



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2023**

**Contact**

Level 11, No.11, Jalan Teknologi,  
Taman Sains Selangor 1, PJU 5,  
Kota Damansara  
47810 Petaling Jaya, Selangor D.E.

Tel: +603 6287 1111  
Fax: +603 6287 1212

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

**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 DECEMBER 2023**

	Individual Quarter		6 months ended	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Revenue	93,783	73,341	186,221	145,212
Other operating income	1,024	612	2,524	1,333
Inventories and consumables	(26,154)	(23,316)	(52,605)	(42,216)
Staff costs	(26,910)	(23,031)	(52,349)	(45,503)
Other operating expenses	(14,284)	(11,917)	(28,094)	(26,707)
Depreciation and amortisation	(6,640)	(6,300)	(13,430)	(12,540)
Interest income	1,394	757	2,670	1,354
Finance costs	(2,533)	(2,464)	(5,114)	(4,523)
<b>Profit before taxation</b>	<b>19,680</b>	<b>7,682</b>	<b>39,823</b>	<b>16,410</b>
Taxation	(5,156)	(2,192)	(10,159)	(4,692)
<b>Profit for the financial period, representing total comprehensive income (net of tax) for the financial period</b>	<b>14,524</b>	<b>5,490</b>	<b>29,664</b>	<b>11,718</b>
<b>Profit for the financial period, representing total comprehensive income (net of tax) for the financial period attributable to:- Owners of the parent</b>	<b>14,524</b>	<b>5,490</b>	<b>29,664</b>	<b>11,718</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>				
Basic	0.83	0.32	1.70	0.67
Diluted	0.83	0.32	1.70	0.67

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**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	Attributable to owners of the parent			Total equity RM'000
	Share capital RM'000	Non-distributable	Distributable	
		Share options reserve RM'000	Retained profits RM'000	
<b>Balance at 1 July 2023</b>	625,986	1,415	234,558	861,959
Profit for the financial period, representing total comprehensive income (net of tax) for the financial period	-	-	29,664	29,664
<b>Transactions with owners</b>				
Share options granted under ESOS	-	27	-	27
Dividend paid	-	-	(14,628)	(14,628)
<b>Total transactions with owners</b>	-	27	(14,628)	(14,601)
<b>Balance at 31 December 2023</b>	<b>625,986</b>	<b>1,442</b>	<b>249,594</b>	<b>877,022</b>
<b>Balance at 1 July 2022</b>	625,986	1,710	199,692	827,388
Profit for the financial year, representing total comprehensive income (net of tax) for the financial year	-	-	39,257	39,257
<b>Transactions with owners</b>				
Share options granted under ESOS	-	127	-	127
Transfer within reserve for ESOS forfeited	-	(422)	422	-
Dividend paid	-	-	(4,813)	(4,813)
<b>Total transactions with owners</b>	-	(295)	(4,391)	(4,686)
<b>Balance at 30 June 2023</b>	<b>625,986</b>	<b>1,415</b>	<b>234,558</b>	<b>861,959</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**TMC LIFE SCIENCES BERHAD**  
**Company no. 200301021989 (624409-A)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	As At 31/12/2023 Unaudited RM'000	As At 30/06/2023 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	711,302	715,150
Intangible assets	204,982	205,598
Investment property	2,129	2,159
Deferred tax assets	-	2,088
Total non-current assets	<u>918,413</u>	<u>924,995</u>
<b>Current assets</b>		
Inventories	12,835	13,372
Trade and other receivables	59,030	60,485
Tax recoverable	10,688	11,399
Cash and bank balances	190,337	166,544
Total current assets	<u>272,890</u>	<u>251,800</u>
<b>TOTAL ASSETS</b>	<u>1,191,303</u>	<u>1,176,795</u>
<b>Current liabilities</b>		
Trade and other payables	78,479	80,767
Borrowings	15,980	15,980
Lease liabilities	1,705	1,711
Provision	86	63
Income tax payable	728	49
Total current liabilities	<u>96,978</u>	<u>98,570</u>
<b>NET CURRENT ASSETS</b>	<u>175,912</u>	<u>153,230</u>
<b>Non-current liabilities</b>		
Borrowings	194,728	199,712
Lease liabilities	1,129	1,656
Provision	471	493
Deferred tax liabilities	20,975	14,405
Total non-current liabilities	<u>217,303</u>	<u>216,266</u>
<b>TOTAL LIABILITIES</b>	<u>314,281</u>	<u>314,836</u>
<b>NET ASSETS</b>	<u>877,022</u>	<u>861,959</u>
<b>Represented by:</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	625,986	625,986
Reserves	1,442	1,415
Retained profits	249,594	234,558
<b>TOTAL EQUITY</b>	<u>877,022</u>	<u>861,959</u>
Net assets per share (RM)	<u>0.50</u>	<u>0.49</u>

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 2023 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 DECEMBER 2023**

	Current Year To Date  31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	39,823	16,410
Adjustments for :-		
Non-cash items	14,002	13,609
Interest expense	5,114	4,523
Interest income	(2,670)	(1,354)
Operating profit before changes in working capital	56,269	33,188
Changes in working capital		
Net change in current assets	1,485	(13,674)
Net change in current liabilities	(2,290)	(6,697)
Cash generated from operations	55,464	12,817
Interest paid	(5,078)	(4,401)
Net income tax paid	(110)	(455)
<b>Net cash flows generated from operating activities</b>	50,276	7,961
<b>Cash flows used in investing activities</b>		
Acquisition of property, plant and equipment	(8,093)	(13,906)
Acquisition of intangible assets	(417)	(255)
Proceeds from disposal of property, plant and equipment	-	2
Placement of deposits placed with:-		
- financial institutions with original maturity of more than three (3) months	(9,026)	(37)
- deposits pledged	-	(100)
- cash restricted in use	-	(540)
Interest received	2,670	1,354
<b>Net cash flows used in investing activities</b>	(14,866)	(13,482)
<b>Cash flows (used in) / generated from financing activities</b>		
Dividend paid	(14,628)	(4,813)
Payment of lease liabilities	(998)	(1,023)
Drawdown of term loans	2,972	10,448
Repayment of term loans	(7,547)	(47)
Repayment of hire purchase	(441)	(441)
<b>Net cash flows (used in) / generated from financing activities</b>	(20,642)	4,124
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	14,768	(1,397)
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	116,577	98,886
<b>Cash &amp; cash equivalents at end of the financial period</b>	131,345	97,489
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Cash at banks and on hand	83,145	71,862
Deposits with licenced banks	107,192	68,553
	190,337	140,415
Less: Deposits with licensed banks (for more than 3 months)	(54,828)	(40,015)
Deposit pledged to a licenced bank	(1,704)	(700)
Cash restricted in use	(2,460)	(2,211)
	131,345	97,489

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**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

**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 2023. 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 2023, 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 2023, except for the adoption of the new, revised and amendments to MFRS and IC Interpretations effective as of 1 January 2023 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's business is typically impacted during festive and holiday periods when a decrease in patient load is anticipated.

**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 December 2023, the Company paid a final single tier dividend of 0.4199 sen and a special single tier dividend of 0.4199 sen per ordinary share on 1,741,882,393 ordinary shares, amounting to RM14,628,291 in respect of the financial year ended 30 June 2023.

**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 December 2023 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 other than incorporation of wholly-owned subsidiaries namely TMC Fertility Holdings Sdn. Bhd., TMC Fertility (Ipoh) Sdn. Bhd., TMC Fertility (Penang) Sdn. Bhd. and Thomson Specialist Clinics (Kepong) Sdn. Bhd.

**A10 CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

Financial guarantees	31/12/2023	30/06/2023
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	210,708	215,692
Letter of guarantee given to suppliers	5,258	4,216
	<u>215,966</u>	<u>219,908</u>

**A11 CAPITAL COMMITMENTS**

The amount of commitments for capital expenditure as at 31 December 2023 is as follows:

	31/12/2023	30/06/2023
	RM'000	RM'000
Approved and contracted for	<u>56,504</u>	<u>25,846</u>

**A12 SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the quarter under review.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

**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 December 2023 versus 3 months ended 31 December 2022)**

	3 months ended	
	31/12/2023 RM'000	31/12/2022 RM'000
Revenue	93,783	73,341
Profit before taxation	<u>19,680</u>	<u>7,682</u>

For the quarter ended 31 December 2023, the Group recorded revenue of RM93.8 million and profit before taxation of RM19.7 million. Compared to the previous corresponding quarter, both revenue and profit before taxation increased by 28% and 156%, respectively. The increase in profit before taxation was attributed to the increase in capacity of Thomson Hospital Kota Damansara (“THKD”), recovery of fertility business and increase in interest income.

Hospital and fertility recorded revenue of RM81.8 million (2022: RM63.9 million) and RM11.4 million (2022: RM9.1 million), respectively for the quarter ended 31 December 2023.

**Review of results for the financial period (6 months ended 31 December 2023 versus 6 months ended 31 December 2022)**

	6 months ended	
	31/12/2023 RM'000	31/12/2022 RM'000
Revenue	186,221	145,212
Profit before taxation	<u>39,823</u>	<u>16,410</u>

For the financial period ended 31 December 2023, the Group recorded 28% increase in revenue to RM186.2 million and profit before taxation increased by 143% to RM39.8 million compared to same period ended 31 December 2022. Revenue and profit before taxation increase was due to increased capacity at THKD, recovery of fertility business and increase in interest income.

Hospital and fertility recorded revenue of RM163.5 million (2022: RM126.2 million) and RM21.5 million (2022: RM18.2 million), respectively for the financial period ended 31 December 2023.

**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 bed capacity and 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 31 December 2023 versus 3 months ended 30 September 2023)**

	3 months ended	
	31/12/2023 RM'000	30/09/2023 RM'000
Revenue	93,783	92,438
Profit before taxation	<u>19,680</u>	<u>20,143</u>

Compared with the immediate preceding quarter ended 30 September 2023, revenue increased by 1%, however, profit before taxation decreased by 2%. Higher revenue mainly contributed by the increase in fertility revenue while decrease in profit before taxation mainly due to higher staff cost for additional bed opening at THKD.

Hospital and fertility recorded revenue of RM81.8 million and RM11.4 million for quarter ended 31 December 2023 compared to RM81.8 million and RM10.1 million recorded in the immediate preceding quarter, respectively.



**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024**

The Group is closely monitoring the evolving global economic landscape, interest rate risk and will adapt its business strategy to mitigate any adverse impact to the Group's performance. The increased capacity in THKD and recovery of fertility business are expected to contribute to the growth of the Group.

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

There is no profit forecast or profit guarantee for the financial period ended 31 December 2023.

**B5 TAXATION**

	Individual quarter		6 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter / financial period				
Current tax expense	954	85	1,500	162
Deferred tax expense	4,202	2,107	8,659	4,530
	<u>5,156</u>	<u>2,192</u>	<u>10,159</u>	<u>4,692</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 26 January 2024, 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 December 2023			
Secured - Denominated in Ringgit Malaysia	<u>194,728</u>	<u>15,980</u>	<u>210,708</u>
As at 30 June 2023			
Secured - Denominated in Ringgit Malaysia	<u>199,712</u>	<u>15,980</u>	<u>215,692</u>

Included in borrowings of the Group is an amount of Industrial Hire Purchase of RM1,771,000 (30 June 2023: RM2,214,000).

**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 December 2022:NIL).

**B10 EARNINGS PER SHARE (EPS)**

	Individual quarter		6 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	14,524	5,490	29,664	11,718
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882	1,741,882	1,741,882
EPS (sen)				
- Basic	0.83	0.32	1.70	0.67
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	14,524	5,490	29,664	11,718
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	0.83	0.32	1.70	0.67

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 ended 31 December 2023, 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		6 months ended	
	31/12/2023	31/12/2022	31/12/2023 RM'000	31/12/2022 RM'000
Interest income	1,394	757	2,670	1,354
Interest expense	(2,533)	(2,464)	(5,114)	(4,523)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(6,192)	(5,874)	(12,397)	(11,571)
Amortisation of intangible assets	(448)	(426)	(1,033)	(969)
Impairment loss on receivables	(210)	(210)	(420)	(420)
Fair value charges on share options granted under ESOS	(14)	(31)	(27)	(63)
Property, plant and equipment written off	(2)	(1)	(39)	(13)
Loss on disposal of property, plant and equipment	-	-	-	(7)
Inventories written off	(36)	(107)	(86)	(596)
Reversal of provision for restoration	-	-	-	30

**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding as at 31 December 2023 and 30 June 2023.

**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 2 February 2024.