THIS INTRODUCTORY CIRCULAR IS FOR INFORMATION ONLY. NO ACTION IS REQUIRED TO BE TAKEN.

If you have sold or transferred all your securities in TMC Life Sciences Berhad, please forward this Introductory Circular to the agent through whom the sale or transfer was contracted for onward transmission to the purchaser or transferee.

The approval of the Securities Commission ("**SC**") and the approval-in-principle of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the Transfer (as defined herein) shall not be taken to indicate that the SC and Bursa Securities recommend the Transfer.

Bursa Securities takes no responsibility for the contents of this Introductory Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Introductory Circular.

TMC LIFE SCIENCES BERHAD

(Company No: 624409-A)
(Incorporated in Malaysia under the Companies Act, 1965)

INTRODUCTORY CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF TMC LIFE SCIENCES BERHAD FROM THE MESDAQ MARKET TO THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

Advised by

PM Securities Sdn. Bhd.

(66299-A) *An Approved Universal Broker*

A Participating Organisation of Bursa Malaysia Securities Berhad

This Introductory Circular is dated 9 December 2008

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Introductory Circular:-

Amendments	:	Amendments to the Articles of Association of TMC
Board	:	Board of Directors of TMC
Bonus Issue	:	Bonus issue of 231,453,750 Bonus Shares on the basis of five (5) Bonus Shares for every four (4) Rights Shares subscribed by the Entitled Shareholders and/or their renouncees pursuant to the Rights Issue
Bonus Shares	:	231,453,750 new TMC Shares to be issued pursuant to the Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
EGM	:	Extraordinary General Meeting
Entitled Shareholders	:	Shareholders of TMC whose names appear in the Record of Depositors of TMC as at the Entitlement Date in order to participate in the Rights Issue and Bonus Issue
Entitlement Date	:	At 5.00 p.m. on 11 November 2008, being the time and date on which the shareholders of TMC must be registered in the Record of Depositors of TMC in order to be entitled to the Rights Issue and Bonus Issue
EPS	:	Earnings per share
Increase in Authorised Share Capital	:	Increase in the authorised share capital from RM25,000,000 comprising 250,000,000 TMC Shares to RM100,000,000 comprising 1,000,000,000 TMC Shares by the creation of an additional 750,000,000 TMC Shares
Listing Requirements	:	Listing Requirements of Bursa Securities
LPD	:	4 December 2008, being the latest practicable date prior to the printing of this Introductory Circular
Market Day	:	Any day between Monday to Friday (both days inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
MESDAQ Market	:	MESDAQ Market of Bursa Securities
PAT	:	Profit after taxation
PATMI	:	Profit after taxation and minority interest
PBT	:	Profit before taxation
PM Securities or Adviser	:	PM Securities Sdn Bhd, an approved Universal Broker
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Rights Issue	:	Renounceable rights issue of 185,163,000 Rights Shares at an issue price of RM0.20 per Rights Share on the basis of one (1) Rights Share for every one (1) existing TMC Share held on the Entitlement Date

Rights Share(s)	:	185,163,000 new TMC Shares to be issued pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission
SC Guidelines	:	Guidelines on the Offering of Equity and Equity-linked Securities issued by the SC
SC Guidelines for the MESDAQ Market	:	Guidelines on the Offering of Equity and Equity-linked Securities for the MESDAQ Market issued by the SC
TMC or Company	:	TMC Life Sciences Berhad
TMC Group or Group	:	TMC and its subsidiaries, collectively
TMC Share(s) or Share(s)	:	Ordinary share(s) of RM0.10 each in TMC
Transfer	:	Transfer of the listing of and quotation for the entire issued and paid-up share capital of TMC of RM60,177,975 comprising 601,779,750 TMC Shares from the MESDAQ Market to the Main Board of Bursa Securities after the Rights Issue and Bonus Issue

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall also include corporations, unless otherwise specified.

Any reference in this Introductory Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of date in this Introductory Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain figures included in this Introductory Circular have been subject to rounding adjustments.

All references to "our Company" and "TMC" in this Introductory Circular are to TMC Life Sciences Berhad, and all references to "our Group" and "TMC Group" are to our Company and our subsidiaries. All references to "we", "us" and "our" are to our Company, and save where the context otherwise requires, shall include our subsidiaries. All references to "you" in this Introductory Circular are to the shareholders of our Company.

[The rest of this page is intentionally left blank]

CONTENTS

[The rest of this page is intentionally left blank]

TMC LIFE SCIENCES BERHAD
(Company No: 624409-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered office:

312, 3rd Floor
Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

9 December 2008

Board of Directors:

Professor Dato' Dr Khalid Bin Abdul Kadir *(Independent Non-Executive Chairman)*
Dato' Dr Colin Lee Soon Soo *(Managing Director)*
Amos Siew Boon Yeong *(Executive Director)*
Wenddi-Anne Chong Wai Yeng *(Executive Director)*
Dr Wong Pak Seng *(Executive Director)*
Dato' Dr Tan Kee Kwong *(Independent Non-Executive Director)*
Dr Yap Teck Long *(Independent Non-Executive Director)*
Dato' Robin Tan Yeong Ching *(Non-Independent Non-Executive Director)*
Freddie Pang Hock Cheng *(Non-Independent Non-Executive Director)*
Dr Surinder Singh A/L Ranbir Singh *(Alternate Director to Dr Wong Pak Seng)*

To: Our Shareholders

Dear Sir/ Madam,

TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF TMC FROM THE MESDAQ MARKET TO THE MAIN BOARD OF BURSA SECURITIES

---

1. INTRODUCTION

On 5 May 2008, PM Securities, on behalf of our Board, announced that our Company proposes to undertake the following:-

(i) increase in the authorised share capital from RM25,000,000 comprising 250,000,000 TMC Shares to RM100,000,000 comprising 1,000,000,000 TMC Shares by the creation of an additional 750,000,000 TMC Shares;

(ii) renounceable rights issue of 185,163,000 Rights Shares on the basis of one (1) Rights Share for every one (1) existing TMC Share held on an entitlement date to be determined later, at an indicative issue price of RM0.20 per Rights Share;

(iii) bonus issue of 231,453,750 Bonus Shares credited as fully paid-up on the basis of five (5) Bonus Shares for every four (4) Rights Shares subscribed pursuant to the Rights Issue;

(iv) transfer of the listing of and quotation for the entire issued and paid-up share capital of TMC of RM60,177,975 comprising 601,779,750 TMC Shares from the MESDAQ Market to the Main Board of Bursa Securities after the Rights Issue and Bonus Issue; and

(v) amendments to the Articles of Association of TMC.

On 30 June 2008, our Company had announced that our shareholders have approved, at the EGM convened on even date, the resolutions pertaining to the Increase in Authorised Share Capital, Rights Issue, Bonus Issue and Amendments.

Subsequent to the aforesaid EGM, the Increase in Authorised Share Capital and Amendments were implemented and completed by our Company on 30 June 2008.

On 2 July 2008, PM Securities, on behalf of our Board, announced that the SC had, vide its letter dated 1 July 2008 approved the Rights Issue, listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue on Bursa Securities and the Transfer under Section 212(5) of the Capital Markets and Services Act 2007 and also under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests issued by the Foreign Investment Committee, subject to the conditions set out in Section 5 of this Introductory Circular.

On 8 September 2008, PM Securities, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 5 September 2008, granted its approval-in-principle for the listing of and quotation for 185,163,000 new TMC Shares to be issued pursuant to the Rights Issue and the Transfer, and its approval for the listing of and quotation for 231,453,750 new TMC Shares to be issued pursuant to the Bonus Issue.

On 21 October 2008, PM Securities, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.20 per Rights Share.

Save for the Rights Issue, Bonus Issue and Transfer, there are no other outstanding corporate exercises that have been announced but which are pending implementation as at the LPD.

In view that the Rights Issue, Bonus Issue and Transfer are inter-conditional, these corporate exercises will be effected concurrently.

THE PURPOSE OF THIS INTRODUCTORY CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE TRANSFER AND IS INTENDED FOR YOUR INFORMATION ONLY. NO ACTION IS REQUIRED ON YOUR PART.

[The rest of this page is intentionally left blank]

2. DETAILS OF THE TRANSFER

The Transfer entails the transfer of the listing of and quotation for the entire issued and paid-up share capital of our Company from the MESDAQ Market to the Main Board of Bursa Securities after the Rights Issue and Bonus Issue.

We will be classified under the "Trading/Services" sector on the Main Board of Bursa Securities.

We have fully complied with all the requirements for a transfer to the Main Board of Bursa Securities as set out in the SC Guidelines and the Listing Requirements, which include, amongst others, the following:-

2.1 Listing status

We were listed on the MESDAQ Market of Bursa Securities on 6 October 2005. As at the date of this Introductory Circular, we have been listed for more than three (3) years.

2.2 Issued and paid-up share capital

As at the LPD, our Company's issued and paid-up share capital is RM60,177,975 comprising 601,779,750 ordinary shares of RM0.10 each.

Accordingly, our Company has satisfied the requirements of the SC Guidelines and the Listing Requirements, for a company seeking listing on the Main Board of Bursa Securities to have an issued and paid-up share capital of not less than RM60,000,000.

2.3 Public shareholding spread

The Listing Requirements stipulate that public companies seeking transfer to the Main Board of Bursa Securities must fulfill the following criteria:-

(i) a public shareholding spread of at least 25% of the total number of shares for which listing is sought; and

(ii) at least 1,000 public shareholders, each holding not less than 100 shares each.

Based on our Company's Record of Depositors as at the LPD, 233,968,097 TMC Shares representing approximately 38.86% of the issued and paid-up share capital of our Company are held by 1,407 public shareholders, holding not less than 100 TMC Shares each.

Our Company has therefore met the Listing Requirements on public shareholding spread.

2.4 Historical profit performance

The SC Guidelines stipulate that a company to be listed on the Main Board of Bursa Securities is required to fulfill the following historical profit performance requirements:-

(i) an uninterrupted PAT record of three (3) to five (5) full financial years prior to submission to the SC;

(ii) an aggregate PAT of not less than RM30 million over the said three (3) to five (5) full financial years; and

(iii) a PAT of not less than RM8 million for the most recent financial year.

Our Group has, on a proforma basis, achieved an uninterrupted aggregate audited consolidated PATMI of approximately RM35.10 million over the past five (5) full financial years ended 31 December 2003 to 31 December 2007 and an audited consolidated PATMI of approximately RM9.34 million in respect of the financial year ended 31 December 2007. As such, our Company has met the profit track record requirement for listing on the Main Board of Bursa Securities, as set out below:-

	←---- Financial year ended 31 December ----→					
	←--- Proforma ---→		←--- Audited ---→			
	*** 2003**	*** 2004**	**** 2005**	***** 2006 (Restated)**	**2007**	**Aggregate**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Consolidated PATMI	3,138	5,652	7,802	9,167	9,339	35,098

Notes:-

* *The proforma consolidated PATMI for the financial years ended 31 December 2003 to 31 December 2004 was extracted from the Reporting Accountants' letter on the proforma consolidated financial information dated 5 September 2005, which was also disclosed in TMC's Prospectus dated 15 September 2005. The proforma consolidated PATMI for these financial years were based on the assumption that the present TMC Group structure had been in existence throughout the years under review.*

** *The consolidated PATMI for the financial year ended 31 December 2005 includes pre-acquisition profits of approximately RM3.13 million as the TMC Group structure was formally in existence in the financial year ended 31 December 2005.*

*** *Restated due to adoption of new Financial Reporting Standards.*

3. RATIONALE FOR THE TRANSFER

The Transfer will better reflect the enhanced status of the operations of our Group based on the size of operations and is expected to accord our Company with greater recognition and acceptance amongst investors, particularly institutional investors.

Further, the Transfer is expected to enhance the confidence of our customers, suppliers, employees and shareholders as well as to further strengthen our Group's credit standing amongst bankers.

4. FINANCIAL EFFECTS OF THE TRANSFER

The Transfer will not have any financial effect on our issued and paid-up share capital as well as substantial shareholders' shareholdings and will also not have any financial effect on our Group's net assets, gearing, earnings and dividend.

[The rest of this page is intentionally left blank]

5. CONDITIONS FOR THE TRANSFER

The SC had, vide its letter dated 1 July 2008 approved, amongst others, the Transfer, subject to the following conditions:-

	Conditions imposed by the SC	Status of compliance
(i)	PM Securities/TMC to inform the SC upon completion of the Transfer;	To be complied.
(ii)	PM Securities should submit a confirmation that the substantial shareholders of TMC have sufficient resources to take up the securities before the implementation of the Rights Issue; and	Complied. Such confirmation has been submitted to the SC on 22 October 2008.
(iii)	PM Securities and TMC should fully comply with all relevant requirements as stipulated in the SC Guidelines for the MESDAQ Market in relation to the Rights Issue and the SC Guidelines in relation to the Transfer.	To be complied.

Subsequently, Bursa Securities vide its letter dated 5 September 2008 granted its approval-in-principle for, amongst others, the Transfer which will take place immediately two (2) clear Market Days after its receipt of the following:-

(i) a confirmation of placement of a box advertisement of the Transfer in a widely circulated Bahasa Malaysia and English newspaper;

(ii) a confirmation from the adviser that the Introductory Circular has been issued and despatched to the shareholders;

(iii) a confirmation from the adviser that all conditions, including conditions imposed by the relevant authorities which are required to be met prior to the Transfer have been met;

(iv) a confirmation from the adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the Transfer including any order, injunction or any other directive issued by any court of law;

(v) a cheque drawn to the order of Bursa Securities for the initial listing fees and annual listing fees together with a copy of the details of the computation of the amount of listing fees payable; and

(vi) receipt of fifteen (15) printed copies of the Introductory Circular and a soft copy in the PDF file format.

We/PM Securities will comply with the above.

6. FURTHER INFORMATION

You are requested to refer to the appendices for further information.

Yours faithfully,
For and on behalf of the Board of
TMC LIFE SCIENCES BERHAD

PROFESSOR DATO' DR. KHALID BIN ABDUL KADIR
Independent Non-Executive Chairman

1. HISTORY AND BUSINESS

We were incorporated in Malaysia under the Companies Act, 1965 on 8 August 2003 as a private limited company under the name of TMC Life Sciences Sdn Bhd. We were subsequently converted to a public limited company on 9 December 2003 and assumed our present name. We were listed on the MESDAQ Market of Bursa Securities on 6 October 2005.

Our Company's principal activity is that of investment holding. The principal activities of our subsidiaries are in the provision of fertility treatment and general Obstetrics and Gynaecology services, hospital operations and management, research and development in life sciences, cord blood banking, stem cell therapies and consultancy services.

The principal activities of each of our subsidiaries are set out in Section 5 of this Appendix.

Brief details of the two (2) hospitals operated by our Group are as follows:-

Hospital name and address	Number of rooms	Number of beds
Tropicana Medical Centre No. 11, Jalan Teknologi Taman Sains Selangor 1 PJU 5, Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	105	184
Srigim Medical Centre No. 12A, Jalan Masjid Negeri 11600 Penang	9	24

2. SHARE CAPITAL

2.1 Authorised and issued and paid-up share capital

The authorised and issued and paid-up share capital of our Company as at the LPD are as follows:-

Type	No. of TMC Shares	Par value	Total
Ordinary shares		**RM**	**RM**
Authorised	1,000,000,000	0.10	100,000,000
Issued and paid-up	601,779,750	0.10	60,177,975

[The rest of this page is intentionally left blank]

2.2 Changes in issued and paid-up share capital

Details of the changes in our issued and paid-up share capital since the date of incorporation up to the LPD are as follows:-

Date of allotment	No. of ordinary shares allotted	Par value	Type of issue/ Consideration	Cumulative issued and paid-up share capital
		RM		RM
08.08.2003	2	1.00	Subscribers' shares	2
27.05.2005	11,732,055	1.00	Shares issued as consideration for acquisition of the entire issued share capital of Tropicana Medical Centre (M) Sdn Bhd (formerly known as Damansara Women's Specialist Centre Sdn Bhd)	11,732,057
27.05.2005	70,943	1.00	Shares issued as consideration for acquisition of the entire issued share capital of IVF Technologies Sdn Bhd	11,803,000
19.08.2005	820,000	1.00	Special issue of 820,000 new ordinary shares of RM1.00 each	12,623,000
19.08.2005	-	0.10	Subdivision of 12,623,000 ordinary shares of RM1.00 each into 126,230,000 ordinary shares of RM0.10 each	12,623,000
28.09.2005	42,100,000	0.10	Public issue of 42,100,000 new ordinary shares of RM0.10 each	16,833,000
10.09.2007	16,833,000	0.10	Private placement of 16,833,000 new ordinary shares of RM0.10 each	18,516,300
04.12.2008	185,163,000	0.10	Rights issue of 1 for 1 at RM0.20 per share	37,032,600
04.12.2008	231,453,750	0.10	Bonus issue of 5 for 4 Rights Shares subscribed pursuant to the Rights Issue of 1 for 1	60,177,975

Note:-

The par value of our shares was sub-divided from RM1.00 per share to RM0.10 per TMC Share on 19 August 2005.

[The rest of this page is intentionally left blank]

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of our Company (holding 5% or more in the share capital) and their respective direct and indirect shareholdings in our Company, based on information as at the LPD extracted from the Register of Substantial Shareholders, the Record of Depositors and taking into consideration the Rights Shares and Bonus Shares are as follows:-

		←--------- Direct --------→		←------- Indirect -------→	
Substantial shareholders	**Nationality/ Country of incorporation**	**No. of TMC Shares**	**%**	**No. of TMC Shares**	**%**
Dato' Dr Colin Lee Soon Soo	Malaysian	149,193,466	24.79	-	-
Berjaya Group Berhad	Malaysia	-	-	(1) 176,700,250*	29.36
Berjaya Corporation Berhad	Malaysia	-	-	(1) 176,700,250*	29.36
Berjaya Land Berhad	Malaysia	-	-	(2) 90,106,250*	14.97
Teras Mewah Sdn. Bhd.	Malaysia	-	-	(2) 90,106,250*	14.97
Juara Sejati Sdn. Bhd.	Malaysia	64,350,000	10.69	(3) 112,350,250*	18.67
Selat Makmur Sdn. Bhd.	Malaysia	30,550,000	5.08	-	-
Hotel Resort Enterprise Sdn. Bhd.	Malaysia	-	-	(1) 176,700,250*	29.36
Tan Sri Dato' Vincent Tan Chee Yioun	Malaysian	-	-	(1) 176,700,250*	29.36

Notes:-

(1) Deemed interested by virtue of their interest in Juara Sejati Sdn. Bhd., Selat Makmur Sdn. Bhd., B. L. Capital Sdn. Bhd., Berjaya Sompo Insurance Berhad and Immediate Capital Sdn. Bhd., pursuant to Section 6A of the Companies Act, 1965.

(2) Deemed interested by virtue of their interest in Selat Makmur Sdn. Bhd., B.L. Capital Sdn. Bhd. and Immediate Capital Sdn. Bhd., pursuant to Section 6A of the Companies Act, 1965.

(3) Deemed interested by virtue of their interest in Selat Makmur Sdn. Bhd., B.L. Capital Sdn. Bhd., Berjaya Sompo Insurance Berhad and Immediate Capital Sdn. Bhd., pursuant to Section 6A of the Companies Act, 1965.

* *The above information is subject to the receipt of the Form 29B (Change of Interests of Substantial Shareholder) by the Company.*

[The rest of this page is intentionally left blank]

4. DIRECTORS

The Directors of our Company and their respective direct and indirect shareholdings in our Company, based on information as at the LPD extracted from the Register of Directors' Shareholding, the Record of Depositors and taking into consideration of the Rights Shares and Bonus Shares are as follows:-

			←-------- Direct ------→		←------ Indirect -----→	
Directors	**Designation**	**Nationality**	**No. of TMC Shares**	**%**	**No. of TMC Shares**	**%**
Professor Dato' Dr Khalid Bin Abdul Kadir	Independent Non-Executive Chairman	Malaysian	3,380,000*	0.56	(1) 650,000*	0.11
Dato' Dr Colin Lee Soon Soo	Managing Director	Malaysian	149,193,466*	24.79	-	-
Amos Siew Boon Yeong	Executive Director	Malaysian	8,953,425*	1.49	-	-
Wenddi-Anne Chong Wai Yeng	Executive Director	Singaporean	10,028,175*	1.67	-	-
Dr Wong Pak Seng	Executive Director	Malaysian	1,300,000*	0.22	-	-
Dato' Dr Tan Kee Kwong	Independent Non-Executive Director	Malaysian	-	-	-	-
Dr Yap Teck Long	Independent Non-Executive Director	Malaysian	910,000*	0.15	-	-
Dato' Robin Tan Yeong Ching	Non-Independent Non-Executive Director	Malaysian	-	-	-	-
Freddie Pang Hock Cheng	Non-Independent Non-Executive Director	Malaysian	66,350*	0.01	-	-
Dr Surinder Singh A/L Ranbir Singh	Alternate Director to Dr Wong Pak Seng	Malaysian	1,657,500*	0.28	(2) 195,000*	0.03

Notes:-

(1) Deemed interested by virtue of his spouse and children's interest, pursuant to Section 134 of the Companies Act, 1965.

(2) Deemed interested by virtue of his interest in Surinder Singh Sdn. Bhd., pursuant to Section 6A of the Companies Act, 1965.

** The above information is subject to the receipt of the notification of changes in director's interest pursuant to Section 135 of the Companies Act, 1965, by the Company.*

[The rest of this page is intentionally left blank]

5. SUBSIDIARIES AND ASSOCIATE COMPANIES

Our subsidiaries as at the LPD are as follows:-

Company	Date/ Place of incorporation	Effective equity interest	Issued and paid-up share capital	Principal activities
		%	RM	
Tropicana Medical Centre (M) Sdn Bhd (formerly known as Damansara Women's Specialist Centre Sdn Bhd)	11.03.1999 Malaysia	100.00	2,180,000	Provision of fertility services and operation and management of a hospital
IVF Technologies Sdn Bhd	05.03.1996 Malaysia	100.00	1,000	Provision of consultancy, R&D services
TMC Biotech Sdn Bhd	31.05.2007 Malaysia	100.00	2,500,000	Provision of consultancy, R&D services
TMC Fertility (Penang) Sdn Bhd	08.11.2006 Malaysia	100.00	2	Property investment holdings
TMC Lifestyle Sdn Bhd (formerly known as TMC Stemcells Sdn Bhd)	06.12.2006 Malaysia	100.00	2	Developing, marketing and management of healthcare programmes
TMC Women's Specialist (Kuantan) Sdn Bhd	07.09.2007 Malaysia	80.00	5	Provision of fertility services and operation of women's clinic
Stemtech International Sdn Bhd	07.09.2007 Malaysia	90.00	1,000,000	Provision of storage of cord blood and adult stem cells, stem cell therapy, application and research and development
Srigim Medical Centre Sdn Bhd	02.01.1992 Malaysia	85.00	100	Provision of fertility services and operation of a women's and children's hospital

Subsidiary of Tropicana Medical Centre (M) Sdn Bhd (formerly known as Damansara Women's Specialist Centre Sdn Bhd)

TMC Women's Specialist Holdings Sdn Bhd (formerly known as Damansara Fertility Centre Sdn Bhd)	21.05.2003 Malaysia	100.00	2	Provision of fertility services and operation of women's clinics

Subsidiary of Stemtech International Sdn Bhd

PT Stemtech Life Science Indonesia	15.08.2008 Indonesia	65.00	USD55,000	Stem cell banking

Our Company does not have any associate company as at the LPD.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on the proforma consolidated results of our Group for the two (2) financial years ended 31 December 2003 and 31 December 2004, which have been prepared based on the assumption that our Group had been in existence throughout the years under review, the audited consolidated financial statements for the three (3) financial years ended 31 December 2005 to 31 December 2007, and the latest unaudited results for the nine (9)-month financial period ended 30 September 2008 are as follows:-

	← Financial year ended 31 December →					Unaudited nine (9)-month financial period ended 30 September 2008
	← Proforma →		← Audited →			
	* 2003	* 2004	** 2005	*** 2006 (Restated)	2007	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	12,035	16,574	21,481	24,904	31,288	25,635
PBT	4,378	7,853	11,023	12,599	12,988	4,371
Taxation	(1,240)	(2,201)	(3,221)	(3,432)	(3,741)	(750)
PAT	3,138	5,652	7,802	9,167	9,247	3,621
Minority interest	-	-	-		92	122
PATMI	3,138	5,652	7,802	9,167	9,339	3,743
Pre-acquisition profits	-	-	(3,126)	-	-	-
Net profit	3,138	5,652	4,676	9,167	9,339	3,743
Weighted average number of shares in issue ('000)	#168,330	#168,330	## 168,330	168,330	173,357	185,163
Basic EPS (sen)	1.86	3.36	4.63	5.45	5.39	2.02
Net dividend rate (sen)	-	-	0.72	0.73	0.75	-

Notes:-

* *The proforma consolidated PATMI for the financial years ended 31 December 2003 and 31 December 2004 were extracted from the Reporting Accountants' letter on the proforma consolidated financial information dated 5 September 2005, which was also disclosed in TMC's Prospectus dated 15 September 2005. The proforma consolidated PATMI for these financial years were based on the assumption that the present TMC Group structure had been in existence throughout the years under review.*

** *The consolidated PATMI for the financial year ended 31 December 2005 includes pre-acquisition profits of approximately RM3.13 million as the TMC Group structure was formally in existence in the financial year ended 31 December 2005.*

*** *Restated due to adoption of new Financial Reporting Standards.*

\# *Assumed that the enlarged issued and paid-up share capital of TMC comprised of approximately 168,330,000 TMC Shares after the subdivision of the par value from RM1.00 to RM0.10 each and public issue of 42,100,000 TMC Shares.*

\#\# *Based on the enlarged issued and paid-up share capital of TMC after the public issue.*

There were no exceptional or extraordinary items for the financial years / period under review.

Commentary on past performance

Financial year ended 31 December 2003

For the financial year ended 31 December 2003, our Group recorded revenue of RM12.04 million, representing a 34.21% increase as compared to revenue of RM8.97 million recorded in the previous year.

Our Group recorded PBT of RM4.38 million for the financial year ended 31 December 2003, representing an increase of 67.68% from PBT of RM2.61 million in the previous year.

The increase in revenue was due to the continued increased in public awareness of the pregnancy success rates of Tropicana Medical Centre (M) Sdn Bhd (formerly known as Damansara Women's Specialist Centre Sdn Bhd). The increase in PBT was mainly due to good cost control.

There was no audit qualification for the financial year ended 31 December 2003.

Financial year ended 31 December 2004

For the financial year ended 31 December 2004, our Group recorded revenue of RM16.57 million, representing an increase of 37.71% as compared to revenue of RM12.04 million recorded in the previous year.

Our Group recorded PBT of RM7.85 million for the financial year ended 31 December 2004, representing an increase of 79.37% from PBT of RM4.38 million in the previous year.

The increase in revenue and PBT was mainly attributed to the continuing marketing efforts both locally and abroad since year 2003.

There was no audit qualification for the financial year ended 31 December 2004.

Financial year ended 31 December 2005

For the financial year ended 31 December 2005, our Group recorded revenue of RM21.48 million, representing an increase of 29.61% as compared to revenue of RM16.57 million recorded in the previous year.

Our Group recorded PBT of RM11.02 million for the financial year ended 31 December 2005, representing an increase of 40.37% from PBT of RM7.85 million in the previous year.

The increase in revenue and PBT was mainly due to the increase in revenue contribution from more patients and the increasingly significant contributions from our Group's branch in Johor Bahru, which completed its first full year of operations in the year under review.

There was no audit qualification for the financial year ended 31 December 2005.

Financial year ended 31 December 2006

For the financial year ended 31 December 2006, our Group recorded revenue of RM24.90 million, representing an increase of 15.94% as compared to revenue of RM21.48 million recorded in the previous year.

Our Group recorded PBT of RM12.60 million for the financial year ended 31 December 2006, representing a 14.30% increase from PBT of RM11.02 million in the previous year.

The increase in revenue and PBT can be attributed to the effectiveness of our Group's ongoing efforts to create awareness of the fertility treatment options offered by our Group, and at the same time the high success rates achieved at our centres which resulted in improved sales of our Group.

There was no audit qualification for the financial year ended 31 December 2006.

Financial year ended 31 December 2007

For the financial year ended 31 December 2007, our Group recorded revenue of RM31.29 million, representing a 25.63% increase as compared to revenue of RM24.90 million recorded in the previous year.

Our Group recorded PBT of RM12.99 million for the financial year ended 31 December 2007, representing a 3.09% increase from PBT of RM12.60 million in the previous year.

The increase in revenue and PBT can be attributed to the increase in number of patients as a result of the intensive marketing efforts undertaken in the local and foreign markets to raise awareness of the various fertility treatment options available at our network of TMC Fertility Centres.

There was no audit qualification for the financial year ended 31 December 2007.

Nine (9)-month financial period ended 30 September 2008

For the nine (9)-month financial period ended 30 September 2008, our Group recorded revenue of RM25.63 million, representing a 12.50% increase as compared to revenue of RM22.79 million recorded in the corresponding period in the previous financial year.

Our Group recorded PBT of RM4.37 million for the nine (9)-month financial period ended 30 September 2008, representing a 58.18% decrease from PBT of RM10.45 million in the corresponding period in the previous financial year.

The increase in revenue was mainly due to the growing business in our Group's six fertility treatment branches nationwide (the sixth and the latest branch in Penang was acquired in September 2008) and sales from the wellness program.

The decrease in PBT was due to the increase in operation costs, mainly as a result of the expansion in human resources in preparation for our Group's flagship tertiary hospital, which is scheduled to commence operation in December 2008.

The audited consolidated financial statements of our Company for the financial year ended 31 December 2007 together with the auditors' report thereon is set out in Appendix II of this Introductory Circular.

[The rest of this page is intentionally left blank]

ERNST & YOUNG

Ernst & Young
AF : 0039
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Mail address: P.O. Box 11040
50734 Kuala Lumpur, Malaysia
Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
www.ey.com

624409 - A

REPORT OF THE AUDITORS TO THE MEMBERS OF TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 9 to 51. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965, and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

    (i) the financial position of the Group and of the Company as at 31 December 2007 and of the results and the cash flows of the Group and of the Company for the period then ended; and

    (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG

624409 - A

REPORT OF THE AUDITORS TO THE MEMBERS OF TMC LIFE SCIENCES BERHAD (CONT'D.)
(Incorporated in Malaysia)

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 11 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanation required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF : 0039
Chartered Accountants

Wong Lai Wah
No. 1956/04/09(J)
Partner

Kuala Lumpur, Malaysia
23 APR 2008

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Group 2007 RM	Group 2006 RM (restated)	Company 2007 RM	Company 2006 RM (restated)
Revenue from services rendered		31,288,232	24,904,196	2,180,000	2,180,000
Other income	3	345,585	662,586	36,365	5,830
Cost of drugs, consumables used and locum charges		(5,868,293)	(4,183,828)	-	-
Consultancy fees	5	(1,654,475)	(1,226,567)	-	-
Employee benefit expenses	6	(5,282,417)	(3,779,073)	(99,000)	(99,000)
Depreciation and amortisation		(1,416,207)	(1,090,489)	-	-
Other operating expenses		(4,424,993)	(2,687,563)	(329,206)	(212,401)
Profit from operations	4	12,987,432	12,599,262	1,788,159	1,874,429
Finance costs	8	-	-	-	-
Profit before taxation		12,987,432	12,599,262	1,788,159	1,874,429
Income tax expense	9	(3,740,694)	(3,432,499)	(525,078)	(557,906)
Profit after tax		9,246,738	9,166,763	1,263,081	1,316,523
Attributable to:					
Equity holders of the Company		9,338,950	9,166,763	1,263,081	1,316,523
Minority interests		(92,212)	-	-	-
		9,246,738	9,166,763	1,263,081	1,316,523
Basic earnings per share	10	5.39 sen	5.45 sen		

The accompanying notes form an integral part of the financial statements.

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	Group 2007 RM	Group 2006 RM (restated)	Company 2007 RM	Company 2006 RM (restated)
ASSETS					
Non-current assets					
Property, plant and equipment	12	49,942,313	20,080,184	-	-
Investment in subsidiaries	11	-	-	11,803,098	11,803,002
Prepaid land lease payments	13	19,191,666	19,395,833	-	-
Intangible assets	14	10,926,037	7,534,332	-	-
		80,060,016	47,010,349	11,803,098	11,803,002
Current Assets					
Inventories	15	472,148	681,837	-	-
Trade receivables	16	918,164	686,538	-	-
Other receivables and prepayment	17	1,348,254	383,492	35,163,186	16,889,494
Other investment	18	5,605,392	-		
Cash and bank balances	19	5,766,691	11,889,617	193,134	32,209
		14,110,649	13,641,484	35,356,320	16,921,703
TOTAL ASSETS		94,170,665	60,651,833	47,159,418	28,724,705
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	23	18,516,300	16,833,000	18,516,300	16,833,000
Share premium	23	26,990,937	10,324,678	26,990,937	10,324,678
Retained profits	25	29,917,692	21,807,551	1,490,416	1,456,144
		75,424,929	48,965,229	46,997,653	28,613,822
Minority interests		(92,202)	-	-	-
Total equity		75,332,727	48,965,229	46,997,653	28,613,822
Non-current liabilities					
Borrowings	22	1,130,253	-	-	-
Deferred taxation	24	3,090,239	3,190,997	-	-
		4,220,492	3,190,997	-	-

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2007 (CONT'D.)

	Note	Group 2007 RM	Group 2006 RM (restated)	Company 2007 RM	Company 2006 RM (restated)
Current liabilities					
Trade payables	20	4,466,232	1,168,428	37,630	-
Other payables	21	6,327,430	6,371,331	124,135	110,883
Borrowings	22	2,183,897	-	-	-
Tax payable		1,639,887	955,848	-	-
		14,617,446	8,495,607	161,765	110,883
Total liabilities		18,837,938	11,686,604	161,765	110,883
TOTAL EQUITY AND LIABILITIES		94,170,665	60,651,833	47,159,418	28,724,705

The accompanying notes form an integral part of the financial statements.

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

	<----------- Attributable to Equity Holders			------------>	Minority Interests	Total Equity
	Non-Distributable					
	Share Capital (Note 23)	Share Premium (Note 23)	Retained Earnings (Note 25)	Total		
	RM	RM	RM	RM	RM	RM
At 1 January 2006	16,833,000	10,324,678	13,852,764	41,010,442	-	41,010,442
Profit for the year	-	-	9,166,763	9,166,763	-	9,166,763
Dividends	-	-	(1,211,976)	(1,211,976)	-	(1,211,976)
At 31 December 2006	16,833,000	10,324,678	21,807,551	48,965,229	-	48,965,229
At 1 January 2007	16,833,000	10,324,678	21,807,551	48,965,229	-	48,965,229
Profit for the year	-	-	9,338,950	9,338,950	(92,202)	9,246,748
Issue of new shares	1,683,300	16,833,000	-	18,516,300	-	18,516,300
New share issue transaction cos	-	(166,741)	-	(166,741)	-	(166,741)
Dividends	-	-	(1,228,809)	(1,228,809)	-	(1,228,809)
At 31 December 2007	18,516,300	26,990,937	29,917,692	75,424,929	(92,202)	75,332,727

The accompanying notes form an integral part of the financial statements.

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

	<-----Non-distributable----->			
	Share Capital (Note 23) RM	**Share Premium (Note 23) RM**	**Retained Profits (Note 25) RM**	**Total RM**
At 1 January 2006	16,833,000	10,324,678	1,351,597	28,509,275
Net profit for the year	-	-	1,316,523	1,316,523
Dividends	-		(1,211,976)	(1,211,976)
At 31 December 2006	16,833,000	10,324,678	1,456,144	28,613,822
At 1 January 2007	16,833,000	10,324,678	1,456,144	28,613,822
Net profit for the year	-	-	1,263,081	1,263,081
Issue of new shares	1,683,300	16,833,000	-	18,516,300
New share issue transaction costs		(166,741)		(166,741)
Dividends	-	-	(1,228,809)	(1,228,809)
At 31 December 2007	18,516,300	26,990,937	1,490,416	46,997,653

The accompanying notes form an integral part of the financial statements.

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 RM	2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	12,987,432	12,599,262
Adjustments for:		
Interest income	(217,296)	(474,416)
Provision for doubtful debts	190,892	-
Depreciation	901,998	586,130
Amortisation of prepaid lease payment	204,167	204,167
Amortisation of intangible assets	553,214	316,341
Property, plant and equipment written off	-	1,199
Operating profit before working capital changes	14,620,407	13,232,683
Decrease/(Increase) in inventories	209,689	(184,734)
(Increase)/decrease in receivables	(1,333,016)	(13,523)
Decrease in payables	3,253,903	5,795,756
Development costs incurred	(3,402,462)	(2,811,033)
Cash generated from operations	13,348,521	16,019,149
Interest paid	(36,738)	-
Interest received	217,296	474,416
Tax paid	(3,211,678)	(3,663,398)
Net cash generated from operating activities	10,317,401	12,830,167
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(30,727,389)	(16,796,441)
Nurse sponsorship incurred, net of receipts	(484,944)	(151,680)
Other investment made	(5,605,392)	-
Acquisition of software	(57,513)	-
Net cash used in investing activities	(36,875,238)	(16,948,121)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	18,516,300	-
Shares issue expenses	(166,741)	-
Term loan drawdown	3,314,150	-
Dividends paid	(1,228,809)	(1,211,976)
Net inflow from acquisition of subsidiaries	11	-
Net cash generated from/(used in) financing activities	20,434,911	(1,211,976)

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT'D.)

	2007 RM	2006 RM
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,122,926)	(5,329,930)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	11,889,617	17,219,547
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 19)	5,766,691	11,889,617

The accompanying notes form an integral part of the financial statements.

624409 - A

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

COMPANY'S CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 RM	2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,788,159	1,874,429
Adjustments for:		
Dividend income	(2,180,000)	(2,180,000)
Interest income	(28,083)	(5,830)
Operating loss before working capital changes	(419,924)	(311,401)
Interest received	28,083	5,830
Increase/(decrease) in receivables	(15,416)	436
Increase/(decrease) in payables	50,882	(1,418)
Net changes in related company balances	(18,194,754)	(262,113)
Net cash used in operating activities	(18,551,129)	(568,666)
CASH FLOW FROM INVESTING ACTIVITIES		
Net dividends received	1,591,400	1,569,600
Investment in subsidiaries	(96)	(4)
Net cash generated from investing activities	1,591,304	1,569,596
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	18,516,300	-
Share issue expenses	(166,741)	-
Dividends paid	(1,228,809)	(1,211,976)
Net cash generated from/(used in) financing activities	17,120,750	(1,211,976)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	160,925	(211,046)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	32,209	243,255
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 19)	193,134	32,209

The accompanying notes form an integral part of the financial statemen

TMC LIFE SCIENCES BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 11 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Mesdaq Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 312, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at 55, Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 April 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost convention unless otherwise indicated and presented in Ringgit Malaysia (RM).

The Malaysian Accounting Standards Board has issued FRS 6: Exploration for and Evaluation of Mineral Resources, Amendment to FRS 119_{2004}: Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures and FRS 124: Related Party Transactions which are effective for annual periods beginning on or after 1 January 2007.

The adoption of the revised FRS 124 gives rise to additional disclosures but did not result in significant changes in accounting policies of the Group and of the Company. Both FRS 6 and Amendment to FRS 119_{2004} are not applicable to the Group or the Company.

624409 - A

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Standards, Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations") Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs, amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after
FRS 139: Financial Instruments - Recognition and Measurement	Deferred
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The above new and revised FRSs, amendments to FRSs and IC Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

(a) Impairment of intangible assets - development costs on procedures not yet available for use

The Group tests intangible amounts relating to development costs on procedures not yet available for use for impairment at least on an annual basis. This requires an estimation of the value-in-use of the development costs. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the development costs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of development costs as at 31 December 2007 was RM9,846,229 (2006: RM6,895,947).

(b) Amortisation of development costs on procedures available for use

The development cost classified under intangible asset is amortised on a straight-line basis over the asset's useful life. Management estimates the useful life of the development cost to be 5 years.

Changes in the biotechnological developments could impact the economic useful lives, therefore future amortisation charges could be revised. A 20% difference in the average useful lives of these assets from management's estimates would result in approximately 1% variance in profit for the year.

(c) Identifiability of costs capitalised in development costs

As disclosed in Note 14, development costs consist of staff costs and consultancy fees, and laboratory materials and overheads. Management estimates the staff costs and consultancy fees to be capitalised based on time recorded as spent by the staff and consultants.

A 13.5% difference in staff costs and consultancy fees capitalised will result in approximately 10% variance in profit for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

624409 - A

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(ii) Basis of Consolidation

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then. The excess of losses applicable to the minority interests and any further losses applicable to the minority are allocated to the minority as they have a binding obligation and is able to make an additional investment to cover the losses.

(b) Intangible Assets

(i) Development costs

Medical development expenditures incurred on individual projects are carried forward when its future recoverability can reasonably be regarded as assured. Following initial recognition, the cost model is applied requiring the cost to be carried at cost less any accumulated impairment loss. On completion, any expenditure carried forward is amortised to the year of expected future benefits from the related project. The carrying value of development costs is reviewed for impairment when indications of impairment arises.

(ii) Other intangible assets

Intangible assets acquired separately are measured on 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 any accumulated impairment losses. The useful lives of 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 may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are 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 CGU level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

624409 - A

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies (Cont'd.)

(b) 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 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.

(c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress are not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Furniture and fittings	10% - 15%
Medical equipment	10% - 15%
Computer system	30%
Office equipment	10%
Plant and machinery	10%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each year-end 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 property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies (Cont'd.)

(c) Property, Plant and Equipment and Depreciation (cont'd.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(d) Impairment of Non-Financial Assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. Costs includes materials and direct overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies (Cont'd.)

(f) Provisions for Liabilities

Provisions for liabilities are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of an amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

(g) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill 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.

Deferred tax is 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 tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in 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 the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

624409 - A

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies (Cont'd.)

(h) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Operating Leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(i) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies (Cont'd.)

(i) Employee Benefits (Cont'd.)

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(iii) Termination benefits

The Group pays termination benefits in cases of termination of employment within the framework of a restructuring. Termination benefits are recognised as a liability and an expense when the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(j) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from services rendered is recognised net of discounts as and when the services are performed.

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group and the Company have become a party to the contractual provisions of the instrument.

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 and the Company have 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of Significant Accounting Policies (Cont'd.)

(k) Financial Instruments (Cont'd.)

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at balance sheet date.

(iii) Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for services rendered.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. OTHER INCOME

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Interest income	217,296	474,416	28,082	5,830
Miscellaneous	128,289	188,170	8,283	-
	345,585	662,586	36,365	5,830

4. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before taxation:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Employee benefit expenses (Note 6)	5,282,417	3,779,073	99,000	99,000
Auditors' remuneration	56,300	48,000	10,000	11,000
Amortisation of prepaid land lease payments	204,167	204,167	-	-
Amortisation of intangible assets	553,214	316,341	-	-
Depreciation	901,998	586,130	-	-
Provision for doubtful debts	190,892	-	-	-
Property, plant and equipment written off	-	1,199	-	-
Rental of business premises	707,955	618,989	-	-
Rental of car park	19,200	11,200	-	-

5. CONSULTANCY FEES

	Group 2007 RM	Group 2006 RM
Consultancy fees	2,359,095	1,656,567
Less: Capitalised in development projects	(704,620)	(430,000)
	1,654,475	1,226,567

Included in consultancy fees of the Group is Executive Directors' remuneration amounting to RM1,357,251 (2006: RM1,272,890) as further disclosed in Note 7.

624409 - A

6. EMPLOYEE BENEFIT EXPENSES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Wages and salaries	6,610,485	4,566,087	99,000	99,000
Social security costs	27,051	19,067	-	-
EPF	394,675	453,061	-	-
Other staff related expenses	110,666	92,255	-	-
	7,142,877	5,130,470	99,000	99,000
Less: Capitalised on development project costs	(1,860,460)	(1,351,397)	-	-
	5,282,417	3,779,073	99,000	99,000

Included in staff costs of the Group is Executive Directors' remuneration amounting to RM4,103,905 (2006: RM3,066,670) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Executive directors' remuneration:				
Other emoluments	5,461,156	4,339,560	-	-
	5,461,156	4,339,560	-	-
Non-executive directors' remuneration:				
Fees	78,000	78,000	78,000	78,000
Other emoluments	21,000	-	21,000	-
Total	5,560,156	4,417,560	99,000	78,000

7. DIRECTORS' REMUNERATION (CONT'D.)

The number of Directors of the Group whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2007	2006
Executive Directors:		
RM200,001 - RM500,000	2	2
RM500,001 - RM1,000,000	2	1
RM2,000,001 - RM3,000,000	-	1
RM3,000,001 - RM4,000,000	1	-
Non-Executive Directors:		
RM1 - RM100,000	5	5

8. FINANCE COSTS

	Group	
	2007 RM	2006 RM
Interest expense on borrowings	36,738	-
Less: Interest capitalised in capital work-in-progress	(36,738)	-
	-	-

9. INCOME TAX EXPENSE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Current income tax:				
Malaysian income tax	3,793,521	3,672,718	552,197	600,490
Under/ (over) provision in in prior years	47,931	(180,965)	(27,119)	(42,584)
Deferred tax (Note 24):				
Relating to origination of temporary differences	89,644	(18,259)	-	-
Relating to changes in tax rates	(114,991)	(199,366)	-	-
(Over)/ under provision in prior year	(75,411)	158,371	-	-
	3,740,694	3,432,499	525,078	557,906

624409 - A

9. INCOME TAX EXPENSE (CONT'D.)

Current income tax is calculated at the Malaysian statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. Current income tax for certain subsidiaries with paid-up capital of RM2,500,000 and below are calculated at 20% (2006: 20%) for the first RM500,000 (2006: RM500,000) of chargeable income and 27% (2006: 28%) on the subsequent chargeable income for the year. The statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008 and to 25% in subsequent years. The computation of deferred tax as at 31 December 2007 has reflected these changes.

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

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit before taxation	12,987,432	12,599,268	1,788,159	1,874,429
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	3,506,607	3,527,795	482,803	524,840
Effect of different tax rate for qualified small and medium companies	(105,000)	(120,000)	-	-
Effect of changes in tax rates on opening balance of deferred tax	(114,991)	(199,366)	-	-
Income not subject to tax	(60,369)			
Utilisation of previously unrecognised unabsorbed capital allowances	-	(10,123)	-	-
Expenses not deductible for tax purposes	360,012	256,787	69,394	75,650
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	181,915	-	-	-
(Over)/ under provision of deferred tax in prior year	(75,411)	158,371	-	-
Under/ (over) provision of tax expense in prior year	47,931	(180,965)	(27,119)	(42,584)
Tax expense for the year	3,740,694	3,432,499	525,078	557,906

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year by the Company.

	Group 2007	Group 2006
Net profit for the year (RM)	9,338,950	9,166,763
Weighted average number of ordinary shares in issue	173,356,841	168,330,000
Basic earnings per share (sen)	5.39	5.45

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share has not been presented.

11. INVESTMENTS IN SUBSIDIARIES

	Company 2007 RM	Company 2006 RM
Unquoted shares at cost	11,803,098	11,803,002

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Equity Interest Held (%) 2007	Equity Interest Held (%) 2006
Incorporated in Malaysia:			
Damansara Women's Specialist Centre Sdn. Bhd. ("DWSC")	Gynaecological and fertility problem management	100	100
IVF Technologies Sdn. Bhd. ("IVFT")	Provision of consultancy, R&D services	100	100
TMC Biotech Sdn Bhd*	Provision of consultancy, R&D services	100	-

11. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Subsidiaries	Principal Activities	Equity Interest Held (%) 2007	2006
TMC Stemcells Sdn. Bhd.*	Dormant	100	100
TMC Fertility (Penang) Sdn. Bhd.*	Dormant	100	100
TMC Women's Specialist (Kuantan) Sdn Bhd*	Provision of fertility services and operation of women's clinic	80	-
Stemtech International Sdn Bhd*	Provision of storage of cord blood and adult stem cells, stem cell theraphy, application and research and development	90	-
Held through subsidiary:			
Damansara Fertility Centre Sdn. Bhd.	Gynaecological and fertility problem management	100	100

* Audited by a firm other than Ernst & Young

(a) Acquisition of subsidiaries

During the year, the Company acquired 100%, 90% and 80% equity interest in TMC Biotech Sdn Bhd, Stemtech International Sdn Bhd and TMC Women's Specialist (Kuantan) Sdn Bhd respectively, all of which are incorporated in Malaysia. The principal activities of these subsidiary companies are as disclosed above.

The cost of acquisition comprised the following:

	RM
Purchase consideration satisfied by cash, representing total cost of acquisiton	96

11. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

The acquired subsidiaries have contributed the following results to the Group:

	2007 RM
Revenue	290,355
Loss for the year	(726,421)

The asset arising from the acqusition is as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Cash and bank balances, representing fair value of net assets	107	107
Less: Minority interests	(11)	
Group's share of net assets	96	
Goodwill on acquisition	-	
Total cost of acquisition	96	

The cash outflow on acquisition is as follows:

	2007 RM
Purchase consideration satisfied by cash	(96)
Costs attributable to the acquisition, paid in cash	-
Total cash outflow of the Company	(96)
Cash and cash equivalents of subsidiaries acquired	107
Net cash inflow to the Group	11

In the previous financial year, the Company acquired 100% equity interest in TMC Fertility (Penang) Sdn. Bhd. and TMC Stemcells Sdn. Bhd. respectively, both of which are incorporated in Malaysia. The principal activities of these subsidiary companies are as disclosed above.

The cost of acquisition comprised the following:

	RM
Purchase consideration satisfied by cash, representing total cost of acquisiton	4

11. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

The asset arising from the acqusition is as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Cash and bank balances, representing fair value of net assets	4	4
Less: Minority interests	-	
Group's share of net assets	4	
Goodwill on acquisition	-	
Total cost of acquisition	4	

The cash outflow on acquisition is as follows:

	2007 RM
Purchase consideration satisfied by cash	4
Costs attributable to the acquisition, paid in cash	-
Total cash outflow of the Company	4
Cash and cash equivalents of subsidiaries acquired	4
Net cash inflow to the Group	-

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Medical Equipment RM	Furniture & Fittings RM	Office Equipment & Computers RM	Motor Vehicle RM	Capital work-in-progress RM	Total RM
31 December 2007						
Cost						
At 1 January 2007	2,875,230	638,592	333,752	507,798	17,439,491	21,794,863
Additions	1,623,666	890,178	276,410	50,000	27,923,873	30,764,127
At 31 December 2007	4,498,896	1,528,770	610,162	557,798	45,363,364	52,558,990

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

	Medical Equipment RM	Furniture & Fittings RM	Office Equipment & Computers RM	Motor Vehicle RM	Capital work-in-progress RM	Total RM
Accumulated Depreciation						
At 1 January 2007	1,089,384	231,853	181,867	211,575	-	1,714,679
Charge for the year	501,924	182,620	105,894	111,560	-	901,998
At 31 December 2007	1,591,308	414,473	287,761	323,135	-	2,616,677
Net Carrying Amount						
At 31 December 2007	2,907,588	1,114,297	322,401	234,663	45,363,364	49,942,313
31 December 2006						
Cost						
At 1 January 2006	2,520,632	609,860	246,690	507,798	1,114,663	4,999,643
Additions	354,598	28,732	88,283		16,324,828	16,796,441
Write off	-	-	(1,221)	-	-	(1,221)
At 31 December 2006	2,875,230	638,592	333,752	507,798	17,439,491	21,794,863
Accumulated Depreciation						
At 1 January 2006	749,586	98,307	170,663	110,015	-	1,128,571
Charge for the year	339,798	81,235	63,537	101,560	-	586,130
Write off	-	-	(22)	-	-	(22)
At 31 December 2006	1,089,384	179,542	234,178	211,575	-	1,714,679
Net Carrying Amount						
At 31 December 2006	1,785,846	459,050	99,574	296,223	17,439,491	20,080,184

Capital work-in-progress relates to construction of Tropicana Medical Centre.

Included in the cost of capital work in progress is interest capitalised of RM917,081 (2006: RM880,343).

13. PREPAID LAND LEASE PAYMENTS

	Group 2007 RM	Group 2006 RM
At 1 January	19,395,833	19,600,000
Amortisation for the year (Note 4)	(204,167)	(204,167)
At 31 December	19,191,666	19,395,833
Analysed as:		
Long term leasehold land	19,191,666	19,395,833

As at the date of this report, the land title to the long term leasehold land has not been transferred to the Group.

The Directors of the Group have adopted the valuation of RM19,600,000 for the prepaid land lease owned by the Company based on the latest independent professional valuations conducted by registered valuers Lim Lian Hong from Messrs. Raine & Horne International Zaki + Partners Sdn. Bhd. and P'ng Soo Theng from Messrs. CH Williams Talhar & Wong Sdn Bhd as follows:

Date of Valuation	Description of Property	Valuation amount	Basis of Valuation
26 March 2004	Leasehold land in Kota Damansara, Selangor.	RM19,600,000	Comparison method

As permitted by the transitional provisions of FRS 117, the last revalued amount stated above less accumulated amortisation is now treated as the surrogate carrying amount of prepaid land lease payments.

The leasehold land is pledged as security for borrowing as disclosed in Note 22.

624409 - A

14. INTANGIBLE ASSETS

	Software RM	Development costs RM	Nursing Sponsorship RM	Total RM
Group				
Cost				
At 1 January 2006	40,815	4,385,295	484,780	4,910,890
Additions	17,761	2,793,272	283,170	3,094,203
Charged to income statement	-	-	(131,490)	(131,490)
At 31 December 2006 and 1 January 2007	58,576	7,178,567	636,460	7,873,603
Additions	57,513	3,402,462	579,144	4,039,119
Charged to income statement	-	-	(94,200)	(94,200)
At 31 December 2007	116,089	10,581,029	1,121,404	11,818,522
Accumulated amortisation				
At 1 January 2006	22,930	-	-	22,930
Amortisation (Note 4)	17,572	282,620	16,149	316,341
At 31 December 2006 and 1 January 2007	40,502	282,620	16,149	339,271
Amortisation (Note 4)	27,423	452,180	73,611	553,214
At 31 December 2007	67,925	734,800	89,760	892,485
Net carrying amount				
At 31 December 2006	18,074	6,895,947	620,311	7,534,332
At 31 December 2007	48,164	9,846,229	1,031,644	10,926,037

(i) Development costs

Included in development costs are the following:

	Group 2007 RM	Group 2006 RM
Development costs:		
Staff costs and consultancy fees	6,818,191	4,535,732
Laboratory materials and overheads	3,028,038	2,360,215
	9,846,229	6,895,947

14. INTANGIBLE ASSETS (CONT'D.)

(a) Impairment tests for development costs

Key assumptions used in value-in-use calculation

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five year period.

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

(i) Budgeted gross margin

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

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

Management believe 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 7.75%

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

15. INVENTORIES

	Group	
	2007	**2006**
	RM	**RM**
Drugs and consumables, at cost	472,148	681,837

16. TRADE RECEIVABLES

	Group 2007 RM	Group 2006 RM
Trade receivables	1,154,118	731,600
Less: Provision for doubtful debts	(235,954)	(45,062)
	918,164	686,538

The Group's normal trade credit term ranges from 30 to 60 days (2006: 30 to 60 days) and has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

17. OTHER RECEIVABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Prepayments	88,574	94,737	-	-
Deposits	603,314	33,740	1,500	1,500
Other receivables	549,607	202,521	-	-
Tax recoverable	106,759	52,494	131,432	52,494
Amount due from subsidiaries (a)	-	-	35,030,254	16,835,500
	1,348,254	383,492	35,163,186	16,889,494

(a) Amount due from subsidiaries

	Company 2007 RM	Company 2006 RM
Advances- interest charge at 8% p.a.	759,898	-
Advances- Interest free	34,270,356	16,835,500
	35,030,254	16,835,500

The amounts due from subsidiaries are unsecured and have no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 28.

18. OTHER INVESTMENTS

	Group	
	2007	2006
	RM	RM
Unit trusts at cost	5,605,392	-

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Cash on hand and at banks	2,746,691	4,985,356	193,134	32,209
Deposits with licensed banks	3,020,000	6,904,261	-	-
Cash and bank balances	5,766,691	11,889,617	193,134	32,209

Other information on financial risks of cash and cash equivalents are disclosed in Note 30.

20. TRADE PAYABLES

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Trade payables	4,466,232	1,168,428	37,630	-

The normal trade credit terms granted to the Group and the Company is between 30 to 90 days (2006: 30 to 90 days).

624409 - A

21. OTHER PAYABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Accruals	1,398,601	892,958	112,500	93,863
Advance payment	1,023,639	-	-	-
Other payables	3,905,190	5,478,373	11,635	17,020
	6,327,430	6,371,331	124,135	110,883

(a) Advance payment represents monies from wellness program collected in advance from subscribers for which services will only be rendered upon the opening of the Group's hospital in 2008, and monies received in advance for storage of cord blood banking.

(b) Included in other payables of the Group is an amount of RM3,733,111 (2006: RM5,200,000) due to a contractor for the construction of Tropicana Medical Centre.

22. BORROWINGS

	Group 2007 RM	Group 2006 RM
Short term borrowings:		
Secured:		
Term loan	2,183,897	-
Long term borrowings:		
Term loan	1,130,253	-
Total	3,314,150	-

The term loan is secured by the following:

(a) First legal charge over the leasehold land of the Group as disclosed in Note 13; and

(b) Corporate guarantee by the Company.

Other information on financial risks of borrowing are disclosed in Note 30.

624409 - A

23. SHARE CAPITAL

	Number of Ordinary Shares of RM0.10 Each	<---------------Amount--------------->		
	Share capital (Issued and Fully Paid)	Share capital (Issued and Fully Paid) RM	Share Premium RM	Total Share Capital and Share Premium RM
At 31 January 2006 and 1 January 2007	168,330,000	16,833,000	10,324,678	27,157,678
Ordinary shares issued during the year:				
Issued for cash	16,833,000	1,683,300	16,833,000	18,516,300
New share issue transaction costs	-	-	(166,741)	(166,741)
At 31 December 2007	185,163,000	18,516,300	26,990,937	45,507,237

	Number of Ordinary Shares of RM0.10 Each		Amount	
	2007	2006	2007 RM	2006 RM
Authorised:				
At 1 January	250,000,000	250,000,000	25,000,000	25,000,000
Created during the year	-	-	-	-
At 31 December	250,000,000	250,000,000	25,000,000	25,000,000

During the financial year, the Company issued 16,833,000 new ordinary shares of RM0.10 each through a private placement at an issue price of RM1.10 per ordinary share for cash, for additional working capital purposes. The share premium of RM16,833,000 arising from the issuance of ordinary shares and the share issue costs of RM166,741 have been included in the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

24. DEFERRED TAXATION

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
At 1 January	3,190,997	3,250,251	-	-
Recognised in the income statement (Note 9)	(100,758)	(59,254)	-	-
At 31 December	3,090,239	3,190,997	-	-

24. DEFERRED TAXATION (CONT'D.)

Presented after appropriate offsetting as follows:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Deferred tax liabilities	3,090,239	3,109,997	-	-

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM	Student Sponsorship RM	Prepaid land lease payments RM	Total RM
At 1 January 2007	458,342	173,687	2,558,968	3,190,997
Recognised in income statement (Note 9)	53,987	94,540	(118,807)	29,720
At 31 December 2007	512,329	268,227	2,440,161	3,220,717
At 1 January 2006	394,369	64,753	2,791,129	3,250,251
Recognised in income statement (Note 9)	63,973	108,934	(232,161)	(59,254)
At 31 December 2006	458,342	173,687	2,558,968	3,190,997

Deferred tax assets of the Group:

	Provisions RM	Unused Tax Losses and Unabsorbed Capital Allowances RM	Total RM
At 1 January 2007	-	-	-
Recognised in income statement (Note 9)	(31,930)	(98,548)	(130,478)
At 31 December 2007	(31,930)	(98,548)	(130,478)
At 1 January 2007	-	-	-
Recognised in income statement (Note 9)	-	-	-
At 31 December 2007	-	-	-

24. DEFERRED TAXATION (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2007 RM	2006 RM
Unused tax losses	390,557	-
Unabsorbed capital allowances	283,202	-
	673,759	-

The unused tax losses and unabsorbed capital allowances available for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

25. RETAINED PROFITS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company has elected for the irrevocable option to disregard the 108 balance as at 31 December 2007. Hence, the Company will be able distribute dividends out of its entire retained earnings under the single tier system.

26. COMMITMENTS

(a) Capital Commitments

	Group 2007 RM	2006 RM
Approved and contracted for:		
Construction of hospital building	10,819,679	25,197,237
Medical equipment & furniture & fittings	4,545,654	-
	15,365,333	25,197,237

26. COMMITMENTS (CONT'D.)

(b) Non-cancellable Nursing Sponsorship Commitments

	Group 2007 RM	Group 2006 RM
Future minimum fees payable:		
Not later than 1 year	301,311	267,589
Later than 1 year and not later than 5 years	272,830	378,011
	574,141	645,600

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

27. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

	Group 2007 RM	Group 2006 RM
Future minimum rentals payments:		
Not later than 1 year	716,400	552,029
Later than 1 year and not later than 5 years	1,124,900	439,200
	1,841,300	991,229

624409 - A

28. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Subsidiaries:				
Dividend income	-	-	2,180,000	2,180,000
Advances			15,870,693	257,623
Payments on behalf			732,661	4,490
Rental of premise from a Director	9,600	9,600	-	-
Rental of premises from a company substantially owned by a Director	420,000	420,000	-	-

Information regarding outstanding balances arising from related party transactions as at 31 December 2007 are disclosed in Note 17.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2007	2006
	RM	RM
Short-term employment benefits	5,137,892	3,969,890
Post-employment benefits:		
Defined contribution plan	657,769	468,670
	5,795,661	4,438,560

29. DIVIDENDS

	Dividends in respect of year		Dividends recognised in Year	
	2007	2006	2007	2006
	RM	RM	RM	RM
Recognised during the year:				
First and final dividend of 10% less 27% taxation, on 168,330,000 ordinary shares	-	1,228,809	1,228,809	-
Proprosed for approval at AGM (not recognised as at 31 December)				
Final tax exempt dividend of 7.5%, on 185,163,000 ordinary shares	1,388,723	-	-	-
	1,388,723	1,228,809	1,228,809	-

At the forthcoming Annual General Meeting, a first and final tax exempt dividend in respect of the financial year ended 31 December 2007, of 7.5% on 185,163,000 ordinary shares, amounting to a dividend payable of RM1,388,723 (0.75 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend.

Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2008.

30. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its interest rate, liquidity and credit risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group and the Company's policy is not to engage in speculative transactions.

624409 - A

30. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Interest Rate Risk

The Group's interest rate risks arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risks. Borrowings obtained at fixed interest rates expose the Group to fair value interest rate risk.

The Group's interest-bearing financial assets are short term in nature and have been mostly placed in fixed deposits.

The following table sets out the carrying amounts, the weighted averate effective interest rates ("WAEIR") as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM	1-2 years RM	Total RM
At 31 December 2007					
Group					
Floating rate					
Term loan	22	4.9	2,183,897	1,130,253	3,314,150
Company					
Fixed rate					
Amount due from subsidiaries	17	8	759,898	-	759,898

The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

(c) Liquidity Risk

The Group and the Company actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

30. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Credit Risk

The Group's credit risk is primarily attributable to trade receivables. Receivables are monitored on an ongoing basis. .

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any assests.

(e) Fair Values

The carrying amounts of financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments.

31. SIGNIFICANT EVENT

During the financial year, TMC Biotech Sdn. Bhd. ("TMC Biotech"), a wholly-owned subsidiary of the Company, was granted BioNexus status from the Malaysian Biotechnology Corporation Sdn. Bhd. Under the Bionexus status, TMC Biotech will enjoy various incentives, including either 100% income tax exemption for ten years commencing from the first year of profitability, or Income Tax Allowance of 100% on the qualifying capital expenditure incurred within five years.

32. SUBSEQUENT EVENT

The Company had on March 2008 entered into two Sale & Purchase Agreements to acquire the shares in 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.

33. PRIOR YEAR ADJUSTMENT

Prior year adjustment relates to reduction of statutory tax rate and its effect on computation of deferred tax. The effect of change in tax rate on computation of deferred tax in relation to prepaid land lease payments was recognised directly into retained earnings in the prior year.

624409 - A

33. PRIOR YEAR ADJUSTMENT (CONT'D.)

The effect of the prior year adjustment is as follows:

	Group 2007 RM	2006 RM
Effect on retained profits:		
At 1 January, as previously stated	21,807,551	41,010,442
Prior year adjustment (a)	-	-
At 1 January, as restated	21,807,551	41,010,442
Effect on profit for the year:		
Profit before adjustment	9,246,748	8,934,602
Prior year adjustment	-	232,161
Profit after adjustment	9,246,748	9,166,763

The prior year adjustment has no effect on opening retained profits as at 1 January 2007.

34. COMPARATIVES

The following comparative amounts as at 31 December 2006 have been reclassified to conform with current year's presentation:

	As previously stated RM	Reclassification RM	As restated RM
Group			
Assets			
Other receivables	1,003,803	(620,311)	383,492
Intangible assets	6,914,021	620,311	7,534,332
Income Statement			
Staff and consultancy costs	(5,005,640)	5,005,640	-
Consultancy fees	-	(1,226,567)	(1,226,567)
Employee benefit expenses	-	(3,779,073)	(3,779,073)
Company			
Income statement			
Staff and consultancy costs	(99,000)	99,000	-
Employee benefit expenses	-	(99,000)	(99,000)

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Introductory Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Introductory Circular misleading.

2. CONSENT

The written consent of PM Securities to the inclusion in this Introductory Circular of its name and all references thereto, in the form and context in which it appears has been given and has not subsequently been withdrawn before the issue of this Introductory Circular.

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this Introductory Circular:-

(i) Deed of Novation dated 14 February 2007 entered into between TMC, Damansara Women's Specialist Centre Sdn Bhd ("**DWSC**") and Sunshine Paradigm Sdn Bhd ("**SPSB**") whereby in consideration of the payment of RM10.00 only by DWSC to TMC, TMC novated to DWSC all rights, interests and obligations of TMC under the Design & Build Contract Agreement dated 19 December 2005 with SPSB in which SPSB has been engaged to design, construct, complete and commissioning of the Tropicana Medical Centre on Lot 11, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, Daerah Petaling, Selangor Darul Ehsan;

(ii) Conditional Sale and Purchase Agreement dated 17 March 2008 entered into between TMC, Tang Swee Hor and See Ewe Beng (collectively the "**Srigim Vendors**") for the acquisition of 100 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Srigim Medical Centre Sdn Bhd ("**Srigim**") for a cash consideration of RM6,131,000 subject to any adjustment upon the terms and conditions as contained in the agreement;

(iii) Conditional Sale and Purchase Agreement dated 17 March 2008 entered into between TMC Fertility (Penang) Sdn Bhd, a wholly-owned subsidiary of TMC and SEBCO Sdn Bhd for the acquisition of all that piece of land held under GRN 62532 for Lot No. 4778 Section 5, Bandar Georgetown, Daerah Timor Laut, Penang measuring in area of approximately 1,653 square metres together with a four (4) storey building known as Srigim Medical Centre and bearing the postal address of 12A, Jalan Masjid Negeri, 11600 Penang for a cash consideration of RM7,325,000;

(iv) Profit Guarantee Agreement dated 17 March 2008 entered into between TMC, See Ewe Beng ("**Guarantor**") and Srigim whereby the Guarantor irrevocably guarantees to TMC that the after tax profit of Srigim shall not be less than RM700,000 for the one (1) year period commencing from the first (1st) day of the month immediately after the second instalment amounting to RM3,748,500 which shall be paid within fourteen (14) days from the date the last of the conditions precedent has been fulfilled ("**2nd Payment Date**");

(v) Deed of Indemnity dated 17 March 2008 entered into between Srigim and the Srigim Vendors whereby the Srigim Vendors jointly and severally covenant with Srigim to indemnify Srigim against any liability for taxation which arises wholly or partly in respect of, or in consequence of any acts omissions or transactions occurring or entered into on or before the 2nd Payment Date;

(vi) Joint Venture Agreement dated 19 June 2008 entered into between Stemtech International Sdn Bhd, a 90%-owned subsidiary of TMC and PT Lucasta Murni Cemerlang to jointly set up a joint venture company in Indonesia, PT Stemtech Life Science Indonesia ("**JV Company**"), to undertake a stem cell banking business in Indonesia which includes but not limited to sales and marketing of stem cell banking activities. Upon incorporation of the JV Company, Stemtech International Sdn Bhd shall subscribe for 65% of its total issued and paid-up share capital of USD55,000 amounting to USD35,750 payable in cash; and

(vii) Underwriting Agreement dated 28 October 2008 entered into between TMC, PM Securities, being the managing underwriter and the underwriter, and A. A. Anthony Securities Sdn Bhd, being the underwriter for the underwriting of 93,009,691 Rights Shares for an underwriting commission of 1.5% on the issue price of RM0.20 per Rights Share underwritten, subject to the terms and conditions therein contained.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the date of this Introductory Circular, neither we nor our subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and our Directors are not aware and do not have any knowledge of any proceedings pending or threatened against us and/or our subsidiaries or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Company and/or our subsidiaries.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of two (2) weeks from the date of this Introductory Circular:-

(i) Memorandum and Articles of Association of TMC;

(ii) audited consolidated financial statements of TMC for the past two (2) financial years ended 31 December 2006 and 31 December 2007 and the latest unaudited consolidated financial results of TMC for the nine (9)-month financial period ended 30 September 2008;

(iii) letters of consent referred to in Section 2 above; and

(iv) material contracts referred to in Section 3 above.

[The rest of this page is intentionally left blank]