

## 7. APPROVALS AND CONDITIONS

### 7.1 Listing Scheme

In conjunction with the listing of and quotation for its entire enlarged issued and paid-up share capital on the MESDAQ Market, TMC Life Sciences has implemented a listing scheme which entails the following transactions:-

#### (i) Settlement of Advances Made

Based on the financial statement of DWSC as at 31 December 2004, a total of RM1,539,035 was owing by Dr Colin Lee, a director of DWSC to DWSC.

The said advance, which was non-trade related, unsecured, interest-free and has no fixed terms of repayment, was fully settled by Dr Colin Lee on 27 May 2005.

#### (ii) Dividend Payment

On 4 May 2005, TMC Life Sciences declared a gross dividend of 55 sen, amounting to RM550,000, to its current shareholders, namely Dr Colin Lee, Lim Dee Dek @ Lim Tua Lek, Lee Soon Ai, Ooi Lay Pheng, Amos Siew and Amos Tan En Wai, in respect of the financial year ended 31 December 2004. The said dividend will not result in the consolidated NTA of DWSC being reduced to below RM11,732,681, which was the basis of arriving at the purchase consideration for the Proposed Acquisition of DWSC.

The above dividend was paid by DWSC to its shareholders on 6 May 2005.

#### (iii) DWSC Rights Issue

On 27 May 2005, DWSC undertook a renounceable rights issue of 1,180,000 DWSC Shares ("Rights Shares") at par on the basis of 118 new Rights Shares for every 100 DWSC Shares held.

The following shareholders of DWSC have renounced their rights entitlement to subscribe for the Rights Shares in favour of Dr Colin Lee, for a nominal cash consideration of RM1.00 in respect of each of the transactions, as follows:-

Shareholders	No. of DWSC Shares held before DWSC Rights Issue	%	No. of Rights Shares entitled	No. of Rights Shares (renounced)/ purchased	No. of Rights Shares subscribed
Dr Colin Lee	226,000	22.60	266,680	913,320	1,180,000
Lim Dee Dek @ Lim Tua Lek	220,000	22.00	259,600	(259,600)	-
Lee Soon Ai	280,000	28.00	330,400	(330,400)	-
Ooi Lay Pheng	260,000	26.00	306,800	(306,800)	-
Amos Siew	7,000	0.70	8,260	(8,260)	-
Amos Tan En Wai	7,000	0.70	8,260	(8,260)	-
Total	1,000,000	100.00	913,320	(913,320)	-

The Rights Shares rank pari passu in all respects with the existing DWSC Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment thereof.

**(iv) Acquisition of DWSC**

Pursuant to a conditional Sale and Purchase Agreement dated 6 May 2005, TMC Life Sciences acquired the entire issued and paid-up share capital of DWSC comprising 2,180,000 DWSC Shares for a purchase consideration of RM11,732,055 satisfied by the issuance of 11,732,055 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share.

The purchase consideration was arrived at based at a discount to the adjusted audited NTA of DWSC as at 31 October 2003, after incorporating the effects of the adjustment to be made to reduce the carrying value of DWSC's property to RM19.6 million and the DWSC Rights Issue, of RM11,732,681 as follows:-

	<b>Audited as at 31.10.03 (RM)</b>	<b>Adjustment post 31.10.03 (RM)</b>	<b>After DWSC Rights Issue (RM)</b>
Share capital	1,000,000	2,180,000	2,180,000
Retained profits	2,833,210	2,833,210	2,833,210
Reserves	9,527,471	6,719,471	6,719,471
Shareholders' funds / NTA	<u>13,360,681</u>	<u>11,732,681</u>	<u>11,732,681</u>

The consideration shares have been issued by the Company to the vendors of DWSC in accordance with their respective shareholdings in DWSC as follows:-

<b>Vendors of DWSC</b>	<b>No. of DWSC Shares held</b>	<b>%</b>	<b>Purchase consideration (RM)</b>	<b>No. of consideration shares</b>
Dr Colin Lee	1,406,000	64.50	7,566,637	7,566,637
Lim Dee Dek @ Lim Tua Lek	220,000	10.09	1,183,969	1,183,969
Lee Soon Ai	280,000	12.84	1,506,869	1,506,869
Ooi Lay Pheng	260,000	11.93	1,399,236	1,399,236
Amos Siew	7,000	0.32	37,672	37,672
Amos Tan En Wai	7,000	0.32	37,672	37,672
	<u>2,180,000</u>	<u>100.00</u>	<u>11,732,055</u>	<u>11,732,055</u>

The consideration shares have been issued on 27 May 2005. These shares rank pari passu in all respects with the existing shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment thereof.

**(v) Acquisition of IVF Tech**

Pursuant to a conditional Sale and Purchase Agreement dated 6 May 2005, TMC Life Sciences acquired the entire issued and paid-up share capital of IVF Tech comprising 1,000 IVF Tech Shares for a purchase consideration of RM70,943 satisfied by the issuance of 70,943 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share.

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The purchase consideration was arrived at a discount to the adjusted audited NTA of IVF Tech as at 31 October 2003, after incorporating the effects to the issuance of 998 IVF Tech Shares on 15 December 2003, of RM70,947 as follows:-

	Audited as at 31.10.03 (RM)	After issuance of new IVF Tech Shares (RM)
Share capital	2	1,000
Retained profits	69,947	69,947
Shareholders' funds / NTA	69,949	70,947

The consideration shares have been issued to the vendors of IVF Tech in accordance with their respective shareholdings in IVF Tech as follows:-

Vendors of IVF Tech	No. of IVF Tech Shares held	%	Purchase consideration (RM)	No. of consideration shares
Dr Colin Lee	493	49.30	34,975	34,975
Lim Dee Dek @ Lim Tua Lek	493	49.30	34,975	34,975
Amos Siew	7	0.70	496	496
Amos Tan En Wai	7	0.70	497	497
	1,000	100.00	70,943	70,943

The consideration shares have been issued on 27 May 2005. These shares rank pari passu in all respects with the existing shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment thereof.

**(vi) Special Issue**

On 5 May 2005, the Company undertook a special issue of the rights to allotment of 820,000 new ordinary shares of RM1.00 each at par to Dr Colin Lee.

These shares rank pari passu in all respects with the existing shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment thereof.

**(vii) Doctor and Staff Share Participation Scheme**

On 31 July 2005, Dr Colin Lee assigned the rights to allotment of up to 820,000 ordinary shares of RM1.00 each in the Company at par to eligible doctors and staff under a Doctor and Staff Share Participation Scheme. These shares were fully subscribed by the doctors and staff of the Group on 19 August 2005.

The Scheme was set-up to reward the Group's doctors and staff for their service and past and expected future contribution to the Group. The criteria for allocation of the shares was primarily based on, but not limited to, past as well as future contribution and performance of the eligible doctors and staff.

Only staff (including directors) and doctors of the Group were eligible to participate in the Doctor and Staff Share Participation Scheme.

**(viii) Share Split**

On 19 August 2005, the Company undertook a share split pursuant to which its existing ordinary shares of RM1.00 each was split into ordinary shares of RM0.10 each. Following the share split, the Company's issued and paid-up share capital of RM12,623,000 was converted from 12,623,000 ordinary shares of RM1.00 each to 126,230,000 ordinary shares of RM0.10 each.

**(ix) Share Transfer**

During the prescription period, certain shareholders of the Company, namely Lee Soon Ai and Ooi Lay Pheng, will transfer a portion of their Shares to Dr Colin Lee, Amos Siew, Amos Tan En Wai and Lim Dee Dek @ Lim Tua Lek, for an agreed upon consideration, as follows:-

	<b>No. of Shares held before Share transfer</b>	<b>No. of Shares to be (transferred) / received</b>	<b>No. of Shares held after Share transfer</b>	<b>%</b>
<b><u>Transferors</u></b>				
Lee Soon Ai	15,068,690	(6,669,027)	8,399,663	4.99
Ooi Lay Pheng	13,992,360	(5,592,692)	8,399,668	4.99
Total		(12,261,719)		
<b><u>Transferees</u></b>				
Dr Colin Lee	76,016,120	6,756,889	82,773,009	49.17
Amos Siew	381,680	2,693,607	3,075,287	1.83
Amos Tan En Wai	381,690	848,747	1,230,437	0.73
Lim Dee Dek @ Lim Tua Lek	12,729,440	1,962,476	14,691,916	8.73
Total		12,261,719		

**(x) Initial Public Offering**

The IPO by TMC Life Sciences will involve an IPO of 42,100,000 new Shares or 25.0% of the enlarged issued and paid-up share capital of 168,330,000 Shares, at the Issue Price.

The IPO Shares will be allocated in the following manner, with each investor representing less than 5% of the resultant enlarged share capital of the Company upon listing:-

- (i) 2,900,000 IPO Shares will be made available for application by the public under the public offer;
- (ii) 2,500,000 IPO Shares will be made available for application by eligible directors and employees of the Group as well as other persons who have contributed to the success of the Group; and
- (iii) 36,700,000 IPO Shares will be made available for application by selected investors under private placement.

The IPO Shares under paragraphs (i) and (ii) above which are made available for application by investors identified pursuant to the issuance of this Prospectus, have been underwritten by the Underwriters in compliance with the Listing Requirements. The Sole Placement Agent has received irrevocable undertakings from exempt investors as defined in Schedules 2 and 3 of the Securities Commission Act 1993 to subscribe for the IPO Shares under paragraph (iii) above.



In the event of an under-subscription of the public offer, the unsubscribed public offer Shares may be made available for application under the private placement, and vice-versa. Any Shares, which are made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group, which are not subscribed for, will be made available for application under the public offer and / or the private placement. Any further Shares not subscribed for will be made available for subscription by the Underwriters in the proportions specified in the Underwriting Agreement dated 5 September 2005.

The IPO Shares will rank *pari passu* in all respects with the existing Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment thereof.

Upon completion of the IPO, the issued and paid-up share capital of the Company will be increased from RM12,623,000 comprising 126,300,000 Shares to RM16,833,000 comprising 168,330,000 Shares.

## 7.2 Approvals and Conditions

The listing scheme of the Company has been approved by the following authorities:-

<b>Authorities</b>	<b>Date</b>
SC*	22 April 2005 and 9 May 2005
MITI	19 May 2005

Note:-

\* Including approvals under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests

The conditions imposed by the authorities and the status of compliance thereof are as follows:-

<b>Authority</b>	<b>Details of Conditions Imposed</b>	<b>Status of Compliance</b>
SC	<p>(a) TMC Life Science to notify the SC on the exact amount to be declared as dividend, supported by the Reporting Accountants' confirmation on the adequacy of retained earnings and funds in DWSC. The Company's board of directors to ensure that the dividend payment would not reduce the NTA of DWSC to be less than the NTA used as basis for arriving at the consideration for the acquisition of DWSC.</p> <p>(b) TMC Life Sciences to disclose in its Prospectus, as risk relating to its business and operations, the risk that TMC Life Sciences' future financial performance could be adversely affected by its medical consultants terminating and/or not renewing their engagement as consultants and relevant mitigating factors thereof.</p>	<p>Complied. AmMerchant Bank, on behalf of TMC Life Sciences, has notified the SC vide a letter dated 30 August 2005, that RM550,000 has been declared as gross dividend, supported by the Reporting Accountants' confirmation dated 29 August 2005 on the adequacy of retained earnings and funds in DWSC.</p> <p>Complied. Disclosed in Section 4.10 of this prospectus.</p>

Authority	Details of Conditions Imposed	Status of Compliance
SC (Continued)	(c) Prior to issuance of Prospectus, TMC Life Sciences to enter into service agreements with Dr Colin Lee, Dr Wong Pak Seng and Dr Surinder Singh for period not less than four (4) years, replace SBY Tax and Corporate Consultancy Sdn Bhd with an independent party and settlement by related parties and directors of amount owing to the Group.	Complied. Please refer to Section 8.6 for details of the service agreements entered into between TMC Life Sciences and Dr Colin Lee, Dr Wong Pak Seng and Dr Surinder Singh respectively.  As at LPD, SBY Tax and Corporate Consultancy Sdn Bhd no longer perform any services for the Group, and all amounts owing by related parties and directors to the Group have been fully settled.
	(d) With respect to landed property known as Lot 11, Mukim of Sungai Buloh, District of Petaling, Selangor (the Property), TMC Life Sciences to adequately disclose in the Prospectus the purchase price of the Property, zoning and salient facts of the letter of offer and the relevant sales and purchase agreement regarding the permitted use of the Property.	Complied. The purchase price of the Property, zoning and salient facts of the letter of offer and the relevant sales and purchase agreement regarding the permitted use of the Property has been disclosed in Section 6.16 of this Prospectus.
	(e) TMC Life Sciences to meet the 30% Bumiputera equity requirement within one (1) year after it has achieved the profit record required for a company seeking listing on the Second Board of Bursa Securities or five (5) after being listed on MESDAQ, whichever earlier.	Will be complied.
	(f) TMC Life Sciences to submit a preliminary proposal to SC on how the Company intends to meet the Bumiputera equity condition, 6 months before expiry date of the compliance.	Will be complied.
	(g) AmMerchant Bank Berhad (AmMerchant) / TMC Life Sciences to disclose the status of utilisation of proceeds in its periodic and annual reports until the proceeds are fully utilised.	Will be complied.
	(h) AmMerchant / TMC Life Sciences to include a negative statement in its Prospectus on the exclusion of profit forecast and projections from the Prospectus and the reasons thereof.	Complied. A negative statement on the exclusion of profit forecast and projections from the Prospectus and the reasons thereof has been included in Section 3.9 of this Prospectus.
	(i) AmMerchant / TMC Life Sciences to inform the SC when the proposed flotation on MESDAQ Market is completed.	Will be complied.
	(j) Approvals to be obtained from other relevant authorities, if any.	Complied

Authority	Details of Conditions Imposed	Status of Compliance
MITI	(a) Allocation of 16,833,000 Shares or 10% of the enlarged share capital is subject to MITI pursuant to special Shares, which its allocation will be decided separately subsequent to the SC's approval.	Pursuant to a letter dated 23 August 2005, AmMerchant Bank, on behalf of TMC Life Sciences, has informed MITI that the Company will not be setting aside 10% of Company's enlarged share capital to MITI approved Bumiputera investors as part of its listing and as such, the 16,833,000 Shares will be allocated to the Malaysian public.  MITI has vide its letter dated 1 September 2005 stated that MITI has no objection and taken note of the Company's proposal not to set aside 16,833,000 TMC Shares to MITI approved Bumiputera investors.
	(b) The Company is required to increase the Bumiputera equity to 30% of the enlarged share capital within five (5) years after being listed or within one (1) year after the Company has fulfilled the criteria for listing on the Second Board of Bursa Securities, whichever is earlier.	Will be complied.
	(c) The distribution of the Bumiputera Shares as set out in paragraphs (a) and (b) above is subject to MITI's approval.	Will be complied.
	(d) The Company shall obtain SC's approval for the listing scheme and compliance with the Guidelines on the Acquisitions of Interest, Mergers and Take-Overs.	Complied.

The SC, vide its letter of approval dated 22 April 2005, has also stated that the SC has taken note of the Company's listing scheme under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests. In view of this, the equity structure of the Company relating to Bumiputera, non-Bumiputera and foreign shareholding in TMC Life Sciences would change arising from the implementation of the Company's listing scheme, as follows:-

	Before Listing Scheme (%)	After Listing Scheme <sup>(1)</sup> (%)
Bumiputera	100.00	- *
Non-Bumiputera	-	93.49
Foreign	-	6.51
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Notes:-

\* Negligible.

(1) Assuming that all the shares under the Doctor and Staff Share Participation Scheme are fully subscribed by the doctors and staff of the Group and that all Malaysian doctors and staff are non-Bumiputera, and that the IPO Shares are fully subscribed by non-Bumiputera Malaysians.

### 7.3 Moratorium Condition

Pursuant to the Listing Requirements, the Shares held by the Promoters amounting to 45% of the enlarged issued and paid-up capital of the Company are to be placed under moratorium as at the date of the admission of the Company to the Official List of MESDAQ Market.

The Promoters whose Share are subject to moratorium are as follows:-

Promoter	<----- Upon IPO ----->		<----- Under Moratorium ----->	
	No. of Shares held	% of enlarged share capital	No. of Shares held	% of enlarged share capital
Dr Colin Lee	82,773,009	49.17	74,065,200	44.00
Amos Siew	3,075,287	1.83	1,683,300	1.00
	<b>85,848,296</b>	<b>51.00</b>	<b>75,748,500</b>	<b>45.00</b>

The quantum and proportion of the Shares to be held under moratorium, as detailed above, have been fully accepted by the Promoters. The Promoters are not allowed to sell, transfer or otherwise dispose of any part of its interests in the Shares under moratorium within one (1) year from the date of admission of the Company to the Official List of MESDAQ Market. Thereafter, they are permitted to sell, transfer or dispose of up to a maximum of one third of their respective shareholdings under moratorium per annum on a straight-line basis.

The Company's Share Registrar and the Bursa Depository will be informed in writing in relation to the moratorium of the aforesaid shareholders to ensure that the Company's Share Registrar and Bursa Depository do not register any transfer not in compliance with the moratorium restrictions.

The restriction will also be specifically endorsed on the share certificates representing the respective shareholdings of the Promoters which are under moratorium to ensure that the Company's Share Registrar do not register any transfer not in compliance with the moratorium restrictions.

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## 8. PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

### 8.1 Promoters and Major Shareholders

#### 8.1.1 Shareholdings in TMC Life Sciences

Based on the Register of Members as at LPD, the Promoters and Major Shareholders of the Company and their shareholdings in the Company, before and upon the completion of the IPO, are as follows:-

Name / (Designation)	Nationality	<----- Before the IPO ----->				<----- Upon IPO ----->			
		Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Dr Colin Lee <sup>(1)</sup> (Managing Director)	Malaysian	<sup>(2)</sup> 82,773,009	65.57	-	-	82,773,009	49.17	-	-
Amos Siew <sup>(1)</sup> (Executive Director)	Malaysian	<sup>(2)</sup> 3,075,287	2.44	-	-	3,075,287	1.83	-	-
Lim Dee Dek @ Lim Tua Lek	Malaysian	<sup>(2)</sup> 14,691,916	11.64	-	-	<sup>(3)</sup> 14,891,916	8.85	-	-

Notes:-

- (1) These persons are the promoters of the Company.
- (2) During the prescription period, certain shareholders of the Company, namely Lee Soon Ai and Ooi Lay Pheng, will transfer a portion of their Shares to Dr Colin Lee, Amos Siew, Amos Tan En Wai and Lim Dee Dek @ Lim Tua Lek. Please refer to Section 7.1(ix) for further details.
- (3) Based on her entitlement for the pink form share allocation pursuant to the IPO.

#### 8.1.2 Background

The profile of Dr Colin Lee and Amos Siew are set out in Section 8.2 of this Prospectus.

A brief profile of the other Major Shareholder of the Company, apart from Dr Colin Lee, is as follows:-

**Lim Dee Dek @ Lim Tua Lek**, aged 71, is a Major Shareholder of the Company. She is the customer service officer of DWSC and has been with the Group since its inception. She assists the key management in the day-to-day running of the centre.

#### 8.1.3 Directorships and Major Shareholdings in Other Public Corporations

The directorships of Amos Siew in other public corporations are set out in Section 8.2.3 of this Prospectus.

Save for the above, none of the Promoters and Major Shareholders of the Company has had either directorships or major shareholdings or both in other public corporations for the past two (2) years preceding the LPD.

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### 8.1.4 Changes in Shareholdings in TMC Life Sciences

The changes in the registered substantial shareholders of TMC Life Sciences and their shareholdings since date of incorporation up to LPD are as follows:-

Name	As at 08.08.2003		As at 19.08.2005	
	No. of Shares	%	No. of Shares	%
Noraida binti Hj Aziz	1	50.00	10	*
Siti Junainah binti Dewa	1	50.00	10	*
Dr Colin Lee	-	-	76,016,120	60.22
Lee Soon Ai	-	-	15,068,690	11.94
Ooi Lay Pheng	-	-	13,992,360	11.08
Lim Dee Dek @ Lim Tua Lek	-	-	12,729,440	10.08

Note:-

\* Negligible.

## 8.2 Board of Directors

### 8.2.1 Profiles

The profiles of the Board of TMC Life Sciences are set out below:-

**Professor Emeritus Dato' Dr Khalid Abdul Kadir**, aged 57, is the Independent Non-Executive Chairman of the Company. He graduated with a double first-class honours in B.Med. Sc. (Monash University, Australia) in 1973 and a first-class honours in MBBS (Monash University, Australia) in 1975.

He returned to Malaysia in 1982 to join Universiti Kebangsaan Malaysia as a lecturer, promoted to Associate Professor in 1984 and Head of Department of Medicine in 1985. He then became Dean of the Medical Faculty and was promoted to Professor in 1990. In 1997, he resigned as Dean to become Director of the new Hospital Universiti Kebangsaan Malaysia, a post he held until September 2000 when he resigned to concentrate on clinical medicine and research. He was awarded the title of Professor Emeritus of Hospital Universiti Kebangsaan Malaysia upon his retirement from Government service in early 2004. He is also currently a professor in Monash University.

He was elected member of the Malaysia Medical Council from 1986 until 2001, President of the Persatuan Diabetes Malaysia for 5 years until 1990 and the President of the Malaysia Endocrine Society from 1995 until 2001. He is presently Vice Master of The Academy of Medicine of Malaysia.

He was awarded the Setia Mahkota Johor (SMJ) (Johor State Award) in 1986, the Dato Paduka Mahkota Johor (DPMJ) (Johor State Award) in 1988 and the Jasa Setia Mahkota (JSM) (Federal Award) by the King of Malaysia in 1992.

He was appointed to the Board on 7 October 2004.

**Dr Colin Lee**, aged 47, is the Managing Director of the Company. He graduated with MBBS (University of New South Wales, Australia) in 1982, MRCOG (England) in 1991 and MMED O&G (National University of Singapore) in 1991. Presently, he is a fellow of the International College of Surgeons; and President-Elect of Malaysian Society of Assisted Reproductive Technology.

Dr Colin Lee is the founder and Medical Director of TMC Life Sciences, DWSC and DFC and founder and Director of IVF Tech. Dr Colin Lee has been in medical practice for 24 years and is currently a Consultant Obstetrician and Gynaecologist, specializing in the fields of fertility and laparoscopic surgery.

He was appointed to the Board on 3 June 2005.

**Amos Siew**, aged 47, is an Executive Director of the Company. He qualified as a Certified Public Accountant in 1984 and is a member of the Malaysian Institute of Certified Public Accountants, a Chartered Accountant with the Malaysian Institute of Accountants and an associate member of the Malaysian Institute of Taxation. He is also a Certified Financial Planner and is a member of the Financial Planning Association of Malaysia.

He is an independent and non-executive Director of SYF Resources Bhd and SEG International Bhd. He is also the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees for both companies.

He was appointed to the Board on 3 June 2005.

**YB Dato' Dr Tan Kee Kwong**, aged 58, is an Independent Non-Executive Director of the Company. He graduated with an MBBS from the Faculty of Medicine, University of Malaya in 1973. He joined the Government service as a medical officer in 1974 until 1977. Between 1977 and 1980, he worked as a medical officer with the British National Health Service. From 1981 to 1983, he was a volunteer rural health officer in Southern Sudan, Africa. In 1985, he commenced private medical general practice until 1999, when he was made a Deputy Minister in the Ministry of Land and Cooperative Development, a post he held until 2004.

He has been a Member of Parliament for Segambut, Kuala Lumpur since 1995 and was conferred a Datukship in 2004. He is currently also Chairman of the Board of Governors of Sekolah Menengah Laki-Laki Methodist, Sentul; Chairman of Pusat Bantuan Sentul; Adviser to the Young Malaysian Movement; Chairman of the Management Committee of Wesley Methodist School and Chairman of the Board of Management of Methodist College Kuala Lumpur.

He was appointed to the Board on 3 June 2005.

**Lee Soon Swee**, aged 35, is a Non-Independent Non-Executive Director of the Company. He graduated with degrees in Aerospace and Mechanical Engineering from Wichita State University, USA. He has over 9 years experience in R&D, process and laboratory testing in the specialty materials industry with multi-national corporations. He had held the position of faculty member in the National Institute of Aviation Research (USA) for more than a year. With his expertise in laboratory and contamination control, he brings to the Group an understanding of the requirements for developing the Group's medical technology in achieving higher clinical yields. His experience in materials and wafer chip technology will help guide the Group's intention to invent and develop equipment designed to enhance fertility outcome.

He was appointed to the Board on 3 June 2005.

**Dr Yap Teck Long**, aged 50, is an Independent Non-Executive Director of the Company. He graduated with an MBBS from University of New South Wales, Australia in 1981. He is a primary care doctor and runs his own practice (Klinik Uni-Med) in Kuala Lumpur. He brings with him expertise in securing contracts to widen the referral base of the Group.

He was appointed to the Board on 3 June 2005.

**Dr Francis Lisa Muga**, aged 48, is an Independent Non-Executive Director of the Company. He graduated with a Bachelor's Degree in Medicine and Surgery from Faculty of Medicine, University of Malaya in 1983. He is in general practice, especially general medicine and family medicine, and has been doing so for over 20 years. He is currently a partner and medical practitioner in Kumpulan Medic clinics, under the Qualitas Medical Group.

He was appointed to the Board on 3 June 2005.



**Dr Wong Pak Seng**, aged 37, is an Executive Director of the Company. Upon graduation from Universiti Kebangsaan Malaysia in 1994, he commenced obstetrics and gynaecology training in 1996. Dr Wong spent one year as a specialist registrar in obstetrics & gynaecology in Edinburgh, Scotland. He passed the Membership of the MRCOG in 2000. He subsequently passed the Masters of Medicine in Obstetrics & Gynaecology (M. Med) from University of Malaya in 2001. Additionally, he is a member of British Fertility Society and Association of Clinical Embryologists.

Dr Wong worked as a clinical specialist in Kuantan General Hospital from 2001 to 2002. Subsequently he underwent subspecialty training in Infertility and Reproductive Medicine at London Fertility Centre, Harley Street, London for one year. At the same time, he also underwent clinical attachment in Minimal Access Surgery at the Royal Free Hospital, London, gaining valuable exposure in laparoscopic and hysteroscopic work.

He was appointed to the Board on 3 June 2005.

**Dr Surinder Singh**, aged 37, is the Alternate Director to Dr Wong Pak Seng. He is an Obstetrician and Gynaecologist who has been in medical practice for ten (10) years. He graduated with MBBS (Manipal) and MMED O&G (Malaysia) in 1994 and 2001 respectively. He specializes in the field of fertility and Laparoscopic surgery. He is also a keen researcher and has worked in 2 local universities in Malaysia.

From 1999 to 2001, he worked in Universiti Sains Malaysia whilst from 2002 to 2003, he worked in Universiti Kebangsaan Malaysia.

Dr Surinder Singh joined DWSC in October 2003 and he heads the centre's first regional branch, in Johor Bahru, where he and his team of scientists, nurses and other support staff work both independently and cohesively with DWSC in the field of test-tube baby technologies.

He was appointed to the Board on 3 June 2005.

None of the above directors of the Company is or was involved in the following events, whether in or outside Malaysia:-

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) Such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

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## 8.2.2 Shareholdings in TMC Life Sciences

Based on the Register of Directors' Shareholdings as at LPD, the directors of the Company and their shareholdings in the Company, before and upon the completion of the IPO, are as follows:-

Name	Designation	<----- Before the IPO ----->				<----- Upon IPO ----->			
		Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Professor Emeritus Dato' Dr Khalid Abdul Kadir	Independent Non-Executive Chairman	-	-	-	-	<sup>(2)</sup> 20,000	0.01	-	-
Dr Colin Lee	Managing Director	<sup>(1)</sup> 82,773,009	65.57	-	-	82,773,009	49.17	-	-
Amos Siew	Executive Director	<sup>(1)</sup> 3,075,287	2.44	-	-	3,075,287	1.83	-	-
YB Dato' Dr Tan Kee Kwong	Independent Non-Executive Director	-	-	-	-	<sup>(2)</sup> 20,000	0.01	-	-
Lee Soon Swee	Non-Independent Non-Executive Director	-	-	-	-	<sup>(2)</sup> 50,000	0.03	-	-
Dr Yap Teck Long	Independent Non-Executive Director	-	-	-	-	<sup>(3)</sup> 20,000	0.01	-	-
Dr Francis Lisa Muga	Independent Non-Executive Director	-	-	-	-	<sup>(2)</sup> 20,000	0.01	-	-
Dr Wong Pak Seng	Executive Director	1,000,000	0.79	-	-	<sup>(2)</sup> 1,080,000	0.64	-	-
Dr Surinder Singh	Alternate Director to Dr Wong Pak Seng	900,000	0.71	-	-	900,000	0.53	-	-

Notes:-

- (1) During the prescription period, certain shareholders of the Company, namely Lee Soon Ai and Ooi Lay Pheng, will transfer a portion of their Shares to Dr Colin Lee, Amos Siew, Amos Tan En Wai and Lim Dee Dek @ Lim Tua Lek. Please refer to Section 7.1(ix) for further details.
- (2) Based on their respective entitlements for the pink form share allocation pursuant to the IPO.

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### 8.2.3 Directorships and Major Shareholdings in Other Public Corporations

Save as disclosed below, none of the directors of TMC Life Sciences has had either directorships or major shareholdings or both in other public corporations for the past two (2) years preceding 19 August 2005:-

Director	Public Corporations	Date Appointed / (Resigned)	Major Shareholding		Position Held
			Direct	Indirect	
Amos Siew	SYF Resources Bhd	02.12.1999	-	-	Independent Non-Executive Director
	SEG International Bhd	02.02.2001	-	-	Independent Non-Executive Director

### 8.2.4 Directors Remuneration

For the financial year ended 31 December 2004, a total of RM3,539,140 was paid to the Directors of the TMC Life Sciences as remuneration for their services in all capacities to the Group. For the current financial year ending 31 December 2005, RM3,830,040 is proposed to be paid to the Directors of TMC Life Sciences. Details of the remuneration paid or proposed to be paid are shown below:-

Remuneration Band (RM)	Number of Directors Financial Year Ended 31.12.2004 *	Number of Directors Financial Year Ending 31.12.2005
(a) 0 – 50,000	-	5
(b) 50,001 – 100,000	1	-
(c) 100,001 – 200,000	-	1
(d) 200,001 – 500,000	2	1
(e) 500,001 – 1,000,000	-	1
(f) 1,000,001 – 2,000,000	-	-
(g) 2,000,001 – 3,000,000	1	1

## 8.3 Key Management and Technical Personnel

### 8.3.1 Profiles

The key management and technical personnel of the Group include Dr Colin Lee, Amos Siew, Dr Wong Pak Seng, Dr Surinder Singh (all of whom are directors of the Company) and the following persons. The profiles of the above-mentioned four (4) directors are set out in Section 8.2 of this Prospectus.

**Wenddi-Anne Chong Wai Yeng**, aged 43, is the Group Administrative Director of the Group. She obtained her Tertiary Diploma in Mechanical Engineering from Ngee Ann Polytechnic (Singapore) in 1983.

She has been with the business since 1995 and is involved in the development of the Administrative, Personnel and Finance Departments of the Group. She has been exposed to various healthcare training for the last 10 years. She was responsible in implementing the centre's manual, operational policies and staff policies that have given rise to a very dynamic work culture in the Group. She represents the Group in handling press interviews, organising forums, talks, exhibitions and health tourism promotional trips in international and local markets. Accordingly, she has over the years established a wide network with both international and local Medical Practitioners, O&G Specialists and medical administrative personnel.

**Khoo Pei Uee**, aged 26, is an embryologist and PGD scientist. She graduated from Universiti Kebangsaan Malaysia in March 2003 with a second-class upper degree in Biotechnology and Management.

She joined DWSC in June 2003 as an embryologist. During her training in DWSC, she has acquired the skills to perform Assisted Reproductive Treatments such as ICSI, embryo transfer, IVF, PGD, etc.

Her main responsibilities include overseeing the laboratory management and handling all ART procedures conducted in the centre.

**Low Sin Yee**, aged 26, is an Embryologist. She graduated with a Bachelor of Applied Science from the Universiti Sains Malaysia in March 2003, with a second-class upper honours degree in Biotechnology.

She joined DWSC in May 2003 as a trainee embryologist. She was trained in ART procedures and is involved in the upkeep of scientific database for the centre.

She oversees the IVF laboratory in the Johor Bahru branch.

**Lee Beng Hoon**, aged 62, is the Head Nurse of the Group. She is a state certified midwife and a state registered nurse with the Malaysian Nursing Board. She carries with her 37 years of experience in various aspects of nursing and patient care ranging from cardio-thoracic, surgical and orthopaedic, intensive care units, family planning, managing nursing personnel to overall running of various maternal and child health clinics.

She joined DWSC in 1998. Being the Head Nurse, she is in charge of the nursing workforce to ensure consistent quality patient care to its patients. Additionally, she heads the counseling team which provides the confidence to its patients when they are enrolled to the fertility program.

With the set up of DWSC branches, she will train the nursing staff to maintain high standards of nursing care across the branches and headquarters.

None of the above key management and technical personnel of the Group is or was involved in the following events, whether in or outside Malaysia:-

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) Such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### 8.3.2 Shareholdings in TMC Life Sciences

With the exception of Dr Colin Lee, Amos Siew, Dr Wong Pak Seng and Dr Surinder Singh, whose shareholdings are disclosed in Section 8.2.2 of this Prospectus, based on the Register of Members as at LPD, the key management and technical personnel of the Company and their shareholdings in the Company, before and upon the completion of the IPO, are as follows:-

Name	Designation	<----- Before the IPO ----->				<----- Upon IPO ----->			
		Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Wenddi-Anne Chong Wai Yeng	Group Administrative Director	3,000,000	2.38	-	-	<sup>(1)</sup> 3,300,000	1.96	-	-
Khoo Pei Uee	Embryologist	100,000	0.08	-	-	<sup>(1)</sup> 110,000	0.07	-	-
Low Sin Yee	Embryologist	110,000	0.09	-	-	<sup>(1)</sup> 120,000	0.07	-	-
Lee Beng Hoon	Head Nurse	150,000	0.12	-	-	<sup>(1)</sup> 200,000	0.12	-	-

Note:-

(1) Based on their respective entitlements for the pink form share allocation pursuant to the IPO.

#### 8.4 Audit Committee

TMC Life Sciences set up an Audit Committee on 24 August 2005 which comprises the following Board members: -

Name	Responsibility	Directorship
YB Dato' Dr Tan Kee Kwong	Chairman	Independent Non-Executive Director
Dr Yap Teck Long	Member	Independent Non-Executive Director
Dr Francis Lisa Muga	Member	Independent Non-Executive Director
Amos Siew	Member	Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors.

#### 8.5 Involvement of Executive Directors and Key Management and Technical Personnel in the Group

Save for Amos Siew and Wenddi-Anne Chong Wai Yeng who presently devote about 25% and 70% of his/her time in the Group respectively, all the Executive Directors and key management and technical personnel of the Group are presently serving full time in the Group.

#### 8.6 Service Agreements

Save as disclosed below, there are no existing or proposed service contracts between the Group and its directors and key management and technical personnel excluding contracts expiring, or terminable by the employing company without payments or compensation (other than statutory compensation):-

- (i) Employment Agreement dated 6 May 2005 between Wenddi-Anne Chong Wai Yeng and DWSC whereby Wenddi-Anne Chong Wai Yeng shall serve as the Group Administrative Director from May 2005 for an annual salary falling within remuneration band (c), as set out in Section 8.2.4. This Employment Agreement can be terminated with advance notice of three (3) months by either party;



- (ii) A Consultancy Agreement dated 9 May 2003 entered into between DWSC and Dr Wong Pak Seng whereby a licence is granted by DWSC to Dr Wong Pak Seng to practice fertility and O&G at DWSC/DFC and/or its branches for a duration of two (2) years and six (6) months commencing from 1 July 2003. Pursuant to this Consultancy Agreement, Dr Wong Pak Seng will be deemed to be an independent contractor and not an employee of DWSC. Dr Wong Pak Seng's contract fees for financial year ending 31 December 2005 are expected to fall within remuneration band (e), as set out in Section 8.2.4. Termination of this agreement can be effected by Dr Wong Pak Seng giving three (3) month's notice and DWSC giving one (1) month's notice.

On 23 September 2004, an Addendum to the above Consultancy Agreement dated 9 May 2003 was entered into between DWSC and Dr Wong Pak Seng whereby the duration of the above Consultancy Agreement was extended by another four (4) years from the date the Company is listed on the Bursa Securities;

- (iii) A Consultancy Agreement dated 16 October 2003 entered into between DWSC and Dr Surinder Singh whereby a licence is granted by DWSC to Dr Surinder Singh to practice fertility and O&G at DWSC/DFC and/or its branches for a duration of three (3) years commencing from 1 October 2003. Pursuant to this Consultancy Agreement, Dr Surinder Singh will be deemed to be an independent contractor and not an employee of DWSC. Dr Surinder Singh's contract fees for financial year ending 31 December 2005 are expected to fall within remuneration band (d), as set out in Section 8.2.4. Termination of this agreement can be effected by Dr Surinder Singh giving three (3) month's notice and DWSC giving one (1) month's notice.

On 23 September 2004, an Addendum to the Consultancy Agreement dated 16 October 2003 was entered into between DWSC and Dr Surinder Singh whereby the duration of the above Consultancy Agreement was extended by another four (4) years from the date the Company is listed on the Bursa Securities; and

- (iv) A Service Agreement dated 25 May 2005 entered into between DWSC and Dr Colin Lee whereby Dr Colin Lee shall serve as the Managing Director of DWSC for a minimum period of five (5) years commencing from 1 June 2005. Dr Colin Lee's contract fees for financial year ending 31 December 2005 are expected to fall within remuneration band (g), as set out in Section 8.2.4. Termination of this agreement can be effected by either party giving three (3) month's notice.

## 8.7 Relationships and Associations

As at LPD, save as disclosed below, there exists no family relationships or associations between the Major Shareholders, Promoters, Directors and key management and technical personnel of the Company:-

- (i) Lim Dee Dek @ Lim Tua Lek is the mother of Dr Colin Lee and Lee Soon Swee; and
- (ii) Dr Colin Lee and Lee Soon Swee are brothers.

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**9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST****9.1 Existing and Proposed Related Party Transactions and Conflicts of Interest**

Save as disclosed below, there are no other existing and potential related party transactions and conflicts of interest involving the Group and its related parties and/or its key management and technical personnel:-

**(i) Rental of Premises from SS Lee**

A Tenancy Agreement dated 17 December 2003 entered into between SS Lee as the Landlord and DWSC as the Tenant whereby the Landlord grants and the Tenant accepts the tenancy of the premises more particularly described as No.55, Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan at the rental rate of Ringgit Malaysia Thirty Five Thousand (RM35,000.00) per month for a period of three (3) years commencing from 1 January 2003 to 31 December 2005.

The interests of the director and/or Major Shareholders and/or key management and technical personnel of the Group and/or persons connected with any of the aforementioned persons in the aforesaid transactions are set out below:-

<b>Name</b>	<b>Nature of Interest</b>
Dr Colin Lee	<ol style="list-style-type: none"> <li>1. Director of SS Lee and DWSC</li> <li>2. Major Shareholder of SS Lee and DWSC</li> <li>3. Brother of Lee Soon Ai and Lee Soon Kiang</li> <li>4. Son of Lim Dee Dek @ Lim Tua Lek</li> </ol>
Lee Soon Ai	<ol style="list-style-type: none"> <li>1. Director of SS Lee and DWSC</li> <li>2. Sister of Dr Colin Lee and Lee Soon Kiang</li> <li>3. Daughter of Lim Dee Dek @ Lim Tua Lek</li> </ol>
Lee Soon Kiang	<ol style="list-style-type: none"> <li>1. Director of SS Lee and DWSC</li> <li>2. Sister of Dr Colin Lee and Lee Soon Ai</li> <li>3. Daughter of Lim Dee Dek @ Lim Tua Lek</li> </ol>
Lim Dee Dek @ Lim Tua Lek	<ol style="list-style-type: none"> <li>1. Director of SS Lee and DWSC</li> <li>2. Major Shareholder of DWSC</li> <li>3. Mother of Dr Colin Lee, Lee Soon Ai and Lee Soon Kiang</li> </ol>

**(ii) Assignment of Trade Mark from Dr Colin Lee to DWSC**

Dr Colin Lee has vide an Assignment Agreement dated 23 May 2005 assigned Trade Mark No. 97017924 bearing the mark below in respect of the signboard of metal included in Class 6 to DWSC:



The interests of the director and/or Major Shareholders and/or key management and technical personnel of the Group and/or persons connected with any of the aforementioned persons in the aforesaid transactions are set out below:-

Name	Nature of Interest
Dr Colin Lee	<ol style="list-style-type: none"> <li>1. Director of DWSC</li> <li>2. Major Shareholder of DWSC</li> <li>3. Brother of Lee Soon Ai and Lee Soon Kiang</li> <li>4. Son of Lim Dee Dek @ Lim Tua Lek</li> </ol>
Lee Soon Ai	<ol style="list-style-type: none"> <li>1. Sister of Dr Colin Lee and Lee Soon Kiang</li> </ol>
Lee Soon Kiang	<ol style="list-style-type: none"> <li>1. Sister of Dr Colin Lee and Lee Soon Ai</li> </ol>
Lim Dee Dek @ Lim Tua Lek	<ol style="list-style-type: none"> <li>1. Director of DWSC</li> <li>2. Major Shareholder of DWSC</li> <li>3. Mother of Dr Colin Lee, Lee Soon Ai and Lee Soon Kiang</li> </ol>

## 9.2 Transactions that are Unusual in their Nature and Conditions

There are no transactions which are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the Company or its subsidiary was a party in respect of the past one (1) financial year and the subsequent financial period thereto, immediately preceding the date of this Prospectus.

## 9.3 Promotion of Assets

Save for the acquisition of DWSC and IVF Tech as set out in Section 7.1 of this Prospectus and as disclosed below, none of the directors and/or Major Shareholders of the Company has any interest, whether direct or indirect, in the promotion of, or in any material assets, which have, within the two (2) years preceding the date of this Prospectus, been acquired or disposed of by or leased to the Group, or are proposed to be acquired, disposed of by or leased to the Group which is significant in relation to the business of the Group:-

### (i) Purchase of Equipment from SS Lee

On 31 October 2003, DWSC purchased medical equipment and fixtures and fittings from SS Lee free from encumbrances at a purchase price of RM879,374. The purchase price was based on the net book value of the audited financial statements of SS Lee for the financial year ended 31 December 2002 and was satisfied by way of set-off against sums owing by SS Lee to DWSC up to the amount of the said purchase price.

## 9.4 Material Interest of Directors and Major Shareholders in Contracts and Agreements

Save for the service agreements between DWSC and Dr Wong Pak Seng, Dr Surinder Singh and Dr Colin Lee, as set out in Section 8.6 of this Prospectus, none of the directors or the Major Shareholders of TMC Life Sciences has any material interest in any contract or arrangement which is significant in relation to the business of the Group and subsisting at the date of this Prospectus.

## 9.5 Interests of Directors and Major Shareholders in Similar Business

None of the directors or Major Shareholders of the Company is interested, directly or indirectly, in any other businesses and corporations carrying on a similar trade as that of the Group.

## 9.6 Declaration by Advisers

AmMerchant Bank, Wan Haron Sukri & Nordin and Ernst & Young hereby declare that there is no issue of conflict of interest in respect of their respective roles in the Listing exercise.

**9.7 Outstanding Loans**

Save as disclosed below, there are no outstanding loans (including guarantees of any kind) made by the Company or any of its parent or subsidiaries to or for the benefit of the related party(ies) for the past one (1) financial year and the subsequent financial period thereof immediately preceding the date of this Prospectus:-

	<b>RM</b>
Advances made to Dr Colin Lee by DWSC as at 30 April 2005	1,607,730
Advances made to Dr Colin Lee by IVF Tech as at 30 April 2005	22,552

The advances made to Dr Colin Lee were unsecured, interest free and have no fixed terms of repayment.

The above amounts owing were settled by Dr Colin Lee on 24 August 2005.

Details on other borrowings are contained in Section 10.7.2 of this Prospectus.

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