



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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2022**

Contact

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Individual Quarter		9 months ended	
	Current Year Quarter 31/03/2022 RM'000	Preceding Year Quarter 31/03/2021 RM'000	Current Year To Date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Revenue	61,081	48,032	172,979	147,653
Other operating income	550	268	1,313	713
Inventories and consumables	(19,157)	(14,299)	(54,445)	(46,650)
Staff costs	(20,526)	(17,016)	(59,238)	(47,036)
Other operating expenses	(11,324)	(9,600)	(30,081)	(24,338)
Depreciation and amortisation	(3,513)	(3,369)	(9,845)	(9,724)
Interest income	451	502	1,477	1,685
Finance costs	(104)	(150)	(331)	(335)
Profit before taxation	7,458	4,368	21,829	21,968
Taxation	(489)	(1,052)	(3,909)	(5,467)
Profit for the financial period	6,969	3,316	17,920	16,501
Other comprehensive income, net of tax :-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translations	-	(1)	-	2
Total comprehensive income for the financial period	6,969	3,315	17,920	16,503
Profit attributable to owners of the parent	6,969	3,316	17,920	16,501
Total comprehensive income attributable to owners of the parent	6,969	3,315	17,920	16,503
Profit per ordinary share attributable to the owners of the parent (sen)				
Basic	0.40	0.19	1.03	0.95
Diluted	0.40	0.19	1.03	0.95

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	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
Balance at 1 July 2021	625,986	-	3,668	159,967	789,621	789,621
Total comprehensive income	-	-	-	17,920	17,920	17,920
Transactions with owners						
Share options granted under ESOS	-	-	176	-	176	176
Lapsed ESOS	-	-	(1,622)	1,622	-	-
Dividend paid	-	-	-	(3,858)	(3,858)	(3,858)
Total transactions with owners	-	-	(1,446)	(2,236)	(3,682)	(3,682)
Balance at 31 March 2022	625,986	-	2,222	175,651	803,859	803,859
Balance at 1 July 2020	625,986	30	3,466	142,636	772,118	772,118
Total comprehensive income	-	2	-	20,254	20,256	20,256
Transactions with owners						
Share options granted under ESOS	-	-	202	-	202	202
Liquidation of a subsidiary	-	(32)	-	-	(32)	(32)
Dividend paid	-	-	-	(2,923)	(2,923)	(2,923)
Total transactions with owners	-	(32)	202	(2,923)	(2,753)	(2,753)
Balance at 30 June 2021	625,986	-	3,668	159,967	789,621	789,621

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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	As At 31/03/2022 Unaudited RM'000	As At 30/06/2021 Audited RM'000
Non-current assets		
Property, plant and equipment	709,928	677,334
Investment property	2,234	2,278
Intangible assets	194,547	194,943
Total non-current assets	906,709	874,555
Current assets		
Inventories	10,326	10,296
Trade and other receivables	31,642	26,519
Tax recoverable	10,177	8,957
Cash and bank balances	140,684	139,906
Total current assets	192,829	185,678
TOTAL ASSETS	1,099,538	1,060,233
Current liabilities		
Trade and other payables	59,135	72,828
Borrowings	332	993
Lease liabilities	1,567	1,447
Provision	129	181
Income tax payable	-	-
Total current liabilities	61,163	75,449
NET CURRENT ASSETS	131,666	110,229
Non-current liabilities		
Borrowings	206,754	167,858
Lease liabilities	3,861	4,305
Provision	467	363
Deferred tax liabilities	23,434	22,637
Total non-current liabilities	234,516	195,163
TOTAL LIABILITIES	295,679	270,612
NET ASSETS	803,859	789,621
Represented by:		
Equity attributable to owners of the parent		
Share capital	625,986	625,986
Retained profits	175,651	159,967
Reserves	2,222	3,668
TOTAL EQUITY	803,859	789,621
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.

TMC LIFE SCIENCES BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Current Year To Date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Cash flows from operating activities		
Profit before tax	21,829	21,968
Adjustments for :-		
Non-cash items	10,774	10,360
Interest expense	331	335
Interest income	(1,477)	(1,685)
Operating profit before changes in working capital	31,457	30,978
Changes in working capital		
Net change in current assets	(5,919)	1,820
Net change in current liabilities	(13,694)	(3,014)
Cash generated from operations	11,844	29,784
Interest paid	(4,467)	(2,546)
Net income tax paid	(4,332)	(446)
Net cash flows from operating activities	3,045	26,792
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(36,550)	(94,765)
Proceeds from disposal of property, plant and equipment	-	23
Uplift/(Placement) of deposits placed with:-		
- financial institutions with original maturity of more than three (3) months	(3,790)	11,071
- deposits pledged	(52)	-
- cash restricted in use	(328)	-
Interest received	1,477	1,685
Net cash flows used in investing activities	(39,243)	(81,986)
Cash flows from financing activities		
Dividend paid	(3,858)	(2,923)
Payment of lease liabilities	(1,535)	(1,442)
Drawdown of term loans	38,936	63,985
Repayment of term loans	(74)	(40)
Drawdown of hire purchase	-	4,410
Repayment of hire purchase	(663)	(209)
Net cash flows from financing activities	32,806	63,781
Net (decrease)/increase in cash & cash equivalents	(3,392)	8,587
Cash & cash equivalents at beginning of the financial period	105,327	96,697
Exchange rate effects	-	2
Cash & cash equivalents at end of the financial period	101,935	105,286
Cash & cash equivalents at end of the financial period		
Cash at banks and on hand	67,401	75,417
Deposits with licenced banks	73,283	58,557
	140,684	133,974
Less: Deposits with licensed banks (for more than 3 months)	(36,478)	(28,188)
Deposit pledged to a licenced bank	(600)	(500)
Cash restricted in use	(1,671)	-
	101,935	105,286

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 UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

**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 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 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 measures by Government in handling COVID-19 situation. Malaysia's transition from the pandemic to endemic phase of COVID-19 and reopening of Malaysia's international borders has seen a positive business growth in hospital and fertility business.

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

During the financial period ended 31 March 2022, the Company paid the final single tier dividend of 0.2215 sen per ordinary share on 1,741,882,393 ordinary shares, amounting RM3,858,260 in respect of the financial year ended 30 June 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 31 March 2022 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	31/03/2022	30/06/2021
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	207,086	168,851
Letter of guarantee given to suppliers	4,178	3,535
	<u>211,264</u>	<u>172,386</u>

A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 31 March 2022 is as follows:

	31/03/2022	30/06/2021
	RM'000	RM'000
Approved and contracted for	124,089	106,356
Approved but not contracted for	-	136
	<u>124,089</u>	<u>106,492</u>

A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Individual quarter	9 months ended
	31/03/2022	31/03/2022
	RM'000	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>22</u>	<u>51</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

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 March 2022 versus 3 months ended 31 March 2021)

	3 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
Revenue	61,081	48,032
Profit before taxation	7,458	4,368

The Group recorded revenue of RM61.1 million and profit before taxation of RM7.5 million for the quarter ended 31 March 2022. Revenue and profit before taxation increased by 27% and 71%, respectively compared to the corresponding period in the previous year. The increase in profit before taxation was due to higher revenue generated in this period as a result of higher patient load.

Review of results for the financial period (9 months ended 31 March 2022 versus 9 months ended 31 March 2021)

	9 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
Revenue	172,979	147,653
Profit before taxation	21,829	21,968

For the financial period ended 31 March 2022, the Group recorded 17% increase in revenue to RM173 million. However, profit before taxation decreased by 1% to RM21.8 million compared to 9-month period ended 31 March 2021. The increase in revenue was mainly attributable to higher patient load at Thomson Hospital Kota Damansara (“THKD”). Profit before taxation decreased due to higher staff costs and commissioning costs of expansion project at THKD.

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.

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

(3 months ended 31 March 2022 versus 3 months ended 31 December 2021)

	3 months ended	
	31/03/2022	31/12/2021
	RM'000	RM'000
Revenue	61,081	59,217
Profit before taxation	7,458	9,048

Compared with the immediate preceding quarter ended 31 December 2021, revenue increased by 3% with lower profit before taxation by 18%. Higher revenue was mainly attributable to the increase in hospital revenue and recovery of fertility business. Lower profit before taxation was driven by higher staff costs and commissioning cost incurred for the opening of our new expansion at THKD.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

Malaysia begins its transition to an endemic phase of Covid-19 and reopened its international border on 1 April 2022. The Group expects recovery in the healthcare sector, especially in the fertility business. Meanwhile, the expansion project at Thomson Hospital Kota Damansara has obtained approval from Ministry of Health and is expected to bring significant growth in capacity to the Group going forward.

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

There is no profit forecast or profit guarantee for the financial period ended 31 March 2022.

B5 TAXATION

	Individual quarter		9 months ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter/ financial period				
- income tax	75	945	2,764	4,437
- deferred tax	66	294	797	1,217
	<u>141</u>	<u>1,239</u>	<u>3,561</u>	<u>5,654</u>
(Over)/Under provision in respect of prior year				
- income tax	348	(187)	348	(187)
	<u>489</u>	<u>1,052</u>	<u>3,909</u>	<u>5,467</u>

The effective tax rate of the Group is lower than the statutory tax rate mainly due to utilisation of investment tax allowance during the quarter.

B6 STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at 19 May 2022, 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 are as follows:-

	Long Term	Short Term	Total
	RM'000	RM'000	RM'000
As at 31 March 2022			
Secured - Denominated in Ringgit Malaysia	<u>206,754</u>	<u>332</u>	<u>207,086</u>
As at 30 June 2021			
Secured - Denominated in Ringgit Malaysia	<u>167,858</u>	<u>993</u>	<u>168,851</u>

Included in borrowings of the Group is an amount of Industrial Hire Purchase of RM3,317,000 (30 June 2021: RM3,980,000).

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 March 2021: NIL).

B10 EARNINGS PER SHARE (EPS)

	Individual quarter		9 months ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	6,969	3,316	17,920	16,501
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882	1,741,882	1,741,882
EPS (sen)				
- Basic	0.40	0.19	1.03	0.95
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	6,969	3,316	17,920	16,501
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882	1,741,882	1,741,882
Effect of dilution ('000)	-	-	-	-
Adjusted weighted average number of shares ('000)	1,741,882	1,741,882	1,741,882	1,741,882
Diluted EPS (sen)				
- Diluted	0.40	0.19	1.03	0.95

Diluted EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average of ordinary shares in issue during the financial year, adjusted to assume the conversion of dilutive potential ordinary shares.

For the current quarter and period ended 31 March 2022, 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	9 months ended
	31/03/2022	31/03/2022
	RM'000	RM'000
Interest income	451	1,477
Interest expense	(104)	(331)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(3,294)	(9,156)
Amortisation of intangible assets	(219)	(689)
Impairment loss on receivables	(210)	(630)
Fair value charges on share options granted under ESOS	(59)	(176)
Property, plant and equipment written off	-	(10)
Loss on disposal of property, plant and equipment	-	(1)
Inventories written off	(16)	(135)
Rental concessions	-	24

B13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group did not enter into any derivative financial instruments which were outstanding as at 31 March 2022 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 26 May 2022.