



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2021**

**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 DECEMBER 2021**

	Individual Quarter		6 months ended	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Revenue	59,217	48,794	111,898	99,621
Other operating income	381	239	763	445
Inventories and consumables	(18,265)	(16,111)	(35,288)	(32,351)
Staff costs	(19,928)	(15,718)	(38,712)	(30,020)
Other operating expenses	(9,816)	(7,406)	(18,757)	(14,738)
Depreciation and amortisation	(2,924)	(3,266)	(6,332)	(6,355)
Interest income	499	537	1,026	1,183
Finance costs	(116)	(90)	(227)	(185)
<b>Profit before taxation</b>	<b>9,048</b>	<b>6,979</b>	<b>14,371</b>	<b>17,600</b>
Taxation	(2,143)	(1,578)	(3,420)	(4,415)
<b>Profit for the financial period</b>	<b>6,905</b>	<b>5,401</b>	<b>10,951</b>	<b>13,185</b>
<b>Other comprehensive income, net of tax :-</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translations	-	(2)	-	3
<b>Total comprehensive income for the financial period</b>	<b>6,905</b>	<b>5,399</b>	<b>10,951</b>	<b>13,188</b>
<b>Profit attributable to owners of the parent</b>	<b>6,905</b>	<b>5,401</b>	<b>10,951</b>	<b>13,185</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>6,905</b>	<b>5,399</b>	<b>10,951</b>	<b>13,188</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>				
Basic	0.40	0.31	0.63	0.76
Diluted	0.40	0.31	0.63	0.76

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 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>	-	-	-	10,951	10,951	10,951
<b>Transactions with owners</b>						
Share options granted under ESOS	-	-	117	-	117	117
Lapsed ESOS	-	-	(1,622)	1,622	-	-
Dividend paid	-	-	-	(3,858)	(3,858)	(3,858)
<b>Total transactions with owners</b>	-	-	(1,505)	(2,236)	(3,741)	(3,741)
<b>Balance at 31 December 2021</b>	625,986	-	2,163	168,682	796,831	796,831
<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>	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 DECEMBER 2021**

	As At 31/12/2021 Unaudited RM'000	As At 30/06/2021 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	701,829	677,334
Investment property	2,248	2,278
Intangible assets	194,489	194,943
<b>Total non-current assets</b>	<b>898,566</b>	<b>874,555</b>
<b>Current assets</b>		
Inventories	10,334	10,296
Trade and other receivables	29,270	26,519
Tax recoverable	8,227	8,957
Cash and bank balances	133,361	139,906
<b>Total current assets</b>	<b>181,192</b>	<b>185,678</b>
<b>TOTAL ASSETS</b>	<b>1,079,758</b>	<b>1,060,233</b>
<b>Current liabilities</b>		
Trade and other payables	57,189	72,828
Borrowings	552	993
Lease liabilities	1,550	1,447
Provision	233	181
Income tax payable	53	-
<b>Total current liabilities</b>	<b>59,577</b>	<b>75,449</b>
<b>NET CURRENT ASSETS</b>	<b>121,615</b>	<b>110,229</b>
<b>Non-current liabilities</b>		
Borrowings	195,374	167,858
Lease liabilities	4,292	4,305
Provision	317	363
Deferred tax liabilities	23,367	22,637
<b>Total non-current liabilities</b>	<b>223,350</b>	<b>195,163</b>
<b>TOTAL LIABILITIES</b>	<b>282,927</b>	<b>270,612</b>
<b>NET ASSETS</b>	<b>796,831</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	168,682	159,967
Reserves	2,163	3,668
<b>TOTAL EQUITY</b>	<b>796,831</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.

**TMC LIFE SCIENCES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	Current Year To Date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
<b>Cash flows (used in) / from operating activities</b>		
Profit before tax	14,371	17,600
Adjustments for :-		
Non-cash items	6,975	6,738
Interest paid	227	185
Interest income	(1,026)	(1,183)
Operating profit before changes in working capital	20,547	23,340
Changes in working capital		
Net change in current assets	(3,328)	2,516
Net change in current liabilities	(15,640)	(1,868)
Cash generated from operations	1,579	23,988
Interest paid	(2,871)	(1,637)
Net income tax paid	(1,906)	(446)
<b>Net cash flows (used in) / from operating activities</b>	(3,198)	21,905
<b>Cash flows used in investing activities</b>		
Acquisition of property, plant and equipment	(26,564)	(59,894)
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	6,210	1,071
- deposits pledged	(52)	-
- cash restricted in use	(234)	-
Interest received	1,026	1,183
<b>Net cash flows used in investing activities</b>	(19,614)	(57,617)
<b>Cash flows from financing activities</b>		
Dividend paid	(3,858)	(2,923)
Payment of lease liabilities	(1,002)	(969)
Drawdown of term loans	27,542	29,514
Repayment of term loans	(49)	(16)
Drawdown of hire purchase	-	4,410
Repayment of hire purchase	(442)	-
<b>Net cash flows from financing activities</b>	22,191	30,016
<b>Net decrease in cash &amp; cash equivalents</b>	(621)	(5,696)
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	105,327	96,697
<b>Exchange rate effects</b>	-	7
<b>Cash &amp; cash equivalents at end of the financial period</b>	104,706	91,008
<b>Cash &amp; cash equivalents at end of the financial period</b>		
Cash at banks and on hand	77,118	69,246
Deposits with licenced banks	56,243	60,450
	133,361	129,696
Less: Deposits with licenced banks (for more than 3 months)	(26,478)	(38,188)
Deposit pledged to a licenced bank	(600)	(500)
Cash restricted in use	(1,577)	-
	104,706	91,008

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 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 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 combating COVID-19 cases. Removal of interstate restriction has seen a positive business growth in inpatient and outpatient load for hospital as well as 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 December 2021, 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 December 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	31/12/2021	30/06/2021
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	195,926	168,851
Letter of guarantee given to suppliers	4,060	3,535
	<u>199,986</u>	<u>172,386</u>

## A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 31 December 2021 is as follows:

	31/12/2021	30/06/2021
	RM'000	RM'000
Approved and contracted for	116,908	106,356
Approved but not contracted for	-	136
	<u>116,908</u>	<u>106,492</u>

## A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Individual quarter	6 months ended
	31/12/2021	31/12/2021
	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>15</u>	<u>29</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31 December 2021 versus 3 months ended 31 December 2020)**

	3 months ended	
	31/12/2021	31/12/2020
	RM'000	RM'000
Revenue	59,217	48,794
Profit before taxation	9,048	6,979

The Group recorded revenue of RM59.2 million and profit before taxation of RM9 million for the quarter ended 31 December 2021. Revenue increased by 21% and profit before taxation increased by 30%, compared to the corresponding period in the previous year. The increase in profit before taxation was due to higher revenue generated in this period.

**Review of results for the financial period (6 months ended 31 December 2021 versus 6 months ended 31 December 2020)**

	6 months ended	
	31/12/2021	31/12/2020
	RM'000	RM'000
Revenue	111,898	99,621
Profit before taxation	14,371	17,600

For the financial period ended 31 December 2021, the Group recorded a 12% increase in revenue to RM111.9 million. However, profit before taxation decreased by 18% to RM14.4 million compared to 6-month period ended 31 December 2020. The increase in revenue was mainly attributable to higher outpatient and inpatient census at Thomson Hospital Kota Damansara (“THKD”). Profit before taxation decreased due to higher staff costs and commissioning expenses incurred for the opening of our new expansion 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 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 31 December 2021 versus 3 months ended 30 September 2021)**

	3 months ended	
	31/12/2021	30/09/2021
	RM'000	RM'000
Revenue	59,217	52,681
Profit before taxation	9,048	5,323

Compared with the immediate preceding 3 months ended 30 September 2021, revenue for the 3 months ended 31 December 2021 increased by 12% and profit before taxation increased by 70%. Higher revenue for the 3 months ended 31 December 2021 was mainly attributable to the increase in hospital and fertility revenue. Higher profit before taxation was driven by higher revenue and lower depreciation in the current quarter.



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

The Group foresees continued recovery in the healthcare sector. The Group is cautiously optimistic of its mid- and long-term growth despite the predicted wave of Omicron infection in Malaysia. 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 31 December 2021.

**B5 TAXATION**

	Individual quarter		6 months ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter/ financial period				
- income tax	1,118	1,583	2,690	3,492
- deferred tax	<u>1,025</u>	<u>(5)</u>	<u>730</u>	<u>923</u>
	<u>2,143</u>	<u>1,578</u>	<u>3,420</u>	<u>4,415</u>

The effective tax rate of the Group is at the statutory rate of 24%. Higher deferred tax charge during the quarter was due to reduction of bonus provision during the quarter.

**B6 STATUS OF CORPORATE PROPOSAL**

There are no corporate proposals announced but not completed as at 2 February 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 December 2021			
Secured - Denominated in Ringgit Malaysia	<u>195,374</u>	<u>552</u>	<u>195,926</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 RM3,538,000 (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 December 2020: NIL).

**B10 EARNINGS PER SHARE (EPS)**

	Individual quarter		6 months ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	6,905	5,401	10,951	13,185
Weighted average number of ordinary shares outstanding ('000)	1,741,882	1,741,882	1,741,882	1,741,882
EPS (sen)				
- Basic	0.40	0.31	0.63	0.76
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	6,905	5,401	10,951	13,185
Weighted average number of ordinary shares outstanding ('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	0.31	0.63	0.76

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 and period ended 31 December 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	6 months ended
	31/12/2021	31/12/2021
	RM'000	RM'000
Interest income	499	1,026
Interest expense	(116)	(227)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(2,728)	(5,861)
Amortisation of intangible assets	(196)	(471)
Impairment loss on receivables	(210)	(420)
Fair value charges on share options granted under ESOS	(58)	(117)
Property, plant and equipment written off	(2)	(10)
Loss on disposal of property, plant and equipment	-	(1)
Inventories written off	(76)	(119)
Rental concessions	18	24

**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding as at 31 December 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 February 2022.