



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

**AUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2022**

**Contact**

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**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 2022**

	Individual Quarter		12 months ended	
	Current Year Quarter 30/06/2022 RM'000	Preceding Year Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2022 RM'000	Preceding Year Corresponding Period 30/06/2021 RM'000
Revenue	70,795	53,371	243,774	201,024
Other operating income	942	350	2,255	1,063
Inventories and consumables	(21,342)	(20,112)	(75,787)	(66,762)
Staff costs	(20,866)	(17,723)	(80,104)	(64,759)
Other operating expenses	(11,922)	(7,282)	(42,003)	(31,620)
Depreciation and amortisation	(6,008)	(3,296)	(15,853)	(13,020)
Interest income	524	502	2,001	2,187
Finance costs	(1,772)	(106)	(2,103)	(441)
<b>Profit before taxation</b>	<b>10,351</b>	<b>5,704</b>	<b>32,180</b>	<b>27,672</b>
Taxation	13,118	(1,951)	9,209	(7,418)
<b>Profit for the financial year</b>	<b>23,469</b>	<b>3,753</b>	<b>41,389</b>	<b>20,254</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
<b>Total comprehensive income for the financial year</b>	<b>23,469</b>	<b>3,753</b>	<b>41,389</b>	<b>20,256</b>
<b>Profit attributable to owners of the parent</b>	<b>23,469</b>	<b>3,753</b>	<b>41,389</b>	<b>20,254</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>23,469</b>	<b>3,753</b>	<b>41,389</b>	<b>20,256</b>
<b>Profit per ordinary share attributable to the owners of the parent (sen)</b>				
Basic	1.35	0.22	2.38	1.16
Diluted	1.35	0.22	2.38	1.16

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 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
<b>Balance at 1 July 2021</b>	625,986	-	3,668	159,967	789,621	789,621
<b>Total comprehensive income</b>	-	-	-	41,389	41,389	41,389
<b>Transactions with owners</b>						
Share options granted under ESOS	-	-	236	-	236	236
Transfer within reserve for ESOS forfeited	-	-	(2,194)	2,194	-	-
Dividend paid	-	-	-	(3,858)	(3,858)	(3,858)
<b>Total transactions with owners</b>	-	-	(1,958)	(1,664)	(3,622)	(3,622)
<b>Balance at 30 June 2022</b>	625,986	-	1,710	199,692	827,388	827,388
<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 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 2021 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 2022**

	As At 30/06/2022 Audited RM'000	As At 30/06/2021 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	728,448	677,334
Intangible assets	194,727	194,943
Investment property	2,218	2,278
Deferred tax assets	2,911	-
Total non-current assets	928,304	874,555
<b>Current assets</b>		
Inventories	10,878	10,296
Trade and other receivables	41,175	26,519
Tax recoverable	11,358	8,957
Cash and bank balances	141,135	139,906
Total current assets	204,546	185,678
<b>TOTAL ASSETS</b>	<b>1,132,850</b>	<b>1,060,233</b>
<b>Current liabilities</b>		
Trade and other payables	80,026	72,828
Borrowings	8,481	993
Lease liabilities	1,554	1,447
Provision	212	181
Income tax payable	9	-
Total current liabilities	90,282	75,449
<b>NET CURRENT ASSETS</b>	<b>114,264</b>	<b>110,229</b>
<b>Non-current liabilities</b>		
Borrowings	198,378	167,858
Lease liabilities	2,029	4,305
Provision	384	363
Deferred tax liabilities	14,389	22,637
Total non-current liabilities	215,180	195,163
<b>TOTAL LIABILITIES</b>	<b>305,462</b>	<b>270,612</b>
<b>NET ASSETS</b>	<b>827,388</b>	<b>789,621</b>
<b>Represented by:</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	625,986	625,986
Reserves	1,710	3,668
Retained profits	199,692	159,967
<b>TOTAL EQUITY</b>	<b>827,388</b>	<b>789,621</b>
Net assets per share (RM)	<b>0.47</b>	<b>0.45</b>

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 2021 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 2022**

	Current Year To Date 30/06/2022 RM'000	Preceding Year Corresponding Period 30/06/2021 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	32,180	27,672
Adjustments for :-		
Non-cash items	16,122	14,170
Interest expense	2,103	441
Interest income	(2,001)	(2,187)
Operating profit before changes in working capital	48,404	40,096
Changes in working capital		
Net change in current assets	(15,395)	(413)
Net change in current liabilities	13,412	(10,174)
Cash generated from operations	46,421	29,509
Interest paid	(6,204)	(3,780)
Net income tax paid	(4,342)	(3,280)
<b>Net cash flows from operating activities</b>	35,875	22,449
<b>Cash flows used in investing activities</b>		
Acquisition of property, plant and equipment	(67,690)	(102,632)
Acquisition of intangible assets	(998)	(890)
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	(7,290)	6,571
- deposits pledged	(52)	(48)
- cash restricted in use	(328)	(1,343)
Interest received	2,001	2,187
<b>Net cash flows used in investing activities</b>	(74,357)	(96,132)
<b>Cash flows from financing activities</b>		
Dividend paid	(3,858)	(2,923)
Payment of lease liabilities	(2,063)	(1,911)
Drawdown of term loans	38,942	83,241
Repayment of term loans	(98)	(65)
Drawdown of hire purchase	-	4,410
Repayment of hire purchase	(882)	(441)
<b>Net cash flows from financing activities</b>	32,041	82,311
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	(6,441)	8,628
<b>Cash &amp; cash equivalents at beginning of the financial year</b>	105,327	96,697
<b>Exchange rate effects</b>	-	2
<b>Cash &amp; cash equivalents at end of the financial year</b>	98,886	105,327
<b>Cash &amp; cash equivalents at end of the financial year</b>		
Cash at banks and on hand	66,467	81,521
Deposits with licenced banks	74,668	58,385
	141,135	139,906
Less: Deposits with licensed banks (for more than 3 months)	(39,978)	(32,688)
Deposit pledged to a licenced bank	(600)	(548)
Cash restricted in use	(1,671)	(1,343)
	98,886	105,327

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

**NOTES TO THE AUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

**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 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 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 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 development of Covid-19 wave. Malaysia's transition from the pandemic to endemic phase of COVID-19 and reopening of Malaysia's international borders has seen 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 year ended 30 June 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 30 June 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	30/06/2022	30/06/2021
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	206,859	168,851
Letter of guarantee given to suppliers	4,523	3,535
	<u>211,382</u>	<u>172,386</u>

## A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 30 June 2022 is as follows:

	30/06/2022	30/06/2021
	RM'000	RM'000
Approved and contracted for	71,984	106,356
Approved but not contracted for	-	136
	<u>71,984</u>	<u>106,492</u>

## A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Individual quarter	12 months ended
	30/06/2022	30/06/2022
	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>73</u>

**NOTES TO THE AUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 30 June 2022 versus 3 months ended 30 June 2021)**

	3 months ended	
	30/06/2022	30/06/2021
	RM'000	RM'000
Revenue	70,795	53,371
Profit before taxation	10,351	5,704

The Group recorded revenue of RM70.8 million and profit before taxation of RM10.4 million for the quarter ended 30 June 2022. Revenue and profit before taxation increased by 33% and 81%, 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 increased capacity at Thomson Hospital Kota Damansara (“THKD”) and higher patient load in fertility business.

**Review of results for the financial period (12 months ended 30 June 2022 versus 12 months ended 30 June 2021)**

	12 months ended	
	30/06/2022	30/06/2021
	RM'000	RM'000
Revenue	243,774	201,024
Profit before taxation	32,180	27,672

For the financial period ended 30 June 2022, the Group recorded 21% increase in revenue to RM244 million and profit before taxation increased by 16% to RM32.2 million compared to 12-month period ended 30 June 2021. The increase in revenue was mainly attributable to the increased capacity at THKD and increasing fertility business. Profit before taxation increased in line with the increase in revenue.

**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 30 June 2022 versus 3 months ended 31 March 2022)**

	3 months ended	
	30/06/2022	31/03/2022
	RM'000	RM'000
Revenue	70,795	61,081
Profit before taxation	10,351	7,458

Compared with the immediate preceding quarter ended 31 March 2022, revenue increased by 16% and profit before taxation increased by 39%. Higher revenue was mainly attributable to the increase in hospital revenue and recovery of fertility business. Higher profit before taxation was contributed by higher revenue and reversal of impairment of trade receivables in the current quarter.



**B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023**

The increased capacity in Thomson Hospital Kota Damansara and recovery of fertility business is expected to contribute positively to the growth to the Group going forward.

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

There is no profit forecast or profit guarantee for the financial year ended 30 June 2022.

**B5 TAXATION**

	Individual quarter		12 months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter/ financial year				
- income tax	(2,365)	1,289	399	5,727
- deferred tax	(12,491)	(385)	(11,694)	832
	<u>(14,856)</u>	<u>904</u>	<u>(11,295)</u>	<u>6,559</u>
Under provision in respect of prior year				
- income tax	1,203	841	1,551	653
- deferred tax	535	206	535	206
	<u>1,738</u>	<u>1,047</u>	<u>2,086</u>	<u>859</u>
	<u>(13,118)</u>	<u>1,951</u>	<u>(9,209)</u>	<u>7,418</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 16 August 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 30 June 2022			
Secured - Denominated in Ringgit Malaysia	<u>198,378</u>	<u>8,481</u>	<u>206,859</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 RM3,095,000 (30 June 2021: RM3,980,000).

**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 single tier final dividend of 0.2763 sen per ordinary share for the financial year ended 30 June 2022 (30 June 2021 - 0.2215 sen). The net amount payable is RM4.8 million (30 June 2021: RM3.9 million).

**B10 EARNINGS PER SHARE (EPS)**

	Individual quarter		12 months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	23,469	3,753	41,389	20,254
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882	1,741,882	1,741,882
EPS (sen)				
- Basic	1.35	0.22	2.38	1.16
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	23,469	3,753	41,389	20,254
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	1.35	0.22	2.38	1.16

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 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	12 months ended
	30/06/2022	30/06/2022
	RM'000	RM'000
Interest income	524	2,001
Interest expense	(1,772)	(2,103)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(5,482)	(14,639)
Amortisation of intangible assets	(526)	(1,214)
Reversal of impairment loss on receivables	678	48
Fair value charges on share options granted under ESOS	(60)	(236)
Property, plant and equipment written off	(47)	(57)
Loss on disposal of property, plant and equipment	(2)	(3)
Gain on lease modification	160	160
Inventories written off	(70)	(205)
Rental concessions	-	24

**B13 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group did not enter into any derivative financial instruments which were outstanding as at 30 June 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 23 August 2022.