

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2008**

A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134
INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The interim report is prepared in accordance with FRS134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Board.

The accounting policies and method of computation adopted for this quarterly report are consistent with those adopted in the annual financial statements for the year ended 31 December 2007.

A2 CHANGES IN ACCOUNTING POLICIES

On 1 July 2007, the Group and the Company adopted the following revised FRS and amendment to FRS:

FRS 107 Cash Flow Statements
FRS 112 Income taxes
FRS 118 Revenue
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

A3 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the annual financial statements of the Company and its subsidiaries for the financial year ended 31 December 2007.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Group is not significantly affected by any seasonal or cyclical factors.

A5 UNUSUAL ITEMS

During the current quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows that are unusual by reasons of their nature, size or incidence.

A6 CHANGE IN ESTIMATES

There were no material changes in the nature and amount of estimates reported that have a material effect in the current quarter under review.

A7 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

On 15 December 2008, the Company successfully transferred its listing status from the MESDAQ Market to the Main Board of Bursa Malaysia Securities Berhad. The authorized share capital of the Company was increased to RM100,000,000 and the paid up capital of the Company was increased to RM60,177,975 by the issue of 185,163,000 new ordinary shares via a 1 Rights Share for 1 existing ordinary share held at RM0.20 per Rights Share, Bonus Issue of 231,453,750 new shares on the basis of 5 Bonus Shares for every 4 Rights Shares subscribed. The new shares were duly listed and quoted on 15 December 2008.

A8 PROPERTY, PLANT AND EQUIPMENT

There was no revaluation on any of the Group's property, plant and equipment during the current quarter under review.

A9 DIVIDENDS PAID

Not applicable.

A10 SEGMENTAL INFORMATION

The Group operates mainly in Malaysia and currently operates in the healthcare sector which includes providing specialist healthcare services in its new hospitals, gynecological, fertility services, stem cell banking and research and development in life sciences.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD

There were no material events subsequent to 31 December 2008 and up to the date of this report.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

During the 3rd quarter of 2008, the Company acquired a 85% subsidiary, Srigim Medical Centre Sdn Bhd, for cash consideration of RM4.17 million. The acquisition was completed in September 2008.

On 15 August 2008, PT Stemtech Life Science Indonesia, a 65% owned subsidiary of Stemtech International Sdn. Bhd., the Company's 90% subsidiary, was incorporated.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Company has provided a corporate guarantee to a licensed financial institution for banking facilities totaling RM63.0 million granted to a wholly owned subsidiary company. The banking facilities are primarily for financing the construction and equipping of the Group's flagship hospital. Arising from this, the Company is contingently liable for the amount utilized by its subsidiary company of approximately RM32.1 million as at 31 December 2008.

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 31 December 2008 are as follows:

	RM '000
Approved and contracted for	94,553
Paid up to 31 December 2008	<u>(70,430)</u>
	<u>24,123</u>

A15 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company and/or its subsidiaries	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 31 December 2008 RM	Cumulative Quarter Ended 31 December 2008 RM
Tropicana Medical Centre (M) Sdn Bhd (formerly known as Damansara Women's Specialist Centre Sdn Bhd)	SS Lee Medical Services Sdn Bhd	Company connected with a Director and substantial shareholder of the Company	Rental of business premises	105,000	420,000
TMC Women's Specialist Holdings Sdn Bhd (formerly known as Damansara Fertility Centre Sdn Bhd)	Dato' Dr Lee Soon Soo	Director and substantial shareholder of the Company	Rental of premise	3,600	14,400

The directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on the terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

B1 REVIEW OF PERFORMANCE

For the 12 months ended 31 December 2008, group revenue grew 24% to RM38.87 million compared to RM31.42 million achieved in the corresponding period in the previous year. This was mainly due to growing business in the Group's six fertility treatment branches nationwide and sales from the wellness program.

However for the 12 months ended 31 December 2008, the group profit after taxation decreased to RM3.87 million, a drop of 58% compared to RM9.34 million achieved in the corresponding period

in the previous year. Expansion in human resources in preparation for the Group's flagship tertiary hospital, which was opened in December 2008 and the initial hospital start-up costs were the main reasons for the decrease in profit after tax.

Review of performance	Current quarter under review			Cumulative quarters under review		
	Current quarter (RM'mil)	Preceding year corresponding quarter (RM'mil)	Changes %	Current period (RM'mil)	Preceding year corresponding period (RM'mil)	Changes %
Revenue	13.24	8.63	53.4%	38.87	31.42	23.7%
Profit after taxation and minority interest	0.13	1.56	-91.9%	3.87	9.34	-58.6%

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved a revenue and profit before taxation of RM13.24 million and RM0.13 million respectively for the current quarter as compared to RM8.97 million and RM0.45 million respectively in the preceding quarter.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2009

In spite of the current difficult economic environment, the Board is cautiously optimistic that the prospects of the Group in the long term remain bright. This optimism is premised on the opening of the Group's new flagship tertiary hospital located in Kota Damansara, Selangor, continued encouraging demand experience by the fertility centres and the positive response for our wellness programme.

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

Not applicable.

B5 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Malaysian income tax:				
- current taxation	(83,000)	1,232,583	666,526	3,740,694
- deferred taxation	-	-	-	-
Total	(83,000)	1,232,583	666,526	3,740,694

The effective tax rate of the Group for the financial year ended 31 December 2008 is lower than the statutory tax rate due to the tax incentive enjoyed by one of the subsidiaries.

B6 PROFIT ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no purchases or disposals of unquoted investment and/or properties during the current financial period under review.

B7 QUOTED SECURITIES

There were no purchases or disposals of quoted securities during the current financial period under review.

B8 SIGNIFICANT EVENT

There was no significant event in the quarter under review.

B9 STATUS OF CORPORATE PROPOSAL

- (i) The Company had in 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 center located in Penang for a total consideration of RM13.456 Million. These transactions were approved by the shareholders at the Extraordinary General Meeting held on 30 June 2008. The purchase of the land and building and the purchase of the 85% of paid up share capital in Srigim Medical Centre Sdn Bhd were completed in July 2008 and September 2008 respectively.
- (ii) On 18 September 2008, the Company entered into a Memorandum of Understanding with Berjaya Corporation Berhad and Viet Ha Corporation to establish a formal relationship in order to jointly carry out activities relating to the design, construction, furnishing, equipping and operating of a hospital in or near Hanoi, Vietnam. The relevant parties are still conducting the feasibility study on the venture.
- (iii) On 15 December 2008, the Company successfully transferred its listing status from the MESDAQ Market to the Main Board of Bursa Malaysia Securities Berhad. The authorized share capital of the Company was increased to RM100,000,000 and the paid up capital of the Company was increased to RM60,177,975 by the issue of 185,163,000 new ordinary shares via a 1 Rights Share for 1 existing ordinary share held at RM0.20 per Rights Share, Bonus Issue of 231,453,750 new shares on the basis of 5 Bonus Shares for every 4 Rights Shares subscribed. The new shares were duly listed and quoted on 15 December 2008.

B10 STATUS OF UTILISATION OF LISTING PROCEEDS

Utilisation of Rights Issue Proceeds

RM '000	Proposed Utilisation	Transfer from / (to)	Actual Utilisation	Deviation	
				Unutilised Proceeds RM'000	%
Repayment of borrowings of the TMC Group	10,000	0	10,000	0	0%
Defraying estimated expenses relating to the proposals	1,000	0	610	390	39%
Part finance the purchase of furniture, fittings and	15,000	0	390	14,610	97%
Working Capital of the TMC Group	11,033	0	5,033	6,000	54%
TOTAL	37,033	0	16,033	21,000	

B11 BORROWINGS

The Group's borrowings as at 31 December 2008 are as follows:-

	Long Term (RM million)	Short Term (RM million)	Total (RM million)
Secured	28.30	3.80	32.10
Unsecured	-	-	-
Total	28.30	3.80	32.10

B12 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this report.

B13 MATERIAL LITIGATION

There were no material litigations as at the date of this report.

B14 DIVIDENDS

The Board had recommended a single-tier interim dividend of 3% per ordinary share of RM0.10 each for the financial year ended 31 December 2008. The book closure date will be on 18 March 2009 and payment date on 27 March 2009.

B15 EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	YEAR ENDED	YEAR ENDED
Basic earnings per share (EPS)	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Net profit attributable to shareholders	126,590	1,557,749	3,869,140	9,338,950
Weighted average number of ordinary shares in issue ('000)	262,147	185,163	204,514	173,357
EPS (sen)	0.05	0.84	1.89	5.39