TMC LIFE SCIENCES BERHAD

(Incorporated in Malaysia)
Company No : 624409 - A

FINANCIAL REPORT

for the financial year ended 31 December 2008

CONTENTS

TMC LIFE SCIENCES BERHAD

(Incorporated in Malaysia)
Company No : 624409 - A

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after taxation for the financial year attributable to:		
Equity holders of the Company	3,574,864	801,352
Minority interests	(201,989)	-
	3,372,875	801,352

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final tax-exempt dividend of 0.75 sen per ordinary share amounting to RM1,388,723 in respect of the previous financial year, as proposed in the directors' report of that financial year.

The directors do not recommend the payment of any final dividend for the financial year ended 31 December 2008.

On 27 February 2009, the directors declared a single-tier interim dividend of 0.3 sen per ordinary share amounting to RM1,805,339 in respect of the financial year ended 31 December 2008. This dividend will be accounted for in the financial statements for the financial year ending 31 December 2009.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company increased its authorised share capital from RM25,000,000 to RM100,000,000 divided into 1,000,000,000 ordinary shares of RM0.10 each by the creation of 750,000,000 new ordinary shares of RM0.10 each;

(b) the Company increased its issued and paid-up share capital for working capital purposes from RM18,516,300 to RM60,177,975 by the way of:

(i) the allotment of 185,163,000 new ordinary shares of RM0.10 each at an issue price of RM0.20 each per share through a rights issue on the basis of one new ordinary share for every one existing ordinary share held; and

(ii) a bonus issue of 231,453,750 new ordinary shares of RM0.10 each in the Company credited as fully paid-up on the basis of five new ordinary shares of RM0.10 each for every four rights shares subscribed in the Company.

All the new shares issued during the financial year rank pari passu in all respects with the existing shares of the Company.

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would further require the writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 39 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

PROFESSOR DATO' DR. KHALID BIN ABDUL KADIR
DATO' DR. LEE SOON SOO
SIEW BOON YEONG
DATO' DR. TAN KEE KWONG
DR YAP TECK LONG
WENDDI-ANNE CHONG WAI YENG
DATO' ROBIN TAN YEONG CHING (APPOINTED ON 28 AUGUST 2008)
FREDDIE PANG HOCK CHENG (APPOINTED ON 28 AUGUST 2008)
DR FRANCIS LISA MUGA (RESIGNED ON 28 AUGUST 2008)
DR WONG PAK SENG (RESIGNED ON 27 FEBRUARY 2009)
DR SURINDER SINGH A/L RANBIR SINGH (ALTERNATE TO DR WONG PAK SENG)
(RESIGNED ON 27 FEBRUARY 2009)
LEE SOON SWEE (RESIGNED ON 28 AUGUST 2008)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.1.2008	Bonus Issue/ Bought	Sold	At 31.12.2008
The Company				
Direct Interests:				
Professor Dato' Dr. Khalid bin Abdul Kadir	1,150,000	2,340,000	(110,000)	3,380,000
Dato' Dr. Lee Soon Soo	62,770,809	105,022,657	(18,600,000)	149,193,466
Siew Boon Yeong	2,679,300	6,274,125	-	8,953,425
Dato' Dr. Tan Kee Kwong	10,000	-	(10,000)	-
Dr. Wong Pak Seng	1,080,000	950,000	(330,000)	1,700,000
Dr. Yap Teck Long	10,000	900,000	-	910,000
Dr. Surinder Singh A/L Ranbir Singh	860,000	1,157,500	-	2,017,500
Wenddi-Anne Chong Wai Yeng	2,844,600	7,183,575	-	10,028,175
Freddie Pang Hock Cheng	-	66,350	-	66,350
Deemed Interests:				
Professor Dato' Dr. Khalid bin Abdul Kadir	300,000	675,000	-	975,000
Dr Surinder Singh A/L Ranbir Singh	60,000	135,000	-	195,000

By virtue of his interest in shares in the Company, Dato' Dr. Lee Soon Soo is deemed to have an interest in the shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other director holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with a company in which a director has a substantial financial interest as disclosed in Note 35 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 APRIL 2009

Dato' Dr. Lee Soon Soo

Dato' Dr. Tan Kee Kwong

STATEMENT BY DIRECTORS

We, Dato' Dr. Lee Soon Soo and Dato' Dr. Tan Kee Kwong, being two of the directors of TMC Life Sciences Berhad, state that, in the opinion of the directors, the financial statements set out on pages 12 to 68 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2008 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 APRIL 2009

Dato' Dr. Lee Soon Soo **Dato' Dr. Tan Kee Kwong**

STATUTORY DECLARATION

I, Roslina binti Abd Wahid, I/C No. 710611-08-6496, being the officer primarily responsible for the financial management of TMC Life Sciences Berhad, do solemnly and sincerely declare that the financial statements set out on pages 12 to 68 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Roslina binti Abd Wahid,
I/C No. 710611-08-6496,
at Kuala Lumpur in the Federal Territory
on this 28 April 2009

Roslina binti Abd Wahid

Before me

Mohd Radzi Bin Yasin (No: W327)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)
Company No: 624409 - A

Report on the Financial Statements

We have audited the financial statements of TMC Life Sciences Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 68.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the financial year then ended.

Other Matters

The financial statements of the Company for the preceeding financial year were audited by another firm of auditors whose report dated 23 April 2008, expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Horwath	**Lee Kok Wai**
Firm No: AF 1018	Approval No: 2760/06/10 (J)
Chartered Accountants	Partner

Kuala Lumpur
28 April 2009

TMC LIFE SCIENCES BERHAD

(Incorporated in Malaysia)
Company No : 624409 - A

BALANCE SHEETS AT 31 DECEMBER 2008

	NOTE	THE GROUP 2008 RM	THE GROUP 2007 RM	THE COMPANY 2008 RM	THE COMPANY 2007 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	19,369,006	11,803,098
Property, plant and equipment	7	78,538,237	49,942,313	-	-
Prepaid land lease payments	8	18,987,498	19,191,666	-	-
Intangible assets	9	11,977,949	10,926,037	-	-
Goodwill on consolidation	10	3,331,190	-	-	-
		112,834,874	80,060,016	19,369,006	11,803,098
CURRENT ASSETS					
Inventories	11	1,715,190	472,148	-	-
Trade receivables	12	2,968,009	918,164	-	-
Other receivables, deposits and prepayments	13	25,587,259	1,241,495	1,500	1,500
Amount owing by subsidiaries	14	-	-	43,103,639	35,030,254
Other investment	15	11,969	5,605,392	-	-
Tax refundable		2,001,925	106,759	699,804	131,432
Deposits with a licensed bank	16	331,479	3,020,000	-	-
Cash and bank balances		24,136,878	2,746,691	21,051,786	193,134
		56,752,709	14,110,649	64,856,729	35,356,320
TOTAL ASSETS		169,587,583	94,170,665	84,225,735	47,159,418
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	60,177,975	18,516,300	60,177,975	18,516,300
Share premium	18	21,751,724	26,990,937	21,751,724	26,990,937
Foreign exchange translation reserve	19	(23,462)	-	-	-
Retained profits	20	32,103,833	29,917,692	903,045	1,490,416
		114,010,070	75,424,929	82,832,744	46,997,653
Minority interests		7,656	(92,202)	-	-
SHAREHOLDERS' EQUITY		114,017,726	75,332,727	82,832,744	46,997,653

BALANCE SHEETS AT 31 DECEMBER 2008 (CONT'D)

		THE GROUP		THE COMPANY	
		2008	2007	2008	2007
	NOTE	RM	RM	RM	RM
NON-CURRENT LIABILITIES					
Term loan	21	27,700,213	1,130,253	-	-
Deferred taxation	22	3,324,588	3,090,239	-	-
		31,024,801	4,220,492	-	-
CURRENT LIABILITIES					
Trade payables	23	3,344,550	4,466,232	-	37,630
Other payables and accruals	24	15,639,024	6,327,430	810,911	124,135
Amount owing to subsidiaries	14	-	-	15,280	-
Term loan	21	2,299,787	2,183,897	-	-
Provision for taxation		95,514	1,639,887	566,800	-
Bank overdraft	25	3,166,181	-	-	-
		24,545,056	14,617,446	1,392,991	161,765
TOTAL LIABILITIES		55,569,857	18,837,938	1,392,991	161,765
TOTAL EQUITY AND LIABILITIES		169,587,583	94,170,665	84,225,735	47,159,418
NET ASSETS PER ORDINARY SHARE (RM)	26	0.19	0.41		

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)
Company No : 624409 - A

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

		THE GROUP		THE COMPANY	
	NOTE	2008 RM	2007 RM	2008 RM	2007 RM
REVENUE	27	38,809,936	31,288,232	2,180,000	2,180,000
COST OF SALES		(17,858,841)	(7,522,768)	-	-
GROSS PROFIT		20,951,095	23,765,464	2,180,000	2,180,000
OTHER INCOME		322,135	345,585	50,448	36,365
		21,273,230	24,111,049	2,230,448	2,216,365
ADMINISTRATIVE EXPENSES		(13,742,744)	(8,009,301)	(789,504)	(423,056)
SELLING AND DISTRIBUTION COSTS		(949,102)	(1,264,035)	(72,792)	(5,150)
OTHER EXPENSES		(2,020,878)	(1,850,271)	-	-
FINANCE COSTS		(512,303)	-	-	-
PROFIT BEFORE TAXATION	28	4,048,203	12,987,442	1,368,152	1,788,159
INCOME TAX EXPENSE	29	(675,328)	(3,740,694)	(566,800)	(525,078)
PROFIT AFTER TAXATION		3,372,875	9,246,748	801,352	1,263,081
ATTRIBUTABLE TO:					
Equity holders of the Company		3,574,864	9,338,950	801,352	1,263,081
Minority interests		(201,989)	(92,202)	-	-
		3,372,875	9,246,748	801,352	1,263,081
EARNINGS PER SHARE (SEN)					
- BASIC	30	0.69 sen	1.95 sen		
- DILUTED	30	N/A	N/A		

TMC LIFE SCIENCES BERHAD

(Incorporated in Malaysia)
Company No : 624409 - A

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

THE GROUP	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	FOREIGN EXCHANGE TRANSLATION RESERVE RM	RETAINED PROFITS RM	TOTAL RM	MINORITY INTERESTS RM	TOTAL EQUITY RM
Balance at 1.1.2007		16,833,000	10,324,678	-	21,807,551	48,965,229	-	48,965,229
Profit after taxation for the financial year		-	-	-	9,338,950	9,338,950	(92,202)	9,246,748
Issue of shares		1,683,300	16,833,000	-	-	18,516,300	-	18,516,300
Expenses incurred on issuance of ordinary shares		-	(166,741)	-	-	(166,741)	-	(166,741)
Dividend	31	-	-	-	(1,228,809)	(1,228,809)	-	(1,228,809)
Balance at 31.12.2007/ 1.1.2008		18,516,300	26,990,937	-	29,917,692	75,424,929	(92,202)	75,332,727
Profit after taxation for the financial year		-	-	-	3,574,864	3,574,864	(201,989)	3,372,875
Shares subscribed by minority shareholders		-	-	-	-	-	99,990	99,990
Acquisition of interest in subsidiaries		-	-	-	-	-	201,857	201,857
Issuance of ordinary shares pursuant to:								
- rights issue		18,516,300	18,516,300	-	-	37,032,600	-	37,032,600
- bonus issue		23,145,375	(23,145,375)	-	-	-	-	-
Expenses incurred on issuance of ordinary shares		-	(610,138)	-	-	(610,138)	-	(610,138)
Foreign currency reserve		-	-	(23,462)	-	(23,462)	-	(23,462)
Dividend	31	-	-	-	(1,388,723)	(1,388,723)	-	(1,388,723)
Balance at 31.12.2008		60,177,975	21,751,724	(23,462)	32,103,833	114,010,070	7,656	114,017,726

THE COMPANY	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	RETAINED PROFITS RM	TOTAL RM
Balance at 1.1.2007		16,833,000	10,324,678	1,456,144	28,613,822
Profit after taxation for the financial year		-	-	1,263,081	1,263,081
Issue of shares		1,683,300	16,833,000	-	18,516,300
Expenses incurred on issuance of ordinary shares		-	(166,741)	-	(166,741)
Dividend	31	-	-	(1,228,809)	(1,228,809)
Balance at 31.12.2007/1.1.2008		18,516,300	26,990,937	1,490,416	46,997,653
Profit after taxation for the financial year		-	-	801,352	801,352
Issuance of ordinary shares pursuant to:					
- rights issue		18,516,300	18,516,300	-	37,032,600
- bonus issue		23,145,375	(23,145,375)	-	-
Expenses incurred on issuance of ordinary shares		-	(610,138)	-	(610,138)
Dividend	31	-	-	(1,388,723)	(1,388,723)
Balance at 31.12.2008		60,177,975	21,751,724	903,045	82,832,744

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)
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CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	NOTE	THE GROUP 2008 RM	THE GROUP 2007 RM	THE COMPANY 2008 RM	THE COMPANY 2007 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		4,048,203	12,987,442	1,368,152	1,788,159
Adjustments for:-					
Allowance for doubtful debts		193,158	190,892	-	-
Amortisation of intangible assets		252,274	553,214	-	-
Amortisation of prepaid land lease payments		204,168	204,167	-	-
Depreciation of property, plant and equipment		1,253,000	901,998	-	-
Interest expenses		1,043,424	36,738		
Gain on disposal of nursing sponsorship		(21,000)	-	-	-
Dividend income		-	-	(2,180,000)	(2,180,000)
Interest income		(112,631)	(217,296)	(50,448)	(28,083)
Operating profit before working capital changes		6,860,596	14,657,155	(862,296)	(419,924)
(Increase)/Decrease in inventories		(1,000,018)	209,689	-	-
Increase in trade and other receivables		(26,267,136)	(1,333,026)	-	(15,416)
Increase in trade and other payables		7,757,796	3,253,903	649,145	50,882
Development costs incurred		(382,992)	(3,402,462)	-	-
Net changes in related company balances		-	-	(6,444,905)	(18,194,754)
CASH FLOWS (FOR)/FROM OPERATIONS		(13,031,754)	13,385,259	(6,658,056)	(18,579,212)
Interest paid		(1,043,424)	(36,738)	-	-
Interest received		112,631	217,296	50,448	28,083
Income tax paid		(3,792,340)	(3,211,678)	(1,572)	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD		(17,754,887)	10,354,139	(6,609,180)	(18,551,129)

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONT'D)

	Note	THE GROUP 2008 RM	THE GROUP 2007 RM	THE COMPANY 2008 RM	THE COMPANY 2007 RM
BALANCE BROUGHT FORWARD		(17,754,887)	10,354,139	(6,609,180)	(18,551,129)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Purchase of property,				-	-
plant and equipment		(29,160,414)	(30,764,127)	-	-
Nurse sponsorship incurred, net of receipts		(875,727)	(484,944)	-	-
Proceeds from disposal of nursing sponsorship		42,000	-	-	-
Proceeds from disposal of other investment		5,593,423	-	-	-
Other investment purchased		-	(5,605,392)	-	-
Proceeds from disposal of property, plant and equipment		3,374	-	-	-
Acquisition of software		(66,467)	(57,513)	-	-
Net dividends received		-	-	-	1,591,400
Investment in subsidiaries		-	-	(7,565,908)	(96)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(24,463,811)	(36,911,976)	(7,565,908)	1,591,304
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares		37,032,600	18,516,300	37,032,600	18,516,300
Proceeds from minority shareholders		99,990	11	-	-
Share issue expenses		(610,138)	(166,741)	(610,138)	(166,741)
Net drawdown of term loan		26,685,850	3,314,150	-	-
Dividend paid		(1,388,723)	(1,228,809)	(1,388,722)	(1,228,809)
Acquisition of subsidiaries	32	(4,041,934)	-	-	-
NET CASH FROM FINANCING ACTIVITIES		57,777,645	20,434,911	35,033,740	17,120,750
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		15,558,947	(6,122,926)	20,858,652	160,925
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		5,766,691	11,889,617	193,134	32,209
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND BANK BALANCES		(23,462)	-	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33	21,302,176	5,766,691	21,051,786	193,134

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	No.11, Jalan Teknologi, Taman Sains Selangor 1, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 April 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market, credit, liquidity and cash flow risks. The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group's foreign currency transactions and balances are substantially denominated in Indonesian Rupiah.

Foreign currency risk is monitored closely and managed to an acceptable level.

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group obtains financing through bank borrowings. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed banks at the most favourable interest rates.

(iii) Price Risk

The Group's principal exposure to price risks arises mainly from changes in quoted securities prices. Price risk is monitored closely and managed to an acceptable level.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risk is represented by the total carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's concentration of credit risks relates to the amount of deposits paid to the suppliers of medical equipment which constituted approximately 78% of the total receivables as at the balance sheet date.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity And Cash Flow Risk

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following:

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 111 and FRS 120 are not relevant to the Group's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

(ii) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - *Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007.

The adoption of this amendment did not have any material impact on the financial statements of the Group.

(iii) Framework for the Preparation and Presentation of Financial Statements sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not an MASB approved accounting standard and hence, does not define standards for any particular measurement or disclosure issue.

4. BASIS OF PREPARATION (CONT'D)

(a) During the current financial year, the Group has adopted the following (Cont'd):

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's operations.

(b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

FRS 8 replaces FRS 114_{2004} Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

4. BASIS OF PREPARATION (CONT'D)

(b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial application are not disclosed by virtue of the exemptions given in these standards.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

IC Interpretation 9 is not relevant to the Group's operations. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and usage factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage, technological development and commercial factors could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives, therefore future amortisation charges could be revised.

(v) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vi) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vii) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency

(i) Functional and Presentation Currency

The functional currency of each of the Group's entity is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the Group's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) Foreign Operations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for the income statement are translated at the average exchange rates for the year;
- all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve; and
- on disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale of the foreign operations.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2008.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheet consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

The gain or loss on the disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Intangible Assets

(i) Development Costs

Medical development expenditure incurred on individual projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense are not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over the estimated useful life when the technology is ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible Assets (Cont'd)

(ii) Other Intangible Assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. Intangible asset acquired separately are measured initial recognition at cost.

The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives on intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset might be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the event or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible Assets (Cont'd)

(iii) Nursing Sponsorship

Nursing sponsorship represents fees and allowances paid to sponsored students undertaking diploma in nursing courses at local approved colleges for a duration of three years. These costs are amortised over a maximum period of five years, representing the bond period for the students to serve the Group, upon graduation and successfully securing a practising certificate from the Ministry of Health.

(g) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in a subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the income statement.

(ii) Other Investments

Other investments held on a long-term basis are stated at cost less allowance for permanent diminution in value.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the income statement.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery	10%
Medical equipment	10% -15%
Electrical and mechanical equipment	10%
Furniture and fittings	10% - 15%
Office equipment and computers	10% - 25%
Renovation	10%
Motor vehicles	20%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the balance sheet date. The capital work-in-progress is stated at cost, and will be reclassified to the appropriate category of property, plant and equipment and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of the capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, Plant and Equipment (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

(i) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use right is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the term of the lease of 96 years.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(l) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(n) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(o) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Taxes (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(p) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(q) Equity Instruments

Ordinary shares are classified as equity. Incremental of cost directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(u) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of plant and equipment (net of accumulated depreciation, where applicable), other investments, inventories, receivables and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Segmental Information (Cont'd)

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

(v) Revenue Recognition

(i) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance, and where applicable, net of returns and trade discounts.

(ii) Services

Revenue is recognised upon rendering of services, net of discounts and when the outcome of the transaction can be estimated reliably.

(iii) Membership Fees

Membership fees are recognised upon their registration with the Group.

(iv) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(v) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(vi) Rental Income

Rental income is recognised on an accrual basis.

6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2008 RM	2007 RM
Unquoted shares, at cost	19,369,006	11,803,098

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2008	Effective Equity Interest 2007	Principal Activities
Tropicana Medical Centre (M) Sdn Bhd (formerly known as Damansara Women's Specialist Centre Sdn Bhd)	Malaysia	100%	100%	Multi disciplinary tertiary healthcare services.
IVF Technologies Sdn Bhd ("IVFT")	Malaysia	100%	100%	Dormant.
TMC Biotech Sdn Bhd ("TMC Biotech") *	Malaysia	100%	100%	Provision of consultancy and research and development.
TMC Lifestyle Sdn Bhd (formerly known as TMC Stemcells Sdn Bhd) *	Malaysia	100%	100%	Development, marketing and management of healthcare programs.
TMC Fertility (Penang) Sdn Bhd ("TMC Penang") *	Malaysia	100%	100%	Investment holding.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Name of Company	Country of Incorporation	Effective Equity Interest 2008	2007	Principal Activities
TMC Women's Specialist (Kuantan) Sdn Bhd ("TMCWS (Kuantan)") *	Malaysia	80%	80%	Provision of fertility services and operation of women's clinic.
Stemtech International Sdn Bhd ("SISB") *	Malaysia	90%	90%	Provision of storage of cord blood and adult stem cells, stem cell therapy, application and research and development.
Tropicana Medical Centre (Penang) Sdn Bhd (formerly known as Srigim Medical Centre Malaysia Sdn Bhd)*	Malaysia	85%	-	Operation of a medical centre.
Held through subsidiary:				
TMC Women's Specialist Holdings Sdn Bhd (formerly known as Damansara Fertility Centre Sdn Bhd) ^	Malaysia	100%	100%	Gynaecological and fertility problem management.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Name of Company	Country of Incorporation	Effective Equity Interest 2008	2007	Principal Activities
PT Stemtech Life Science Indonesia # *	Indonesia	58.5%	-	Provision of stemcell banking business.

* Not audited by Messrs Horwath.
^ Held through Tropicana Medical Centre (M) Sdn Bhd.
# Held through Stemtech International Sdn Bhd.

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2008 RM	Additions RM	Acquisition of Subsidiaries RM	Transfers RM	Disposal RM	Depreciation Charge RM	At 31.12.2008 RM
The Group							
Net Book Value							
Freehold land	-	3,809,000	-	-	-	-	3,809,000
Buildings	-	21,787,634	-	39,477,075	-	(127,600)	61,137,109
Plant and machinery	-	23,449	-	466,980	-	(54,412)	436,017
Medical equipment	2,907,588	1,909,718	159,450	1,413,537	-	(524,639)	5,865,654
Electrical and mechanical equipment	-	1,328,756	-	-	-	(11,073)	1,317,683
Furniture and fittings	1,114,297	108,250	-	(356,417)	-	(129,182)	736,948
Office equipment and computers	322,401	104,155	517,113	1,886,825	(3,374)	(161,189)	2,665,931
Renovation	-	89,452	15,321	697,837	-	(132,981)	669,629
Motor vehicles	234,663	-	-	2,427	-	(111,924)	125,166
Capital work-in-progress	45,363,364	-	-	(43,588,264)	-	-	1,775,100
	49,942,313	29,160,414	691,884	-	(3,374)	(1,253,000)	78,538,237

	At 1.1.2007 RM	Additions RM	Transfers RM	Depreciation Charge RM	At 31.12.2007 RM
The Group					
Net Book Value					
Medical equipment	1,785,846	1,623,666	-	(501,924)	2,907,588
Furniture and fittings	459,050	890,178	(52,311)	(182,620)	1,114,297
Office equipment and computers	99,574	276,410	52,311	(105,894)	322,401
Motor vehicles	296,223	50,000	-	(111,560)	234,663
Capital work-in-progress	17,439,491	27,923,873	-	-	45,363,364
	20,080,184	30,764,127	-	(901,998)	49,942,313

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP AT 31.12.2008	COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Freehold land	3,809,000	-	3,809,000
Buildings	61,264,709	(127,600)	61,137,109
Plant and machinery	544,125	(108,108)	436,017
Medical equipment	9,185,458	(3,319,804)	5,865,654
Electrical and mechanical equipment	1,328,756	(11,073)	1,317,683
Furniture and fittings	1,718,198	(981,250)	736,948
Office equipment and computers	3,158,758	(492,827)	2,665,931
Renovation	898,171	(228,542)	669,629
Motor vehicles	612,978	(487,812)	125,166
Capital work-in-progress	1,775,100	-	1,775,100
	84,295,253	(5,757,016)	78,538,237
At 31.12.2007			
Medical equipment	4,498,896	(1,591,308)	2,907,588
Furniture and fittings	1,528,770	(414,473)	1,114,297
Office equipment and computers	610,162	(287,761)	322,401
Motor vehicles	557,798	(323,135)	234,663
Capital work-in-progress	45,363,364	-	45,363,364
	52,558,990	(2,616,677)	49,942,313

Included in the total net book value of the property, plant and equipment of the Group at the balance sheet date was a building with a net book value of RM57,345,299 which has been pledged to a licensed bank as security for banking facilities granted to the Group.

The buildings for the financial year included interest expense capitalised of RM591,336. In the previous financial year, the interest expense capitalised in the capital work-in-progress amounted to RM36,738.

8. PREPAID LAND LEASE PAYMENTS

	THE GROUP 2008 RM	2007 RM
Leasehold land, carrying amount	19,395,833	19,395,833
Accumulated amortisation	(408,335)	(204,167)
Net book value	18,987,498	19,191,666
Accumulated amortisation:-		
At 1 January	(204,167)	-
Amortisation for the financial year	(204,168)	(204,167)
At 31 December	(408,335)	(204,167)

Prepaid land lease payments which represent leasehold land have been pledged as security for banking facilities granted to the Group.

As at the date of this report, the land title of the leasehold land is in the process of being transferred to the Group.

9. INTANGIBLE ASSETS

THE GROUP	Software RM	Development Costs RM	Nursing Sponsorship RM	Total RM
Cost				
At 1.1.2007	58,576	7,178,567	636,460	7,873,603
Additions	57,513	3,402,462	579,144	4,039,119
Charge to income statement	-	-	(94,200)	(94,200)
At 31.12.2007/1.1.2008	116,089	10,581,029	1,121,404	11,818,522
Additions	66,467	382,992	875,727	1,325,186
Charge to income statement	-	-	(30,000)	(30,000)
At 31.12.2008	182,556	10,964,021	1,967,131	13,113,708

9. INTANGIBLE ASSETS (CONT'D)

	Software RM	Development Costs RM	Nursing Sponsorship RM	Total RM
Accumulated amortisation				
At 1.1.2007	(40,502)	(282,620)	(16,149)	(339,271)
Amortisation	(27,423)	(452,180)	(73,611)	(553,214)
At 31.12.2007/ 1.1.2008	(67,925)	(734,800)	(89,760)	(892,485)
Amortisation	(37,997)	(113,060)	(101,217)	(252,274)
Disposal	-	-	9,000	9,000
At 31.12.2008	(105,922)	(847,860)	(181,977)	(1,135,759)
Net carrying amount				
At 31.12.2007	48,164	9,846,229	1,031,644	10,926,037
At 31.12.2008	76,634	10,116,161	1,785,154	11,977,949

The development costs for the financial year included the following expenses:

	THE GROUP 2008 RM	2007 RM
Directors' remuneration	349,860	1,834,220
Staff costs	93,913	516,432

9. INTANGIBLE ASSETS (CONT'D)

(a) Key assumptions used in value-in-use calculation

The recoverable amount of a cash-generating unit ("CGU") is determined based on value-in-use calculations using cash flow forecast and projections based on a financial budget approved by management covering a five-year period.

The following describes each key assumption on which management has based its cash flow forecast and projections to undertake impairment testing of development costs:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the past.

(ii) Number of Assisted Reproductive Technology ("ART") Cycle

Management believes the increase in the number of ART cycle is justified based on past experiences, increase in demand for treatment as well as increased capacity via new medical branches across Malaysia.

(iii) Discount rate of 6.75%

The discount rate used is pre-tax and is based on the incremental borrowing rate of the Group.

10. GOODWILL ON CONSOLIDATION

	THE GROUP	
	2008 RM	2007 RM
Acquisition of a subsidiary	3,331,190	-

During the financial year, the Group assessed the recoverable amount of the goodwill, and determined that the goodwill is not impaired.

The recoverable amount of a cash-generating unit ("CGU") is determined based on the value-in-use calculations using cash flow forecast based on financial budgets approved by management for the financial year ending 31 December 2008. The key assumptions underpinning the value-in-use calculations are as follows:-

Growth rate	10%
Gross margin	55%
Discount rate	6.75%

The management determined the expected growth rate and budgeted gross margin based on its expectations of market development. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

11. INVENTORIES

	THE GROUP	
	2008 RM	2007 RM
Drugs and consumables, at cost	1,715,190	472,148

None of the inventories is carried at net realisable value.

12. TRADE RECEIVABLES

	THE GROUP 2008 RM	THE GROUP 2007 RM
Trade receivables	3,343,063	1,154,118
Allowance for doubtful debts:-		
At 1 January	(235,954)	(45,062)
Allowance for the financial year	(193,158)	(190,892)
Write-off during the financial year	54,058	-
At 31 December	(375,054)	(235,954)
	2,968,009	918,164

The foreign currency exposure profile of the trade receivables as at the balance sheet date is as follows:

	THE GROUP 2008 RM	THE GROUP 2007 RM
Indonesian Rupiah	3,381	-

The Group's normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP 2008 RM	THE GROUP 2007 RM	THE COMPANY 2008 RM	THE COMPANY 2007 RM
Other receivables	475,578	549,607	-	-
Deposits (Note a)	24,996,430	603,314	1,500	1,500
Prepayments	115,251	88,574	-	-
	25,587,259	1,214,495	1,500	1,500

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(a) The deposits of the Group at the balance sheet date comprised the following:-

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	RM	RM	RM	RM
Purchase of medical equipment	24,427,367	504,286	-	-
Utilities	569,063	99,028	1,500	1,500
	24,996,430	603,314	1,500	1,500

(b) The foreign currency exposure profile of other receivables as at the balance sheet date was as follows:

	THE GROUP	
	2008	2007
	RM	RM
Indonesian Rupiah	21,725	-

14. AMOUNTS OWING BY/TO SUBSIDIARIES

The amounts owing by/to the subsidiaries consist of the following:-

	THE COMPANY	
	2008	2007
	RM	RM
Amount owing by :		
- non-trade balances	43,103,639	35,030,254

14. AMOUNTS OWING BY/TO SUBSIDIARIES (CONT'D)

	THE COMPANY 2008 RM	2007 RM
Interest-free	43,103,639	34,270,356
Interest-bearing	-	759,898
	43,103,639	35,030,254

The interest-free amount is unsecured and receivable on demand. The amount owing is to be settled in cash.

The interest-bearing amount in the previous financial year was subject to an interest rate of 8.0% per annum, was unsecured and repayable on demand. The amount owing was settled in cash.

	THE COMPANY 2008 RM	2007 RM
Amount owing to :		
- non-trade balance	15,280	-

The non-trade amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

15. OTHER INVESTMENTS

	THE GROUP 2008 RM	2007 RM
Unit trusts, at cost	11,969	5,605,392

The fair value of the other investments at the balance sheet date was RM11,969 (2007 - RM5,605,392).

16. DEPOSITS WITH A LICENSED BANK

Included in deposits with a licensed bank is an amount of RM331,479 (2007 - Nil) which has been pledged as security for banking facilities granted to the Group.

The weighted average effective interest rate of the deposits with a licensed bank at the balance sheet date was 3.6% (2007 - 3.9%) per annum. The deposits have maturity periods ranging from 1 to 365 days (2007 - 1 to 365 days).

17. SHARE CAPITAL

The movement in the authorised share capital of the Company is as follows:

	2008	2007	2008	2007
	Number Of Shares		RM	RM
Ordinary Shares Of RM0.10 Each:-				
Authorised	250,000,000	250,000,000	25,000,000	25,000,000
At 1 January				
Increase during the financial year	750,000,000	-	75,000,000	-
At 31 December	1,000,000,000	250,000,000	100,000,000	25,000,000

The movement in the issued and paid-up share capital of the Company is as follows:

	The Company			
	2008	2007	2008	2007
	Number Of Shares		RM	RM
Ordinary Shares Of RM0.10 Each:-				
Issued And Fully Paid-Up				
At 1 January	185,163,000	168,330,000	18,516,300	16,833,000
Issuance of ordinary shares pursuant to:				
- private placement	-	16,833,000	-	1,683,300
- rights issue	185,163,000	-	18,516,300	-
- bonus issue	231,453,750	-	23,145,375	-
At 31 December	601,779,750	185,163,000	60,177,975	18,516,300

17. SHARE CAPITAL (CONT'D)

During the financial year,

(a) the Company increased its authorised share capital from RM25,000,000 to RM100,000,000 divided into 1,000,000,000 ordinary shares of RM0.10 each by the creation of 750,000,000 new ordinary shares of RM0.10 each;

(b) the Company increased its issued and paid-up share capital for working capital purposes from RM18,516,300 to RM60,177,975 by the way of:

(i) the allotment of 185,163,000 new ordinary shares of RM0.10 each at an issue price of RM0.20 each per share through a rights issue on the basis of one new ordinary share for every one existing ordinary share held; and

(ii) a bonus issue of 231,453,750 new ordinary shares of RM0.10 each in the Company credited as fully paid-up on the basis of five new ordinary shares of RM0.10 each for every four rights shares subscribed in the Company.

All the new shares issued during the financial year rank pari passu in all respects with the existing shares of the Company.

18. SHARE PREMIUM

	THE GROUP/THE COMPANY	
	2008 RM	2007 RM
At 1 January	26,990,937	10,324,678
Premium arising from :		
- private placement	-	16,833,000
- rights issue	18,516,300	-
- bonus issue	(23,145,375)	-
Share issue expenses	(610,138)	(166,741)
At 31 December	21,751,724	26,990,937

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

19. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

20. RETAINED PROFITS

At the balance sheet date, the Company will be able to distribute dividends out of its entire retained profits under the single tier tax system.

21. TERM LOAN

	THE GROUP	
	2008	2007
	RM	RM
Current portion:		
- repayable within one year	2,299,787	2,183,897
Non-current portion:		
- repayable between one and two years	2,903,552	1,130,253
- repayable between two and five years	9,740,701	-
- repayable after five years	15,055,960	-
Total non-current portion	27,700,213	1,130,253
	30,000,000	3,314,150

The term loan is repayable in 120 monthly instalments of RM363,983 each commencing 31 March 2009.

The term loan of the Group bore an effective interest rate of 5.6% per annum at the balance sheet date and is secured by way of :-

(i) a first legal charge over the leasehold land of the Group as disclosed in Note 8 to the financial statements; and

(ii) a corporate guarantee of the Company.

22. DEFERRED TAXATION

	THE GROUP 2008 RM	THE GROUP 2007 RM
At 1 January	3,090,239	3,190,997
Recognised in the income statements (Note 29)	184,194	(100,758)
Acquisition of a subsidiary (Note 32)	50,155	-
At 31 December	3,324,588	3,090,239

The deferred tax consists of the tax effects of the following items:-

	THE GROUP 2008 RM	THE GROUP 2007 RM
Deferred tax liabilities:-		
Prepaid land lease payments	2,697,602	2,440,161
Accelerated capital allowances	3,208,986	512,329
Nursing sponsorship	446,000	268,227
	6,352,588	3,220,717
Deferred tax assets:-		
Unabsorbed capital allowances	(2,964,400)	(98,548)
Unutilised industrial building allowances	(63,600)	(31,930)
	(3,028,000)	(130,478)
	3,324,588	3,090,239

No deferred tax assets are recognised for the following items:-

	THE GROUP 2008 RM	THE GROUP 2007 RM
Unutilised tax losses	268,852	390,557
Unabsorbed capital allowances	12,211,657	283,202
	12,480,509	673,759

23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 days to 90 days.

24. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Accruals	2,935,379	1,398,601	184,000	112,500
Advance payments	624,945	1,023,639	-	-
Deposits received	6,500	-	-	-
Other payables	12,072,200	3,905,190	626,911	11,635
	15,639,024	6,327,430	810,911	124,135

Advance payments represent monies collected in advance from wellness programs and the storage of cord blood banking.

Included in other payables of the Group is an aggregate amount of RM9,966,514 (2007 - RM3,733,111) due to contractors and medical equipment suppliers for the construction of the Tropicana Medical Centre.

The foreign currency exposure profile of the other payables and accruals as at the balance sheet date is as follows:-

	THE GROUP	
	2008 RM	2007 RM
Indonesian Rupiah	33,843	-

25. BANK OVERDRAFT

The bank overdraft bore an effective interest rate of 7.4% (2007 - Nil) per annum at the balance sheet date and is secured in the same manner as the term loan disclosed in Note 21 to the financial statements.

26. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value at the balance sheet date of RM114,010,070 (2007 - RM75,424,929) divided by the number of ordinary shares in issue at the balance sheet date of 601,779,750 (2007 - 185,163,000).

27. REVENUE

Revenue represents the invoiced value of services rendered less discounts and returns.

28. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for doubtful debts	193,158	190,892	-	-
Amortisation of intangible assets	252,274	553,214	-	-
Amortisation of prepaid land lease payments	204,168	204,167	-	-
Audit fee:				
- for the financial year	62,010	56,300	7,000	10,000
- underprovision in the previous financial year	1,250	-	4,150	-
Depreciation of property, plant and equipment	1,253,000	901,998	-	-
Directors' fee	148,000	78,000	148,000	78,000
Directors' non-fee emoluments	6,838,337	3,647,936	22,500	21,000
Interest expense		-	-	-
- bank overdraft	41,104	-	-	-
- term loan	410,984	-	-	-
Rental of carpark	15,200	19,200	-	-
Rental of equipment	6,600	-	-	-
Rental of premises	1,058,179	707,955	-	-
Staff costs	8,313,300	2,522,540	-	-
Dividend income	-	-	(2,180,000)	(2,180,000)
Gain on disposal of nursing sponsorship	(21,000)	-	-	-
Interest income	(112,631)	(217,296)	(50,448)	(28,083)
Rental income	(450)	-	-	-

29. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Current taxation:				
- for the financial year	555,823	3,793,521	566,800	552,197
- (over)/underprovision in prior years	(64,689)	47,931	-	(27,119)
	491,134	3,841,452	566,800	525,078
Deferred tax (Note 22) :				
- relating to origination of temporary differences	302,580	89,644	-	-
- relating to changes in tax rates	(118,386)	(114,991)	-	-
- overprovision in prior years	-	(75,411)	-	-
	184,194	(100,758)	-	-
	675,328	3,740,694	566,800	525,078

The corporate tax rate of certain subsidiaries on the first RM500,000 of chargeable income is 20%. The tax rate applicable to the balance of the chargeable income is 26% (2007 - 27%).

The subsidiary, TMC Biotech, has been granted BioNexus Status by the Malaysian Biotechnology Corporation Sdn. Bhd. in which TMC Biotech is entitled to a 100% income tax exemption for a period of 10 years on its income commencing from 1 March 2008 (date of commercial operation).

29. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before taxation	4,048,203	12,987,442	1,368,152	1,788,159
Tax at the statutory tax rate of 26% (2007- 27%)	1,052,500	3,506,609	355,720	482,803
Tax effects of:-				
Differential in tax rates	(291,000)	(105,000)	-	-
Differential in tax rates of opening balance of deferred taxation	(118,400)	(114,991)	-	-
Non-deductible expenses	813,856	360,010	211,080	69,394
Non-taxable income	(1,220,300)	(60,369)	-	-
Utilisation of previously unrecognised deferred tax asset:				
- capital allowances	(38,437)	-	-	-
Deferred tax asset not recognised during the financial year	345,886	181,915	-	-
Deferred tax in the current financial year	195,912	-	-	-
(Over)/Underprovision in the previous financial year				
- current tax	(64,689)	47,931	-	(27,119)
- deferred tax	-	(75,411)	-	-
Tax expense for the year	675,328	3,740,694	566,800	525,078

30. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the profit attributable to equity holders of the Company of RM3,574,864 (2007 - RM9,338,950) by the weighted average number of ordinary shares in issue during the financial year of 516,133,745 (2007 - 479,318,729).

The basic earnings per share in the previous financial year had been restated to conform with the current year's presentation as a result of the rights issue and bonus issue during the current financial year.

Diluted earnings per share are not presented as there were no potential dilutive ordinary shares.

31. DIVIDEND

	THE GROUP/THE COMPANY	
	2008	2007
	RM	RM
Dividend paid:		
- A first and final dividend of 1 sen per ordinary share less 27% tax in respect of the previous financial year	-	1,228,809
- A first and final tax-exempt dividend of 0.75 sen per ordinary share in respect of the previous financial year	1,388,723	-

32. ACQUISITION OF SUBSIDIARIES

During the financial year, the Company acquired an 85% equity interest in Tropicana Medical Centre (Penang) Sdn Bhd (formerly known as Srigim Medical Centre Sdn Bhd) for a total cash consideration of RM4,166,000. In addition, the Company, via its subsidiary, Stemtech International Sdn Bhd, incorporated a 65% owned subsidiary, namely PT Stemtech Life Science Indonesia. The details of these transactions are disclosed in Note 38 to the financial statements.

The details of net assets acquired and cash flow arising from the acquisition of the subsidiary are as follows:-

	THE GROUP 2008 FAIR VALUE RM	THE GROUP 2008 CARRYING AMOUNT RM
Non-current assets	691,884	691,884
Current assets	928,345	928,346
Current liabilities	(432,115)	(432,115)
Non-current liability	(50,155)	(50,155)
Fair values of net assets acquired	1,137,959	1,137,960
Minority interests	(201,857)	(201,858)
	936,102	936,102
Goodwill on consolidation	3,331,190	
Total cost of acquisition	4,267,292	
Less: Cash and cash equivalents of a subsidiary acquired	(225,358)	
Net cash outflow from acquisition of subsidiaries	4,041,934	

The effects of the acquisition of the subsidiary on the financial results of the Group at the end of the financial year are as follows:-

	THE GROUP 2008 RM
Revenue	1,938,009
Profit for the financial year	142,182

33. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	RM	RM	RM	RM
Deposits with a licensed bank	331,479	3,020,000	-	-
Cash and bank balances	24,136,878	2,746,691	21,051,786	193,134
Bank overdraft	(3,166,181)	-	-	-
	21,302,176	5,766,691	21,051,786	193,134

34. DIRECTORS' REMUNERATION

The aggregate amount of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	RM	RM	RM	RM
Executive directors:				
- basic salaries, bonus and Employees' Provident Fund	7,210,697	5,461,156	-	-
Non-executive directors:				
- fee	148,000	78,000	148,000	78,000
- other emoluments	22,500	21,000	22,500	21,000
	7,381,197	5,560,156	170,500	99,000

34. DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Group whose total remuneration during the financial year fell within the following bands are analysed as follows:-

	THE GROUP NUMBER OF DIRECTORS 2008	2007
Executive directors:		
- RM200,001 - RM500,000	3	2
- RM500,001 - RM1,000,000	-	2
- RM1,000,001 - RM2,000,000	1	-
- RM3,000,001 - RM4,000,000	1	1
Non-executive directors:		
- RM100,000 and below	5	5

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties:-

(i) the Company has related party relationships with its subsidiaries as disclosed in Note 6 to the financial statements;

(ii) the directors who are the key management personnel; and

(iii) entities controlled by certain key management personnel, directors and/or substantial shareholders.

(b) In addition to the information disclosed elsewhere in the financial statements, the Company carried out the following transactions with the related parties during the financial year:

	THE COMPANY 2008 RM	2007 RM
(i) Fellow Subsidiaries		
The Company		
Dividend income	2,180,000	2,180,000

35. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Key Management Personnel

The remuneration of directors and other members of key management during the financial year were as follows:-

	THE GROUP 2008 RM	2007 RM
Short-term employee benefits	7,381,197	5,137,892
Post-employment benefits	-	657,769
	7,381,197	5,795,661

Information regarding outstanding balances arising from related party transactions at year end are disclosed in Note 14 to the financial statements.

(iii) Entities controlled by certain key management personnel, directors and/or substantial shareholder

	THE GROUP 2008 RM	2007 RM
Rental of premises from a director	14,400	9,600
Rental of premises from a company substantially owned by a director	420,000	420,000

36. COMMITMENTS

(a) Capital Commitments

	THE GROUP	
	2008	2007
	RM	RM
Approved capital commitments contracted for		
- construction of hospital building	4,168,658	10,819,679
- medical equipment, furniture and fittings	15,894,520	4,545,654
	20,063,178	15,365,333

(b) Non-cancellable Nursing Sponsorship Commitments

	THE GROUP	
	2008	2007
	RM	RM
Future minimum fees payable:		
- Not later than one year	956,415	301,311
- Later than one year not later than five years	627,038	272,830
	1,583,453	574,141

Nursing sponsorship payments represent fees payable by the Group for expenses carried forward granted to student nurses. The courses are for a duration of 3 years.

(c) Operating Lease Commitments

The Group entered into non-cancellable operating lease agreements for the rental of the premises. The lease has an average period of three years and the lease payments are fixed. There are no restrictions placed upon the Group entering into leases and no arrangements have been entered into for contingent rental payments.

	THE GROUP	
	2008	2007
	RM	RM
Future minimum rental payments:		
- Not later than one year	839,300	716,400
- Later than one year not later than five years	442,700	1,124,900
	1,282,000	1,841,300

37. SEGMENTAL INFORMATION

No segmental information is provided as the Group is primarily involved in the healthcare industry and the Group's activities are predominantly in Malaysia. The overseas segment does not contribute more than 10% of the consolidated revenue and assets.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Group during the financial year are as follows:-

(a) On 17 March 2008, the Company entered into two Sale and Purchase Agreements to acquire the shares in Tropicana Medical Centre (Penang) Sdn Bhd (formerly known as Srigim Medical Centre Sdn Bhd) and the land and building occupied by the medical centre located in Penang for a total consideration of RM13.456 million. These transactions were approved by the shareholders at the Extraordinary General Meeting held on 30 June 2008. The purchase of the land and building and the purchase of the 85% of the paid-up share capital in Tropicana Medical Centre (Penang) Sdn Bhd (formerly known as Srigim Medical Centre Sdn Bhd) were completed in July 2008 and September 2008 respectively.

(b) On 19 June 2008, Stemtech International Sdn Bhd, a subsidiary of the Company entered into a Joint Venture Agreement with PT Lucasta Murni Cemerlang to jointly set up a joint venture company in Indonesia, PT Stemtech Life Science Indonesia which was incorporated on 15 August 2008, to undertake stemcell banking business in Indonesia which includes but is not limited to the sales and marketing of stem cell banking activities. PT Stemtech Life Science Indonesia, a 65% owned subsidiary, was incorporated on 15 August 2008.

(c) On 18 September 2008, the Company entered into a Memorandum of Understanding with Berjaya Corporation Berhad and Viet Ha Corporation to establish a formal relationship in order to jointly carry out activities relating to the design, construction, furnishing, equipping and operating of a hospital in or near Hanoi, Vietnam. The relevant parties are still conducting the feasibility study on the venture.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The significant events of the Group during the financial year are as follows (Cont'd):-

(d) On 15 December 2008, the Company successfully transferred its listing status from the MESDAQ Market to the Main Board of Bursa Malaysia Securities Berhad. The authorised share capital of the Company was increased to RM100,000,000 and the paid-up share capital of the Company was increased to RM60,177,975 by the issuance of 185,163,000 new ordinary shares via a one Rights Share for one existing ordinary share held at RM0.20 per Rights Share, and a Bonus Issue of 231,453,750 new ordinary shares on the basis of five Bonus Shares for every four Rights Shares subscribed.

39. CONTINGENT LIABILITY

	THE COMPANY 2008 RM	2007 RM
Corporate guarantee given by the Company to a licensed bank for banking facilities granted to a subsidiary of the Company	30,379,580	-

40. FOREIGN EXCHANGE RATE

The applicable closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the balance sheet date is as follows:-

	2008 RM	2007 RM
100 Indonesian Rupiah	0.0316	-

41. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Amounts Owing By/To Subsidiaries

The carrying amounts approximated their fair values at the balance sheet date.

(b) Cash and Bank Balances, Other Liquid Funds, Short-term Receivables/Payables and Short-Term Borrowings

The carrying amounts approximated the fair values due to the relatively short-term maturity of these instruments.

(c) Long-Term Bank Borrowings

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

(d) Contingent Liability

The nominal amount and net fair value of the financial instruments not recognised in the balance sheets of the Company are as follows:-

		THE COMPANY	
	NOTE	NOMINAL AMOUNT RM	NET FAIR VALUE RM
AT 31 DECEMBER 2008			
Contingent liability	39	30,379,580	*
AT 31 DECEMBER 2007			
Contingent liability	39	-	-

* The net fair value of the contingent liability is estimated to be minimal as the subsidiary is expected to fulfil its obligations to repay its borrowings.

42. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the presentation of the current financial year:-

	THE GROUP		THE COMPANY	
	AS RESTATED RM	AS PREVIOUSLY REPORTED RM	AS RESTATED RM	AS PREVIOUSLY REPORTED RM
BALANCE SHEET (EXTRACT):-				
Other receivables, deposits and prepayment	1,241,495	1,348,254	1,500	35,163,186
Tax refundable	106,759	-	131,432	-
Amount owing by subsidiaries	-	-	35,030,254	-
Deposits with a licensed bank	3,020,000	-	-	-
Cash and bank balances	2,746,691	5,766,691	-	-
INCOME STATEMENTS (EXTRACT):-				
Administrative expenses	8,009,301	-	423,056	-
Selling and distribution expenses	1,264,035	-	5,150	-
Other expenses	1,850,271	4,424,993	-	329,206
Cost of sales	7,522,768	5,868,293	-	-
Consultancy fees	-	1,654,475	-	-
Employee benefit expenses	-	5,282,407	-	99,000
Depreciation and amortisation	-	1,416,207	-	-
CASH FLOW STATEMENTS (EXTRACT):-				
Net cash for operating activities	10,354,139	10,317,401	-	-
Net cash from investing activities	(36,911,976)	(36,875,238)	-	-