



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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2024**

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 MARCH 2024

	Individual Quarter		9 months ended	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Revenue	86,073	81,580	272,294	226,791
Other operating income	806	1,704	3,330	3,037
Inventories and consumables	(24,296)	(23,420)	(76,901)	(65,636)
Staff costs	(27,408)	(24,769)	(79,757)	(70,272)
Other operating expenses	(14,584)	(14,747)	(42,678)	(41,453)
Depreciation and amortisation	(6,926)	(6,862)	(20,356)	(19,402)
Interest income	1,399	816	4,069	2,170
Finance costs	(2,607)	(2,407)	(7,721)	(6,930)
Profit before taxation	12,457	11,895	52,280	28,305
Taxation	(2,497)	2,399	(12,656)	(2,293)
Profit for the financial period, representing total comprehensive income (net of tax) for the financial period	9,960	14,294	39,624	26,012
Profit for the financial period, representing total comprehensive income (net of tax) for the financial period attributable to:- Owners of the parent	9,960	14,294	39,624	26,012
Profit per ordinary share attributable to the owners of the parent (sen)				
Basic	0.57	0.82	2.27	1.49
Diluted	0.57	0.82	2.27	1.49

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 MARCH 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 period, representing total comprehensive income (net of tax) for the financial period	-	-	39,624	39,624
Transactions with owners				
Share options granted under ESOS	-	40	-	40
Dividend paid	-	-	(14,628)	(14,628)
Total transactions with owners	-	40	(14,628)	(14,588)
Balance at 31 March 2024	625,986	1,455	259,554	886,995
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 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 2023 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 31 MARCH 2024

	As At 31/03/2024 Unaudited RM'000	As At 30/06/2023 Audited RM'000
Non-current assets		
Property, plant and equipment	715,753	715,150
Intangible assets	204,470	205,598
Investment property	2,114	2,159
Deferred tax assets	-	2,088
Total non-current assets	922,337	924,995
Current assets		
Inventories	11,722	13,372
Trade and other receivables	58,584	60,485
Tax recoverable	10,795	11,399
Cash and bank balances	192,481	166,544
Total current assets	273,582	251,800
TOTAL ASSETS	1,195,919	1,176,795
Current liabilities		
Trade and other payables	74,512	80,767
Borrowings	19,732	15,980
Lease liabilities	1,955	1,711
Provision	115	63
Income tax payable	1,138	49
Total current liabilities	97,452	98,570
NET CURRENT ASSETS	176,130	153,230
Non-current liabilities		
Borrowings	187,123	199,712
Lease liabilities	983	1,656
Provision	442	493
Deferred tax liabilities	22,924	14,405
Total non-current liabilities	211,472	216,266
TOTAL LIABILITIES	308,924	314,836
NET ASSETS	886,995	861,959
Represented by:		
Equity attributable to owners of the parent		
Share capital	625,986	625,986
Reserves	1,455	1,415
Retained profits	259,554	234,558
TOTAL EQUITY	886,995	861,959
Net assets per share (RM)	0.51	0.49

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Current Year To Date 31/03/2024 RM'000	Preceding Year Corresponding Period 31/03/2023 RM'000
Cash flows from operating activities		
Profit before tax	52,280	28,305
Adjustments for :-		
Non-cash items	21,131	21,531
Interest expense	7,721	6,930
Interest income	(4,069)	(2,170)
Operating profit before changes in working capital	77,063	54,596
Changes in working capital		
Net change in current assets	2,813	(28,187)
Net change in current liabilities	(6,133)	723
Cash generated from operations	73,743	27,132
Interest paid	(7,667)	(6,753)
Net income tax paid	(355)	(539)
Net cash flows generated from operating activities	65,721	19,840
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(18,282)	(16,468)
Acquisition of intangible assets	(427)	(1,132)
Proceeds from disposal of property, plant and equipment	-	3
(Placement) / Uplift of deposits placed with:-		
- financial institutions with original maturity of more than three (3) months	(30,821)	963
- deposits pledged	-	(100)
- cash restricted in use	-	(709)
Interest received	4,069	2,170
Net cash flows used in investing activities	(45,461)	(15,273)
Cash flows (used in) / generated from financing activities		
Dividend paid	(14,628)	(4,813)
Payment of lease liabilities	(1,504)	(1,551)
Drawdown of term loans	2,972	17,239
Repayment of term loans	(11,322)	(3,821)
Repayment of hire purchase	(662)	(662)
Net cash flows (used in) / generated from financing activities	(25,144)	6,392
Net (decrease) / increase in cash & cash equivalents	(4,884)	10,959
Cash & cash equivalents at beginning of the financial period	116,577	98,886
Cash & cash equivalents at end of the financial period	111,693	109,845
Cash & cash equivalents at end of the financial period		
Cash at banks and on hand	60,699	82,842
Deposits with licenced banks	131,782	69,098
	192,481	151,940
Less: Deposits with licensed banks (for more than 3 months)	(76,624)	(39,015)
Deposit pledged to a licenced bank	(1,704)	(700)
Cash restricted in use	(2,460)	(2,380)
	111,693	109,845

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 31 MARCH 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 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 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 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 period ended 31 March 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 31 March 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

During the current quarter, the Group incorporated a wholly-owned subsidiaries namely TMC Fertility South Sdn Bhd. and transfer the shares of IVF Technologies Sdn. Bhd. and TMC Lifestyle Sdn. Bhd. from TMC Life Sciences Berhad to TMC Fertility Holdings Sdn. Bhd.

A10 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Financial guarantees

	31/03/2024	30/06/2023
	RM'000	RM'000
<u>Unsecured</u>		
Corporate guarantees given to licensed bank for banking facility granted to wholly-owned subsidiaries	206,855	215,692
Letter of guarantee given to suppliers	<u>3,616</u>	<u>4,216</u>
	<u>210,471</u>	<u>219,908</u>

A11 CAPITAL COMMITMENTS

The amount of commitments for capital expenditure as at 31 March 2024 is as follows:

	31/03/2024	30/06/2023
	RM'000	RM'000
Approved and contracted for	<u>49,006</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 UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 31 March 2024 versus 3 months ended 31 March 2023)

	3 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Revenue	86,073	81,580
Profit before taxation	<u>12,457</u>	<u>11,895</u>

For the quarter ended 31 March 2024, the Group recorded revenue of RM86.1 million and profit before taxation of RM12.5 million, representing an increase of 6% and 5%, respectively, compared to the previous corresponding quarter. The increase in profit before taxation was attributed to the higher intensity of cases handled at Thomson Hospital Kota Damansara (“THKD”), recovery in the fertility business and increase in interest income.

Review of results for the financial period (9 months ended 31 March 2024 versus 9 months ended 31 March 2023)

	9 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Revenue	272,294	226,791
Profit before taxation	<u>52,280</u>	<u>28,305</u>

For the financial period ended 31 March 2024, the Group recorded 20% increase in revenue to RM272.3 million and profit before taxation increased by 85% to RM52.3 million compared to the same period ended 31 March 2023. Revenue and profit before taxation increase was due to increased capacity at THKD, recovery in the fertility business and increase in 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 31 March 2024 versus 3 months ended 31 December 2023)**

	3 months ended	
	31/03/2024	31/12/2023
	RM'000	RM'000
Revenue	86,073	93,783
Profit before taxation	<u>12,457</u>	<u>19,680</u>

Compared with the immediate preceding quarter ended 31 December 2023, revenue and profit before taxation decreased by 8% and 37%, respectively. Lower revenue and profit before taxation mainly affected by the extended holiday seasons.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

The Group is closely monitoring the evolving global economic landscape, foreign exchange and interest rate risk, and is committed to adapt its business strategy to mitigate any adverse impact to the Group's performance. The increased capacity in THKD and recovery of fertility business are expected to contribute to the growth of the Group.

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

There is no profit forecast or profit guarantee for the financial period ended 31 March 2024.

B5 TAXATION

	Individual quarter		9 months ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter / financial period				
Current tax expense	548	314	2,048	476
Deferred tax expense	1,949	(2,713)	10,608	1,817
	<u>2,497</u>	<u>(2,399)</u>	<u>12,656</u>	<u>2,293</u>

The effective tax rate of the Group is at the statutory rate of 24%.

B6 STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at 16 May 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 31 March 2024			
Secured - Denominated in Ringgit Malaysia	<u>187,123</u>	<u>19,732</u>	<u>206,855</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 RM1,550,000 (30 June 2023: RM2,214,000).

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 March 2023:NIL).

B10 EARNINGS PER SHARE (EPS)

	Individual quarter		9 months ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
(a) Basic EPS				
Net profit attributable to owners of the parent (RM'000)	9,960	14,294	39,624	26,012
Weighted average number of ordinary shares in issue ('000)	1,741,882	1,741,882	1,741,882	1,741,882
EPS (sen)				
- Basic	0.57	0.82	2.27	1.49
(b) Diluted EPS				
Net profit attributable to owners of the parent (RM'000)	9,960	14,294	39,624	26,012
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	0.57	0.82	2.27	1.49

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 31 March 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		9 months ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Interest income	1,399	816	4,069	2,170
Interest expense	(2,607)	(2,407)	(7,721)	(6,930)
Depreciation of property, plant and equipment, investment property and right-of-use assets	(6,403)	(5,922)	(18,800)	(17,493)
Amortisation of intangible assets	(523)	(940)	(1,556)	(1,909)
Impairment loss on receivables	(210)	(1,010)	(630)	(1,430)
Fair value charges on share options granted under ESOS	(13)	(32)	(40)	(95)
Property, plant and equipment written off	-	-	(39)	(13)
Loss on disposal of property, plant and equipment	-	-	-	(7)
Gain on derecognition of lease liability	41	-	41	-
Inventories written off	(21)	(18)	(107)	(614)
Reversal of provision for restoration	-	-	-	30

B13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group did not enter into any derivative financial instruments which were outstanding as at 31 March 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 23 May 2024.