

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2006

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 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

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 2005.

A2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 101	Presentations of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 138	Intangible Assets

The adoption of all FRS mentioned above does not have any significant impact on the Group.

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 2005.

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.

TMC LIFE SCIENCES BERHAD

Company No. 624409-A

Interim Financial Reports for the third quarter ended 30 September 2006

A7 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities in the current quarter under review.

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 DIVIDEND PAID

On 14 July 2006, the Group has paid a First and Final gross dividend of 1 sen per share less 28% income tax for the financial year ended 31 December 2005.

A10 SEGMENTAL INFORMATION

The Group operates wholly in Malaysia and has only one business segment which is in gynaecological, fertility services, 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 30 September 2006 and up to the date of this report.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group for the current financial period under review. On 9th November 2006, the Group made an announcement that it has incorporated a new wholly owned subsidiary, TMC Fertility (Penang) Sdn. Bhd.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 September 2006 and up to the date of this report.

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 30 September 2006 are as follows:

	RM '000
Approved and contracted	42,637
Payment up to 30 September 2006	<u>(6,698)</u>
	<u>35,939</u>

**NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD
 (“BURSA SECURITIES”)**

B1 REVIEW OF PERFORMANCE

For the current quarter under review, the Group achieved a revenue, profit before taxation and profit after taxation of RM6.30 million, RM2.78 million and RM2.01 million respectively. Compared to the previous year’s same quarter, the Group’s revenue, profit before taxation and profit after taxation grew at 20.3%, 11.9% and 15.5% respectively.

For the nine months ended 30 September 2006, the Group achieved a revenue, profit before taxation and profit after taxation of RM18.47 million, RM8.94 million and RM6.61 million respectively. Compared to the previous year’s same period, the Group’s revenue, profit before taxation and profit after taxation grew at 19.6%, 15.1% and 17.1% respectively.

The positive revenue growth is largely due to the increasing awareness of the Group’s services.

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved a revenue and profit before taxation of RM6.30 million and RM2.78 million respectively for the current quarter as compared to RM6.21 million and RM3.15 million respectively in the preceding quarter.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2006

Barring any unforeseen circumstances, the Board is optimistic of the Group’s performance in the financial year ending 31 December 2006.

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as there was no profit forecast or profit guarantee.

B5 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30-Sep-06	30-Sep-05	30-Sep-06	30-Sep-05
<u>Malaysian income tax:</u>				
- current taxation	769,525	680,154	2,333,789	2,031,051
- deferred taxation	-	63,123	-	96,350
Total	769,525	743,277	2,333,789	2,127,401

The effective tax rate of the Group for the period ended 30 September 2006 was approximate the statutory tax rate

TMC LIFE SCIENCES BERHAD

Company No. 624409-A

Interim Financial Reports for the third quarter ended 30 September 2006

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 STATUS OF CORPORATE PROPOSAL

There were no other corporate proposals announced but not completed as at the date of this report.

B9 STATUS OF UTILISATION OF LISTING PROCEEDS

The Company raised RM15.998 million during its Initial Public Offering exercise in October 2005 and the details of the utilisation of proceeds up to 30 September 2006 are as follows:-

Purpose	Proposed Utilisation RM'000	Transfer (to)/from	Actual Utilisation RM'000	Deviation	
				Unutilised Proceeds RM'000	%
R & D Projects	6,000	-	2,811	3,189	53%
Part finance of the construction of Tropicana Medical Centre	6,000	-	6,000	-	0%
Local and regional expansion	1,500	-	390	1,110	74%
Working capital	498	537	1,035	-	0%
Listing expenses*	2,000	* (537)	1,463	-	0%
Total	15,998	-	11,699	4,299	

* Balance of unutilised proceeds allocated for listing expenses transferred to working capital.

B10 BORROWINGS

There were no borrowings as at 30 September 2006.

B11 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

TMC LIFE SCIENCES BERHAD

Company No. 624409-A

Interim Financial Reports for the third quarter ended 30 September 2006

B12 MATERIAL LITIGATION

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

B13 DIVIDENDS

The Directors do not propose any dividend for the period under review.

B14 EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
Basic earning per share (EPS)	30-Sep-06	30-Sep-05	30-Sep-06	30-Sep-05
Net profit attributable to shareholders	2,006,164	1,736,690	6,606,144	2,517,213
Weighted average number of ordinary shares in issue	168,330,000	39,265,739	168,330,000	14,745,616
Basic EPS (sen)	1.19	4.42	3.92	17.07