



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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED
30 SEPTEMBER 2024**

Contact

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TMC LIFE SCIENCES BERHAD
Company no. 200301021989 (624409-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	3 months ended	
	Current Year To Date 30/09/2024 RM'000	Preceding Year Corresponding Period 30/09/2023 RM'000
Revenue	81,967	92,438
Other operating income	879	1,500
Inventories and consumables	(26,205)	(26,451)
Staff costs	(28,794)	(25,439)
Other operating expenses	(15,084)	(13,810)
Depreciation and amortisation	(7,226)	(6,790)
Interest income	1,340	1,276
Finance costs	(2,418)	(2,581)
Profit before taxation	4,459	20,143
Taxation	(1,523)	(5,003)
Profit for the financial period, representing total comprehensive income (net of tax) for the financial period	2,936	15,140
Profit for the financial period, representing total comprehensive income (net of tax) for the financial period attributable to:- Owners of the parent	2,936	15,140
Profit per ordinary share attributable to the owners of the parent (sen)		
Basic	0.17	0.87
Diluted	0.17	0.87

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Attributable to owners of the parent			Total equity RM'000
	Non-distributable	Distributable		
	Share options reserve RM'000	Retained profits RM'000	Share capital RM'000	
Balance at 1 July 2024	625,986	1,316	260,732	888,034
Profit for the financial period, representing total comprehensive income (net of tax) for the financial period	-	-	2,936	2,936
Transactions with owners				
Share options granted under ESOS	-	5	-	5
Total transactions with owners	-	5	-	5
Balance at 30 September 2024	625,986	1,321	263,668	890,975
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

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 2024 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 30 SEPTEMBER 2024

	As At 30/09/2024 Unaudited RM'000	As At 30/06/2024 Audited RM'000
Non-current assets		
Property, plant and equipment	718,909	718,274
Intangible assets	206,166	206,494
Investment property	2,085	2,099
Deferred tax assets	193	315
Total non-current assets	927,353	927,182
Current assets		
Inventories	11,978	11,622
Trade and other receivables	55,216	51,592
Tax recoverable	11,116	10,755
Cash and bank balances	172,406	188,572
Total current assets	250,716	262,541
TOTAL ASSETS	1,178,069	1,189,723
Current liabilities		
Contract liabilities	546	525
Trade and other payables	59,849	72,035
Borrowings	27,234	23,488
Lease liabilities	2,011	1,814
Provision	88	381
Income tax payable	621	377
Total current liabilities	90,349	98,620
NET CURRENT ASSETS	160,367	163,921
Non-current liabilities		
Contract liabilities	287	257
Borrowings	171,558	179,270
Lease liabilities	926	662
Provision	519	222
Deferred tax liabilities	23,455	22,658
Total non-current liabilities	196,745	203,069
TOTAL LIABILITIES	287,094	301,689
NET ASSETS	890,975	888,034
Represented by:		
Equity attributable to owners of the parent		
Share capital	625,986	625,986
Reserves	1,321	1,316
Retained profits	263,668	260,732
TOTAL EQUITY	890,975	888,034
Net assets per share (RM)	0.51	0.51

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 2024 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 30 SEPTEMBER 2024

	Current Year To Date 30/09/2024 RM'000	Preceding Year Corresponding Period 30/09/2023 RM'000
Cash flows from operating activities		
Profit before tax	4,459	20,143
Adjustments for :-		
Non-cash items	7,472	7,101
Interest expense	2,418	2,581
Interest income	(1,340)	(1,276)
Operating profit before changes in working capital	13,009	28,549
Changes in working capital		
Net change in current assets	(4,217)	(1,359)
Net change in trade and other payables and contract liabilities	(5,759)	(2,495)
Cash generated from operations	3,033	24,695
Interest paid	(2,384)	(2,563)
(Net income tax paid)/Net tax refund	(721)	101
Net cash flows (used in) / generated from operating activities	(72)	22,233
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(12,464)	(4,196)
Acquisition of intangible assets	(405)	(153)
Placement of deposits placed with:-		
- financial institutions with original maturity of more than three (3) months	(521)	-
- deposits pledged	210	-
Interest received	1,340	1,276
Net cash flows used in investing activities	(11,840)	(3,073)
Cash flows used in financing activities		
Payment of lease liabilities	(570)	(497)
Repayment of term loans	(3,775)	(3,774)
Repayment of hire purchase	(220)	(221)
Net cash flows used in financing activities	(4,565)	(4,492)
Net (decrease) / increase in cash & cash equivalents	(16,477)	14,668
Cash & cash equivalents at beginning of the financial period	107,511	116,577
Cash & cash equivalents at end of the financial period	91,034	131,245
Cash & cash equivalents at end of the financial period		
Cash at banks and on hand	38,126	88,973
Deposits with licenced banks	134,280	92,239
	172,406	181,212
Less: Deposits with licensed banks (for more than 3 months)	(77,382)	(45,803)
Deposit pledged to a licenced bank	(1,530)	(1,704)
Cash restricted in use	(2,460)	(2,460)
	91,034	131,245

The unaudited 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 UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

**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 2024. 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 2024, 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 2024, except for the adoption of the new, revised and amendments to MFRS and IC Interpretations effective as of 1 January 2024 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

No dividend was paid during the financial period ended 30 September 2024.

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 September 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

	30/09/2024	30/06/2024
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	198,792	202,758
Letter of guarantee given to suppliers	4,891	5,237
	<u>203,683</u>	<u>207,995</u>

A11 CAPITAL COMMITMENTS

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

	30/09/2024	30/06/2024
	RM'000	RM'000
Approved and contracted for	<u>46,553</u>	<u>49,325</u>

A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2024 versus 3 months ended 30 September 2023)

	3 months ended	
	30/09/2024	30/09/2023
	RM'000	RM'000
Revenue	81,967	92,438
Profit before taxation	4,459	20,143

For the quarter ended 30 September 2024, the Group recorded revenue of RM82.0 million and profit before taxation of RM4.5 million. Compared to the previous corresponding quarter, revenue and profit before taxation decreased by 11% and 78%, respectively. The decline was attributed to termination of certain customer contracts and discounts given to institutional customers.

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 September 2024 versus 3 months ended 30 June 2024)**

	3 months ended	
	30/09/2024	30/06/2024
	RM'000	RM'000
Revenue	81,967	74,124
Profit before taxation	4,459	341

Compared with the immediate preceding quarter ended 30 June 2024, both revenue and profit before taxation increased by 11% and >100%, respectively. The increase was attributed to higher inpatient volume and case intensity in Thomson Hospital Kota Damansara.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2025

Bank Negara's decision to maintain the Overnight Policy Rate (OPR) at 3% for nine consecutive quarters underscores the stability of the country's economic 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 period ended 30 September 2024.

B5 TAXATION

	Individual quarter	
	30/09/2024	30/09/2023
	RM'000	RM'000
In respect of current quarter / financial period		
Current tax expense	604	546
Deferred tax expense	919	4,457
	<u>1,523</u>	<u>5,003</u>

Higher effective tax rate was due to higher advance deposit collected.

B6 STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at 11 November 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 September 2024			
Secured - Denominated in Ringgit Malaysia	<u>171,558</u>	<u>27,234</u>	<u>198,792</u>
As at 30 June 2024			
Secured - Denominated in Ringgit Malaysia	<u>179,270</u>	<u>23,488</u>	<u>202,758</u>

Included in borrowings of the Group is an amount of Industrial Hire Purchase of RM1,107,000 (30 June 2024: RM1,328,000).

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 30 September 2023:NIL).

B10 EARNINGS PER SHARE (EPS)

	Individual quarter	
	30/09/2024	30/09/2023
(a) Basic EPS		
Net profit attributable to owners of the parent (RM'000)	2,936	15,140
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882
EPS (sen)		
- Basic	0.17	0.87
(b) Diluted EPS		
Net profit attributable to owners of the parent (RM'000)	2,936	15,140
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882
Effect of dilution ('000)	-	-
Adjusted weighted average number of shares ('000)	1,741,882	1,741,882
Diluted EPS (sen)		
- Diluted	0.17	0.87

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 30 September 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	
	30/09/2024	30/09/2023
	RM'000	RM'000
Interest income	1,340	1,276
Interest expense	(2,414)	(2,580)
Unwinding of discount on provision for restoration	(4)	(1)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(6,492)	(6,205)
Amortisation of intangible assets	(734)	(585)
Impairment loss on receivables	(210)	(210)
Fair value charges on share options granted under ESOS	(5)	(14)
Property, plant and equipment written off	(4)	(37)
Inventories written off	(27)	(50)

B13 DERIVATIVE FINANCIAL INSTRUMENTS

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

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 18 November 2024.