



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
30 SEPTEMBER 2021**

**Contact**

C-13-09 Sunway Nexis

No.1, Jalan PJU 5/1

Dataran Sunway, Kota Damansara

47810 Petaling Jaya, Selangor D.E.

Tel: +603 6287 1111

Fax: +603 6287 1212

[www.tmclife.com](http://www.tmclife.com)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	3 months ended	
	Current Year To Date 30/09/2021 RM'000	Preceding Year Corresponding Period 30/09/2020 RM'000
Revenue	52,681	50,827
Other operating income	382	206
Inventories and consumables	(17,023)	(16,240)
Staff costs	(18,784)	(14,302)
Other operating expenses	(8,941)	(7,332)
Depreciation and amortisation	(3,408)	(3,089)
Interest income	527	646
Finance costs	(111)	(95)
<b>Profit before taxation</b>	<b>5,323</b>	<b>10,621</b>
Taxation	(1,277)	(2,837)
<b>Profit for the financial period</b>	<b>4,046</b>	<b>7,784</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>4,046</b>	<b>7,789</b>
<b>Profit attributable to owners of the parent</b>	<b>4,046</b>	<b>7,784</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>4,046</b>	<b>7,789</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>		
Basic	0.23	0.45
Diluted	0.23	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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	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	Foreign exchange translation RM'000	Share options reserve RM'000			Retained profits RM'000
<b>Balance at 1 July 2021</b>	625,986	-	3,668	159,967	789,621	789,621
<b>Total comprehensive income</b>	-	-	-	4,046	4,046	4,046
<b>Transactions with owners</b>						
Share options granted under ESOS	-	-	59	-	59	59
<b>Total transactions with owners</b>	-	-	59	-	59	59
<b>Balance at 30 September 2021</b>	<b>625,986</b>	<b>-</b>	<b>3,727</b>	<b>164,013</b>	<b>793,726</b>	<b>793,726</b>
<b>Balance at 1 July 2020</b>	625,986	30	3,466	142,636	772,118	772,118
<b>Total comprehensive income</b>	-	2	-	20,254	20,256	20,256
<b>Transactions with owners</b>						
Share options granted under ESOS	-	-	202	-	202	202
Liquidation of a subsidiary	-	(32)	-	-	(32)	(32)
Dividend paid	-	-	-	(2,923)	(2,923)	(2,923)
<b>Total transactions with owners</b>	-	(32)	202	(2,923)	(2,753)	(2,753)
<b>Balance at 30 June 2021</b>	<b>625,986</b>	<b>-</b>	<b>3,668</b>	<b>159,967</b>	<b>789,621</b>	<b>789,621</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 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	As At 30/09/2021 Unaudited RM'000	As At 30/06/2021 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	678,303	677,334
Investment property	2,263	2,278
Intangible assets	197,435	194,943
<b>Total non-current assets</b>	<b>878,001</b>	<b>874,555</b>
<b>Current assets</b>		
Inventories	10,386	10,296
Trade and other receivables	27,136	26,519
Tax recoverable	8,186	8,957
Cash and bank balances	121,844	139,906
<b>Total current assets</b>	<b>167,552</b>	<b>185,678</b>
<b>TOTAL ASSETS</b>	<b>1,045,553</b>	<b>1,060,233</b>
<b>Current liabilities</b>		
Trade and other payables	54,867	72,828
Borrowings	772	993
Lease liabilities	1,372	1,447
Provision	227	181
Income tax payable	26	-
<b>Total current liabilities</b>	<b>57,264</b>	<b>75,449</b>
<b>NET CURRENT ASSETS</b>	<b>110,288</b>	<b>110,229</b>
<b>Non-current liabilities</b>		
Borrowings	167,845	167,858
Lease liabilities	4,056	4,305
Provision	320	363
Deferred tax liabilities	22,342	22,637
<b>Total non-current liabilities</b>	<b>194,563</b>	<b>195,163</b>
<b>TOTAL LIABILITIES</b>	<b>251,827</b>	<b>270,612</b>
<b>NET ASSETS</b>	<b>793,726</b>	<b>789,621</b>
<b>Represented by:</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	625,986	625,986
Retained profits	164,013	159,967
Reserves	3,727	3,668
<b>TOTAL EQUITY</b>	<b>793,726</b>	<b>789,621</b>
Net assets per share (RM)	0.46	0.45

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	Current Year To Date 30/09/2021 RM'000	Preceding Year Corresponding Period 30/09/2020 RM'000
<b>Cash flows (used in) / from operating activities</b>		
Profit before tax	5,323	10,621
Adjustments for :-		
Non-cash items	3,723	3,294
Interest paid	111	95
Interest income	(527)	(646)
Operating profit before changes in working capital	8,630	13,364
Changes in working capital		
Net change in current assets	(9,852)	(4,215)
Net change in current liabilities	(9,073)	3,552
Cash generated (used in) / from operations	(10,295)	12,701
Interest paid	(1,399)	(777)
Net income tax paid	(774)	(446)
<b>Net cash flows (used in) / from operating activities</b>	(12,468)	11,478
<b>Cash flows from / (used in) investing activities</b>		
Acquisition of property, plant and equipment	(5,427)	(23,670)
(Placement) / uplift of deposits placed with:-		
- financial institutions with original maturity of more than three (3) months	6,210	-
- deposits pledged	(18)	-
Interest received	527	646
<b>Net cash flows from / (used in) investing activities</b>	1,292	(23,024)
<b>Cash flows used in financing activities</b>		
Payment of lease liabilities	(449)	(485)
Drawdown of term loans	-	12
Repayment of term loans	(24)	-
Repayment of hire purchase	(221)	-
<b>Net cash flows used in financing activities</b>	(694)	(473)
<b>Net decrease in cash &amp; cash equivalents</b>	(11,870)	(12,019)
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	105,327	96,697
<b>Exchange rate effects</b>	-	10
<b>Cash &amp; cash equivalents at end of the financial period</b>	93,457	84,688
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Cash at banks and on hand	63,394	64,126
Deposits with licenced banks	58,450	60,321
	121,844	124,447
Less: Deposits with licenced banks (for more than 3 months)	(26,478)	(39,259)
Deposit pledged to a licenced bank	(566)	(500)
Cash restricted in use	(1,343)	-
	93,457	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.

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

**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 Berhad and its subsidiaries (“the Group”) for the financial year ended 30 June 2021. 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 30 June 2021, and changes in financial performance since the preceding 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 30 June 2021, except for the adoption of the new, revised and amendments to MFRS and IC Interpretations effective as of 1 January 2021 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 is affected by the COVID-19 pandemic. Malaysia reported a record number of COVID-19 cases since July 2021 which has affected the Group's fertility business. Inpatient and outpatient load has decreased while case intensity has increased.

**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 2021.

## 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 2021 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	30/09/2021
	RM'000
<u>Unsecured</u>	
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	168,617
Letter of guarantee given to suppliers	3,481
	<u>172,098</u>

## A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 30 September 2021 is as follows:

	30/09/2021
	RM'000
Approved and contracted for	101,195
Approved but not contracted for	136
	<u>101,331</u>

## A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	3 months ended
	30/09/2021
	RM'000
(a) Rental and utility expenses incurred to Skies VB Sdn Bhd, a subsidiary of the ultimate holding company, Thomson Medical Group Limited	14

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

**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 2021 versus 3 months ended 30 September 2020)**

	3 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000
Revenue	52,681	50,827
Profit before taxation	5,323	10,621

The Group recorded revenue of RM53 million and profit before taxation of RM5.3 million for the quarter ended 30 September 2021. Revenue increased by 4% but profit before taxation decreased by 50%, compared to the corresponding period in previous year. The decrease was due to the suspension of bonus provision in the previous financial year. In addition, higher staff costs and commissioning expenses were incurred in anticipation of the opening of our new expansion at Thomson Hospital Kota Damansara.

**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 healthcare professionals in our facilities, additional services offered by the Group, higher case intensity handled, continuous marketing effort to boost local and international branding and the prevailing COVID-19 pandemic situation in the country and the region.

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

**(3 months ended 30 September 2021 versus 3 months ended 30 June 2021)**

	3 months ended	
	30/09/2021 RM'000	30/06/2021 RM'000
Revenue	52,681	53,371
Profit before taxation	5,323	5,704

The Group recorded decrease in revenue and profit before taxation by 1% and 7% respectively compared to the immediate preceding quarter. Decrease in revenue was mainly attributable to a decline in revenue from fertility centres due to the pandemic and continued border closures impacting medical tourism revenue. Lower profit before taxation was mainly due to the commissioning costs of the new expansion of Thomson Hospital Kota Damansara, including staff costs, depreciation of medical equipment.



**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

As Malaysia moves into the endemic phase of COVID-19 pandemic and with the lifting of interstate travel restrictions, the Group is cautiously optimistic of its mid- and long-term growth. Meanwhile, the Group's expansion project at Thomson Hospital Kota Damansara is targeted to begin operations in Q3 FY2022 which would add significant capacity to the hospital.

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

There is no profit forecast or profit guarantee for the financial period ended 30 September 2021.

**B5 TAXATION**

	Individual quarter 30/09/2021 RM'000
In respect of current quarter/ financial period	
- income tax	1,571
- deferred tax	(294)
	<u>1,277</u>

The effective tax rate of the Group is at the statutory rate of 24%.

**B6 STATUS OF CORPORATE PROPOSAL**

There are no corporate proposals announced but not completed as at 2 November 2021, 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 2021 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	<u>167,845</u>	<u>772</u>	<u>168,617</u>

Included in borrowings of the Group is an amount of Industrial Hire Purchase of RM3,758,554 (30 September 2020: NIL).

**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 2020: NIL).

**B10 EARNINGS PER SHARE (EPS)**

	Individual quarter 30/09/2021
(a) Basic EPS	
Net profit attributable to owners of the parent (RM'000)	4,046
Weighted average number of ordinary shares outstanding ('000)	1,741,882
EPS (sen)	
- Basic	0.23
(b) Diluted EPS	
Net profit attributable to owners of the parent (RM'000)	4,046
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	0.23

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 year, adjusted to assume the conversion of dilutive potential ordinary shares.

For the current quarter ended 30 September 2021, 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 30/09/2021 RM'000
Interest income	527
Interest expense	(111)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(3,133)
Amortisation of intangible assets	(275)
Impairment loss on receivables	(210)
Fair value charges on share options granted under ESOS	(59)
Property, plant and equipment written off	(8)
Loss on disposal of property, plant and equipment	(1)
Inventories written off	(43)
Rental concessions	6

**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding as at 30 September 2021 and 30 June 2021.

**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 November 2021.