



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

**AUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2024**

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

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

AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Individual Quarter		12 months ended	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Revenue	74,124	84,652	346,418	311,443
Other operating income	834	1,059	4,164	4,096
Inventories and consumables	(24,413)	(24,457)	(101,314)	(90,093)
Staff costs	(27,332)	(25,135)	(107,089)	(95,407)
Other operating expenses	(14,187)	(15,532)	(56,865)	(56,985)
Depreciation and amortisation	(7,549)	(6,605)	(27,905)	(26,007)
Interest income	1,397	1,079	5,466	3,249
Finance costs	(2,533)	(2,476)	(10,254)	(9,406)
Profit before taxation	341	12,585	52,621	40,890
Taxation	683	660	(11,973)	(1,633)
Profit for the financial year, representing total comprehensive income (net of tax) for the financial year	1,024	13,245	40,648	39,257
Profit for the financial year, representing total comprehensive income (net of tax) for the financial year attributable to:-				
Owners of the parent	1,024	13,245	40,648	39,257
Profit per ordinary share attributable to the owners of the parent (sen)				
Basic	0.06	0.76	2.33	2.25
Diluted	0.06	0.76	2.33	2.25

The audited 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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AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	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	
Balance at 1 July 2023	625,986	1,415	234,558	861,959
Profit for the financial year, representing total comprehensive income (net of tax) for the financial year	-	-	40,648	40,648
Transactions with owners				
Share options granted under ESOS	-	55	-	55
Transfer within reserve for ESOS forfeited	-	(154)	154	-
Dividend paid	-	-	(14,628)	(14,628)
Total transactions with owners	-	(99)	(14,474)	(14,573)
Balance at 30 June 2024	625,986	1,316	260,732	888,034
Balance at 1 July 2022	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
Transactions with owners				
Share options granted under ESOS	-	127	-	127
Transfer within reserve for ESOS forfeited	-	(422)	422	-
Dividend paid	-	-	(4,813)	(4,813)
Total transactions with owners	-	(295)	(4,391)	(4,686)
Balance at 30 June 2023	625,986	1,415	234,558	861,959

The audited 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
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AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	As At 30/06/2024 Audited RM'000	As At 30/06/2023 Audited RM'000
Non-current assets		
Property, plant and equipment	718,274	715,150
Intangible assets	206,494	205,598
Investment property	2,099	2,159
Deferred tax assets	315	2,088
Total non-current assets	927,182	924,995
Current assets		
Inventories	11,622	13,372
Trade and other receivables	51,592	60,485
Tax recoverable	10,755	11,399
Cash and bank balances	188,572	166,544
Total current assets	262,541	251,800
TOTAL ASSETS	1,189,723	1,176,795
Current liabilities		
Contract liabilities	525	-
Trade and other payables	72,035	80,767
Borrowings	23,488	15,980
Lease liabilities	1,814	1,711
Provision	381	63
Income tax payable	377	49
Total current liabilities	98,620	98,570
NET CURRENT ASSETS	163,921	153,230
Non-current liabilities		
Contract liabilities	257	-
Borrowings	179,270	199,712
Lease liabilities	662	1,656
Provision	222	493
Deferred tax liabilities	22,658	14,405
Total non-current liabilities	203,069	216,266
TOTAL LIABILITIES	301,689	314,836
NET ASSETS	888,034	861,959
Represented by:		
Equity attributable to owners of the parent		
Share capital	625,986	625,986
Reserves	1,316	1,415
Retained profits	260,732	234,558
TOTAL EQUITY	888,034	861,959
Net assets per share (RM)	0.51	0.49

The audited 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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AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Current Year To Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
Cash flows from operating activities		
Profit before tax	52,621	40,890
Adjustments for :-		
Non-cash items	28,264	28,560
Interest expense	10,254	9,406
Interest income	(5,466)	(3,249)
Operating profit before changes in working capital	85,673	75,607
Changes in working capital		
Net change in current assets	10,365	(24,239)
Net change in trade and other payables and contract liabilities	(10,124)	13,338
Cash generated from operations	85,914	64,706
Interest paid	(10,176)	(9,340)
Net income tax paid	(975)	(795)
Net cash flows generated from operating activities	74,763	54,571
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(25,350)	(31,962)
Acquisition of intangible assets	(3,195)	(2,495)
Proceeds from disposal of property, plant and equipment	-	4
Placement of deposits placed with:-		
- financial institutions with original maturity of more than three (3) months	(31,058)	(5,825)
- deposits pledged	(36)	(1,104)
- cash restricted in use	-	(789)
Interest received	5,466	3,249
Net cash flows used in investing activities	(54,173)	(38,922)
Cash flows (used in) / generated from financing activities		
Dividend paid	(14,628)	(4,813)
Payment of lease liabilities	(2,027)	(1,914)
Drawdown of term loans	2,978	17,245
Repayment of term loans	(15,097)	(7,594)
Repayment of hire purchase	(882)	(882)
Net cash flows (used in) / generated from financing activities	(29,656)	2,042
Net (decrease) / increase in cash & cash equivalents	(9,066)	17,691
Cash & cash equivalents at beginning of the financial year	116,577	98,886
Cash & cash equivalents at end of the financial year	107,511	116,577
Cash & cash equivalents at end of the financial year		
Cash at banks and on hand	60,003	86,811
Deposits with licenced banks	128,569	79,733
	188,572	166,544
Less: Deposits with licensed banks (for more than 3 months)	(76,861)	(45,803)
Deposit pledged to a licenced bank	(1,740)	(1,704)
Cash restricted in use	(2,460)	(2,460)
	107,511	116,577

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

**NOTES TO THE AUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS (“MFRS”)**

A1 BASIS OF PREPARATION

The interim financial report is 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 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 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 year ended 30 June 2024, 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 30 June 2024 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

	30/06/2024	30/06/2023
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	202,758	215,692
Letter of guarantee given to suppliers	5,237	4,216
	<u>207,995</u>	<u>219,908</u>

A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 30 June 2024 is as follows:

	30/06/2024	30/06/2023
	RM'000	RM'000
Approved and contracted for	<u>49,325</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 AUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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 June 2024 versus 3 months ended 30 June 2023)

	3 months ended	
	30/06/2024 RM'000	30/06/2023 RM'000
Revenue	74,124	84,652
Profit before taxation	341	12,585

For the quarter ended 30 June 2024, the Group recorded revenue of RM74.1 million and profit before taxation of RM0.3 million, representing a decrease of 12% and 97%, respectively, compared to the previous corresponding quarter. The decline in revenue and profit before taxation was related to a combination of reduced patient volume and case intensity as well as termination of certain customer contracts and discounts given to customers.

Review of results for the financial period (12 months ended 30 June 2024 versus 12 months ended 30 June 2023)

	12 months ended	
	30/06/2024 RM'000	30/06/2023 RM'000
Revenue	346,418	311,443
Profit before taxation	52,621	40,890

For the financial year ended 30 June 2024, the Group recorded 11% increase in revenue to RM346.4 million and profit before taxation increased by 29% to RM52.6 million compared to the same period ended 30 June 2023. The increase in revenue and profit before taxation was attributed to the increased capacity at Thomson Hospital Kota Damansara, a rebound in the fertility business, and higher interest income.

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 30 June 2024 versus 3 months ended 31 March 2024)**

	3 months ended	
	30/06/2024 RM'000	31/03/2024 RM'000
Revenue	74,124	86,073
Profit before taxation	341	12,457

Compared with the immediate preceding quarter ended 31 March 2024, revenue and profit before taxation decreased by 14% and 97%, respectively. Lower revenue and profit before taxation was due to a combination of reduced patient volume and case intensity as well as termination of certain customer contracts and discounts given to customers.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2025

The Group is closely monitoring the evolving global economic landscape, interest rate risk, and is committed to adapt its business strategy to mitigate any adverse impact to the Group's performance. Increased capacity in THKD and rebound of fertility business are expected to drive growth. Additionally, the Group is focusing on diversifying customer base including international market expansion.

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

There is no profit forecast or profit guarantee for the financial year ended 30 June 2024.

B5 TAXATION

	Individual quarter		12 months ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter / financial year				
Current tax (credit) / expense	(101)	318	1,947	794
Deferred tax (credit) / expense	(582)	(978)	10,026	839
	<u>(683)</u>	<u>(660)</u>	<u>11,973</u>	<u>1,633</u>

In the previous financial year, THKD recognised an investment tax allowance of RM7.3 million, which led to lower tax expense. In the current financial year, the deferred tax expense increased due to utilisation of available investment tax allowances by certain subsidiary companies.

B6 STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at 14 August 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 30 June 2024			
Secured - Denominated in Ringgit Malaysia	<u>179,270</u>	<u>23,488</u>	<u>202,758</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 RM1,328,000 (30 June 2023: RM2,214,000).

B8 MATERIAL LITIGATION

There was no material litigation as at the date of this report.

B9 DIVIDENDS

Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Board recommends a first and final single-tier dividend of 0.4898 sen per ordinary share and a special single-tier dividend of 1.7271 sen per ordinary share for the financial year ended 30 June 2024 (30 June 2023 - first and final single-tier dividend of 0.4199 sen per ordinary share and a special single-tier dividend of 0.4199 sen per ordinary share). The net amount payable is RM38.6 million (30 June 2023: RM14.6 million).

B10 EARNINGS PER SHARE (EPS)

	Individual quarter		12 months ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	1,024	13,245	40,648	39,257
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882	1,741,882	1,741,882
EPS (sen)				
- Basic	0.06	0.76	2.33	2.25
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	1,024	13,245	40,648	39,257
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	0.06	0.76	2.33	2.25

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 year ended 30 June 2024, 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		12 months ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Interest income	1,397	1,079	5,466	3,249
Interest expense	(2,533)	(2,476)	(10,254)	(9,406)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(6,355)	(6,042)	(25,155)	(23,535)
Amortisation of intangible assets	(1,194)	(563)	(2,750)	(2,472)
Impairment loss on receivables	-	(325)	(147)	(1,755)
Fair value charges on share options granted under ESOS	(15)	(32)	(55)	(127)
Property, plant and equipment written off	(29)	-	(68)	(13)
Loss on disposal of property, plant and equipment	-	-	-	(7)
Gain on derecognition of lease liability	1	-	42	-
Inventories written off	(24)	(69)	(131)	(683)
Reversal of impairment loss on receivables	483	3	-	3
Reversal of provision for restoration	-	(1)	-	29

B13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group did not enter into any derivative financial instruments which were outstanding as at 30 June 2024 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 21 August 2024.