)	-
Other operating expenses	(7,332)	-
Depreciation and amortisation	(3,089)	-
Interest income	646	-
Finance costs	(95)	-
<b>Profit before taxation</b>	<b>10,621</b>	<b>-</b>
Taxation	(2,837)	-
<b>Profit for the financial period</b>	<b>7,784</b>	<b>-</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	-
<b>Total comprehensive income for the financial period</b>	<b>7,789</b>	<b>-</b>
<b>Profit attributable to owners of the parent</b>	<b>7,784</b>	<b>-</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>7,789</b>	<b>-</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>		
Basic	0.45	-
Diluted	0.45	-

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 financial information available for the financial period ended 30 September 2020 as there was change in financial year end from 31st August to 30th June.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	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 July 2020</b>	625,986	-	30	3,466	142,636	772,118	772,118
<b>Total comprehensive income</b>	-	-	5	-	7,784	7,789	7,789
<b>Balance at 30 September 2020</b>	625,986	-	35	3,466	150,420	779,907	779,907
<b>Balance at 1 September 2019</b>	625,986	-	31	3,352	132,867	762,236	762,236
<b>Total comprehensive income</b>	-	-	(1)	-	13,275	13,274	13,274
<b>Transactions with owners</b>							
Share options granted under ESOS	-	-	-	114	-	114	114
Dividend paid	-	-	-	-	(3,506)	(3,506)	(3,506)
<b>Total transactions with owners</b>	-	-	-	114	(3,506)	(3,392)	(3,392)
<b>Balance at 30 June 2020</b>	625,986	-	30	3,466	142,636	772,118	772,118

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	As At 30/09/2020 Unaudited RM'000	As At 30/06/2020 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	590,889	569,606
Intangible assets	194,940	194,949
Total non-current assets	<u>785,829</u>	<u>764,555</u>
<b>Current assets</b>		
Inventories	11,112	11,465
Trade and other receivables	30,274	25,906
Tax recoverable	11,388	12,058
Cash and bank balances	124,447	136,456
Total current assets	<u>177,221</u>	<u>185,885</u>
<b>TOTAL ASSETS</b>	<u>963,050</u>	<u>950,440</u>
<b>Current liabilities</b>		
Trade and other payables	70,903	68,002
Borrowings	1,658	1,606
Provision	278	278
Income tax payable	4	1
Total current liabilities	<u>72,843</u>	<u>69,887</u>
<b>NET CURRENT ASSETS</b>	<u>104,378</u>	<u>115,998</u>
<b>Non-current liabilities</b>		
Borrowings	86,941	86,794
Provision	42	42
Deferred tax liabilities	23,317	21,599
Total non-current liabilities	<u>110,300</u>	<u>108,435</u>
<b>TOTAL LIABILITIES</b>	<u>183,143</u>	<u>178,322</u>
<b>NET ASSETS</b>	<u>779,907</u>	<u>772,118</u>
<b>Represented by:</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	625,986	625,986
Retained profits	150,420	142,636
Reserves	3,501	3,496
<b>TOTAL EQUITY</b>	<u>779,907</u>	<u>772,118</u>
Net assets per share (RM)	<u>0.45</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 period ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**TMC LIFE SCIENCES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Current Year To Date 30/09/2020 RM'000	Preceding Year Corresponding Period 30/09/2019 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,621	-
Adjustments for :-		
Non-cash items	3,294	-
Interest paid	95	-
Interest income	(646)	-
Operating profit before changes in working capital	13,364	-
Changes in working capital		
Net change in current assets	(4,215)	-
Net change in current liabilities	3,552	-
Cash generated from operations	12,701	-
Interest paid	(777)	-
Net income tax paid	(446)	-
<b>Net cash flows from operating activities</b>	11,478	-
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(23,670)	-
Interest received	646	-
<b>Net cash flows used in investing activities</b>	(23,024)	-
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(485)	-
Drawdown of term loans	12	-
<b>Net cash flows from financing activities</b>	(473)	-
<b>Net decrease in cash &amp; cash equivalents</b>	(12,019)	-
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	96,697	-
<b>Exchange rate effects</b>	10	-
<b>Cash &amp; cash equivalents at end of the financial period</b>	84,688	-
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Short term deposits (not more than 3 months)	21,062	-
Cash and bank balances	64,126	-
	#	-
Less: Deposits pledged to a licensed bank	(500)	-
	84,688	-

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

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**NOTES TO THE AUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARDS (“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 TMC Life Sciences and its subsidiaries (“the Group”) for the financial period ended 30 June 2020. 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 30 June 2020, 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 period ended 30 June 2020, except for the adoption of the new, revised and amendments to MFRS and IC Interpretations effective as of 1 January 2020 as issued by the Malaysian Accounting Standards Board, which does not have any significant impact on the financial statements of the Group.

**A2 SEASONALITY OR CYCLICALITY OF OPERATIONS**

The Group business during the financial period is slowly recovering with the implementation of the Recovery Movement Control Order (“RMCO”) where the Group has seen an increase of patient load in our hospital and fertility centres.

**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 DIVIDEND PAID**

No dividend was paid during the financial period ended 30 September 2020.

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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 September 2020 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	30/09/2020 RM'000
<u>Unsecured</u>	
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	81,673
Letter of guarantee given to suppliers	<u>3,896</u>
	<u><u>85,569</u></u>

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 30 September 2020 is as follows:

	30/09/2020 RM'000
Approved and contracted for	144,938
Approved but not contracted for	143
	<u>145,081</u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	3 months ended 30/09/2020 RM'000
(a) Rental and utility expenses incurred to Skies VB Sdn Bhd, a subsidiary of the ultimate holding company, Thomson Medical Group Limited	<u>25</u>

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**NOTES TO THE AUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

**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 September 2020 versus the same period in 2019)**

	3 months ended	
	30/09/2020 RM'000	30/09/2019 RM'000
Revenue	50,827	53,504
Profit before taxation	10,621	10,586

Due to the change in financial year, the Group has provided the analysis on performance for this quarter for reference.

Compared with the 3-month financial period ended 30 September 2019, revenue decreased by 5% to RM50.8 million and profit before taxation increased by 0.3% to RM10.6 million. The higher profit before taxation for the quarter ended 30 September 2020 was mainly due to business activity recovering almost to pre-Covid-19 levels. The Group implemented cost control measures which has driven total operating expenditure lower. As a result, the Group has posted a profit after tax of RM7.8 million in this quarter as compared to a loss after tax of RM148k in the same period in 2019.

**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/(LOSS) BEFORE TAX AS COMPARED WITH IMMEDIATE PRECEDING QUARTER**

**(Quarter ended 30 September 2020 versus 30 June 2020)**

	3 months ended	3 month ended
	30/09/2020 RM'000	30/06/2020 RM'000
Revenue	50,827	35,212
Profit/(loss) before taxation	10,621	(1,633)

Due to the change in financial year, the Group has provided the analysis on performance for reference.

The Group recorded revenue and profit before taxation of RM50.8 million and RM10.6 million, respectively for the quarter ended 30 September 2020. Revenue and patient load increased significantly since Malaysia moved from the Conditional Movement Control Order (“CMCO”) to the Recovery Movement Control Order (“RMCO”) phase where the Group revenue increased by 44% to RM50.8 million and profit before tax and profit after tax for the period increased by 550% and 505% to RM10.6 million and RM7.8 million, respectively compared to 3 months ended 30 June 2020.



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**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021**

The Group's revenue has increased progressively since the beginning of the RMCO. Various initiatives were implemented during this time including cost control and cash conservation measures as well as introduction of new services e.g. e-Pharmacy, home delivery of medication and the Thomson Hospital Online telehealth platform. The Group's expansion project at Thomson Hospital Kota Damansara has resumed since the introduction of the CMCO. The implementation of the CMCO on 14 October 2020 and increasing numbers of new Covid-19 cases may pose challenges to our hospital and fertility operations. The Group is cautiously optimistic of its mid- and long-term prospects.

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

There is no profit forecast or profit guarantee for the financial period ended 30 September 2020.

**B5 TAXATION**

	Individual quarter 30/09/2020 RM'000
In respect of current quarter/ financial period	
- income tax	1,909
- deferred tax	928
	<u>2,837</u>

The effective tax rate of the Group's current tax charge for the current financial period under review was higher than the statutory tax rate mainly 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 3 November 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 30 September 2020 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	86,941	1,658	88,599

**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 September 2019: NIL).

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**B10 EARNINGS PER SHARE (EPS)**

	Individual quarter 30/09/2020
(a) Basic EPS	
Net profit attributable to owners of the parent (RM'000)	7,784
Weighted average number of ordinary shares outstanding ('000)	1,741,882
EPS (sen)	
- Basic	0.45
(b) Diluted EPS	
Net profit attributable to owners of the parent (RM'000)	7,784
Weighted average number of ordinary shares outstanding ('000)	1,741,882
Effect of dilution ('000)	-
Adjusted weighted average number of shares ('000)	1,741,882
Diluted EPS (sen)	
- Diluted	0.45

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.

For the current quarter ended 30 September 2020, share options granted under ESOS have not been included in the calculation of diluted earnings per share because they were anti-dilutive.

**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 30/09/2020 RM'000
Interest income	646
Other operating income excluding interest income	206
Interest expense	(95)
Depreciation of property, plant and equipment and right-of-use assets	(2,884)
Amortisation of intangible assets	(205)
Impairment loss on receivables	(195)
Property, plant and equipment written off	(5)
Inventories written off	(5)
Realised loss on foreign exchange	(1)

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**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding as at 30 September 2020 and 30 June 2020.

**B14 LISTING REQUIREMENTS**

The external auditors, Ernst & Young PLT has performed a limited review on the interim condensed financial statements of the Group as at 30 September 2020.

**B15 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 10 November 2020.