



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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED
30 NOVEMBER 2013

Contact

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TMC LIFE SCIENCES BERHAD (624409-A)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 NOVEMBER 2013**

	Individual Quarter		6 months ended	
	30.11.2013 RM'000	30.11.2012 RM'000	30.11.2013 RM'000	30.11.2012 RM'000
Continuing Operations				
Revenue	22,664	17,517	41,807	33,919
Cost of sales	(7,925)	(6,356)	(14,956)	(11,920)
Gross profit	14,739	11,161	26,851	21,999
Other operating income	107	204	213	318
Operating expenses	(10,524)	(8,708)	(21,240)	(17,600)
Profit from operations	4,322	2,657	5,824	4,717
Depreciation	(1,980)	(1,801)	(3,950)	(3,657)
Interest income	196	81	374	152
Finance costs	(25)	(110)	(51)	(237)
Profit before taxation	2,513	827	2,197	975
Taxation	(112)	52	(164)	18
Profit from continuing operations	2,401	879	2,033	993
Discontinued Operations				
Profit from discontinued operations, net of tax	-	3,658	-	6,331
Profit after taxation	2,401	4,537	2,033	7,324
Other comprehensive income, net of tax :-				
Foreign currency translations	26	5	36	10
Total comprehensive income for the period	2,427	4,542	2,069	7,334
Profit attributable to :-				
Owners of the parent	2,401	4,537	2,033	7,324
Non-controlling interest	-	-	-	-
	2,401	4,537	2,033	7,324
Total comprehensive income attributable to :-				
Owners of the parent	2,427	4,542	2,069	7,334
Non-controlling interest	-	-	-	-
	2,427	4,542	2,069	7,334
Profit per ordinary share attributable to the owners of the parent (sen)				
Basic				
- from continuing operations	0.30	0.11	0.25	0.13
- from discontinued operations	-	0.46	-	0.80
	0.30	0.57	0.25	0.93
Diluted				
- from continuing operations	0.20	0.08	0.17	0.08
- from discontinued operations	-	0.31	-	0.54
	0.20	0.39	0.17	0.63

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

TMC LIFE SCIENCES BERHAD (624409-A)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 NOVEMBER 2013**

	Attributable to owners of the parent					Total attributable to owners of the parents RM'000	Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable			Distributable			
		Share premium RM'000	Warrants reserve RM'000	Foreign exchange translation RM'000	Accumulated losses RM'000			
Balance at 1 June 2013	80,237	33,159	28,083	51	(10,219)	131,311	-	131,311
Total comprehensive income	-	-	-	36	2,033	2,069	-	2,069
Transactions with owners								
Dividend paid					(2,407)	(2,407)	-	(2,407)
Balance at 30 November 2013	80,237	33,159	28,083	87	(10,593)	130,973	-	130,973
Balance at 1 June 2012	80,237	33,159	28,083	10	(21,300)	120,189	-	120,189
Total comprehensive income	-	-	-	41	11,081	11,122	-	11,122
Transactions with owners								
Ordinary shares issued								
- conversion of warrants	*	*	*	-	-	*	-	*
Balance at 31 May 2013	80,237	33,159	28,083	51	(10,219)	131,311	-	131,311

* Insignificant amount

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

TMC LIFE SCIENCES BERHAD (624409-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 NOVEMBER 2013**

	As At 30.11.2013 Unaudited RM'000	As At 31.05.2013 Audited RM'000
Non-current assets		
Property, plant and equipment	108,520	110,538
Total non-current assets	108,520	110,538
Current assets		
Inventories	3,407	3,641
Trade and other receivables	16,882	14,859
Current tax assets	563	1,550
Cash and cash equivalents	29,349	25,894
Total current assets	50,201	45,944
TOTAL ASSETS	158,721	156,482
Equity attributable to owners of the parent		
Share capital	80,237	80,237
Accumulated losses	(10,593)	(10,219)
Reserves	61,329	61,293
	130,973	131,311
Non-controlling interest	-	-
TOTAL EQUITY	130,973	131,311
Non-current liabilities		
Borrowings	2,005	2,045
Other deferred liabilities	2,882	2,882
Total non-current liabilities	4,887	4,927
Current liabilities		
Trade and other payables	22,705	20,156
Borrowings	80	79
Current tax liabilities	76	9
Total current liabilities	22,861	20,244
TOTAL EQUITY AND LIABILITIES	158,721	156,482
Net assets per share (RM)	0.16	0.16

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

TMC LIFE SCIENCES BERHAD (624409-A)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 NOVEMBER 2013**

	6 months ended 30.11.2013 RM'000	6 months ended 30.11.2012 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax		
- From continuing operations	2,197	975
- From discontinued operations	-	(889)
	2,197	86
Adjustment for non-cash flow items :-		
Non-cash items	3,952	3,802
Interest paid	51	237
Interest income	(374)	(152)
	5,826	3,973
Operating profit before changes in working capital		
Changes in working capital		
Net change in current assets	(1,787)	(1,875)
Net change in current liabilities	2,505	2,194
	6,544	4,292
Cash flows from operating activities		
Interest paid	(51)	(237)
Income tax refunded, net of tax paid	889	17
	7,382	4,072
Net cash flows from operating activities		
Cash flows used in investing activities		
Acquisition of property plant and equipment	(1,933)	(1,387)
Net cash inflow from disposal of subsidiaries	-	710
Interest received	374	152
	(1,559)	(525)
Cash flows used in from financing activities		
Dividend paid	(2,407)	-
Repayment of term loans	(30)	(97)
Repayment of hire purchase	(9)	(8)
	(2,446)	(105)
Net change in cash & cash equivalents	3,377	3,442
Cash & cash equivalents at beginning of the financial period	25,894	14,303
Exchange rate effects	78	28
Cash & cash equivalents at end of the financial period	29,349	17,773
Cash & cash equivalents at end of the financial period		
Short term deposits	16,546	856
Cash and bank balances	12,803	16,917
	29,349	17,773

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2013**

A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”)

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 the Company for the year ended 31 May 2013. 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 and performance of the Company since the year ended 31 May 2013.

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 year ended 31 May 2013.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 June 2013.

The initial application of the MFRSs, amendments and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

A2 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Group is not significantly affected by any seasonal or cyclical factors.

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 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 DIVIDENDS PAID

During the financial period ended 30 November 2013, the Company paid the final single tier dividend of 0.3 sen per ordinary share on 802,373,002 ordinary shares, amounting to RM2,407,120 in respect of the financial year ended 31 May 2013

A7 SEGMENTAL INFORMATION

The Group operates mainly in Malaysia and currently is involved in the healthcare sector which includes providing specialist healthcare services in its multi disciplinary tertiary hospital.

A8 MATERIAL EVENT SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD

There were no other material event subsequent to 30 November 2013 and up to the date of this report.

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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

The Company has provided corporate guarantees to licensed financial institutions for banking facilities, and suppliers amounting to RM2.3 million and RM2.4 million respectively. The guarantees were granted for the benefit of the Company's subsidiaries. Arising from this, the Company is contingently liable for the amount utilized by its subsidiaries of approximately RM3.1 million as at 30 November 2013.

A11 CAPITAL COMMITMENTS

There was no capital commitment not provided for in the financial quarter as at 30 November 2013.

A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2013**

**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	
	30.11.2013	30.11.2012
	RM'000	RM'000
Revenue	22,664	17,517
Profit before taxation	2,513	827

Revenue rose 29% to RM22.7 million compared to the previous corresponding quarter mainly due to higher patient load with increased bed capacity and more variety of disciplines offered. Profitability improved due to higher revenue recorded.

Review of results for the financial period

	6 months ended	
	30.11.2013	30.11.2012
	RM'000	RM'000
Revenue	41,807	33,919
Profit before taxation	2,197	975

The Group recorded 23% growth in revenue for the 6 months ended 30 November 2013 compared with the corresponding period in the previous financial year. The growth was contributed by increased bed capacity and more variety of services offered coupled with continuing marketing activities.

The Group recorded higher profit before tax of RM2.2 million for the current financial period mainly attributable to higher revenue achieved.

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 and variety of services offered by the Group.

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

	3 months ended	
	30.11.2013	31.08.2013
	RM'000	RM'000
Revenue	22,664	19,143
Profit / (Loss) before taxation	2,513	(368)

For current financial quarter, revenue rose by 18% to RM22.7 million as compared with the immediate preceding quarter mainly due to higher patient loads. With the higher revenue, profit before taxation of RM2.5 million was recorded as opposed to loss before taxation of RM0.4 million recorded in the preceding quarter.

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B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MAY 2014

The Group continues to focus on building the business through expanding the existing medical and surgical services and adding new sub-specialised services, by increasing the number of specialists and sub-specialists medical consultants. Leveraging on the aggressive campaigns by the Government in promoting medical tourism, the Group will intensify marketing our fertility services in the Asia region to increase the number of foreign patients. Major challenges that the Group is facing are increased business costs due to healthcare inflation as well as the commencement of operation by competitors in nearby locations. The Board of Directors remains confident of the prospects of the Group and is of the opinion that the performance will continue to improve in tandem with the increasing breadth and depth of the services we offer.

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

There is no profit forecast or profit guarantee for the financial period ended 30 November 2013.

B5 TAXATION

	Current quarter RM'000	6 months ended 30.11.2013 RM'000
In respect of current financial year		
- income taxation	112	114
- deferred taxation	-	-
	<u>112</u>	<u>114</u>
Under / (over) provision in respect of prior period		
- income taxation	-	50
- deferred taxation	-	-
	<u>-</u>	<u>50</u>
	<u>112</u>	<u>164</u>

The effective tax rate of the Group's current tax charge for the current period under review was lower than the statutory tax rate mainly due to the utilisation of previous years' tax losses coupled with the tax exemption pursuant to the BioNexus incentive enjoyed by a subsidiary who has been granted the BioNexus Status by the Malaysian Biotechnology Corporation Sdn Bhd.

B6 STATUS OF CORPORATE PROPOSAL

(1) Status of utilisation of proceeds

The status of utilisation of the gross proceeds raised from rights issue as at 20 January 2014 is as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation Amount RM'000	Intended timeframe for Utilisation
Repayment of borrowings	38,960	38,960	-	Fully utilized
Capital expenditure	10,000	4,997	5,003	By 21 June 2014
Working capital	10,218	10,218	-	Fully utilized
Estimated expenses for the rights issue	1,000	1,000	-	Fully utilized
Total	<u>60,178</u>	<u>55,175</u>	<u>5,003</u>	

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B7 BORROWINGS

The Group's borrowings as at 30 November 2013 are as follows:-

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured - Denominated in Ringgit Malaysia	2,005	80	2,085

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 November 2012: NIL).

B10 EARNINGS PER SHARE (EPS)

	Individual Quarter		6 months ended	
	30.11.2013	30.11.2012	30.11.2013	30.11.2012
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)				
- From continuing operations	2,401	879	2,033	993
- From discontinued operations	-	3,658	-	6,331
	<u>2,401</u>	<u>4,537</u>	<u>2,033</u>	<u>7,324</u>
Weighted average number of ordinary shares outstanding ('000)	<u>802,373</u>	<u>790,832</u>	<u>802,373</u>	<u>790,832</u>
EPS (sen)				
- From continuing operations	0.30	0.11	0.25	0.13
- From discontinued operations	-	0.46	-	0.80
	<u>0.30</u>	<u>0.57</u>	<u>0.25</u>	<u>0.93</u>
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)				
- From continuing operations	2,401	879	2,033	993
- From discontinued operations	-	3,658	-	6,331
	<u>2,401</u>	<u>4,537</u>	<u>2,033</u>	<u>7,324</u>
Weighted average number of ordinary shares outstanding ('000)	<u>802,373</u>	<u>790,832</u>	<u>802,373</u>	<u>790,832</u>
Effect of dilution ('000)	<u>401,186</u>	<u>378,105</u>	<u>401,186</u>	<u>378,105</u>
Adjusted weighted average number of shares ('000)	<u>1,203,560</u>	<u>1,168,937</u>	<u>1,203,560</u>	<u>1,168,937</u>
Diluted EPS (sen)				
- From continuing operations	0.20	0.08	0.17	0.08
- From discontinued operations	-	0.31	-	0.54
	<u>0.20</u>	<u>0.39</u>	<u>0.17</u>	<u>0.63</u>

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 period ended 31 May 2013, adjusted to assume the conversion of dilutive potential ordinary shares.

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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

	Current quarter RM'000	6 months ended 30.11.2013 RM'000
Interest income	196	374
Other operating income excluding interest income	107	213
Interest expense	(25)	(51)
Depreciation and amortisation	(1,980)	(3,950)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Reversal of impairment on receivables	21	21
Foreign exchange gain / (loss)	(13)	(19)
Gain or loss on derivatives	-	-
Exceptional items	-	-
	<hr/>	<hr/>

B13 REALISED AND UNREALISED PROFITS/(LOSSES)

	30.11.2013 RM'000	31.05.2013 RM'000 (Audited)
Total accumulated losses:		
- realised	(7,394)	(7,114)
- unrealised	(3,199)	(3,105)
As at 30 November 2013 / 31 May 2013	<hr/> <hr/> (10,593)	<hr/> <hr/> (10,219)

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 20 January 2014.