

13. PROFORMA CONSOLIDATED BALANCE SHEET OF TMC LIFE SCIENCES AS AT 30 APRIL 2005, TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



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REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)

5 September 2005

The Board of Directors
TMC Life Sciences Berhad
312 3rd Floor
Block C Kelana Square
17 Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

**TMC LIFE SCIENCES BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2005**

We report on the proforma consolidated balance sheets set out in section 13 of the Prospectus to be dated 15 September 2005, which have been prepared for illustrative purposes only, to provide information about how the proforma consolidated balance sheets of TMC Life Sciences Berhad ("TMC Life Sciences" or "the Company") and its proposed subsidiaries (collectively referred to as "Proforma Group") as at 30 April 2005 that has been presented might have been affected by the following proposals had the proposals been completed on that date:

- (a) Acquisitions of Damansara Women's Specialist Centre Sdn. Bhd. ("DWSC") and IVF Technologies Sdn. Bhd. ("IVF Tech") by TMC Life Sciences ("Acquisitions");
- (b) Special Issue of 820,000 new ordinary shares of RM1.00 each at par to Dr. Colin Lee ("Special Issue");
- (c) Share split exercise involving the sub-division of existing one ordinary share of RM1.00 each in TMC Life Sciences into ten ordinary shares of RM0.10 each in TMC Life Sciences ("Share Split");
- (d) Public issue of 42,100,000 new TMC Life Sciences Shares each at an issue price of RM0.38 per share ("Public Issue").



It is the sole responsibility of the directors of TMC Life Sciences to prepare the proforma consolidated balance sheets in accordance with the requirements of the Securities Commission Prospectus Guidelines in respect of Public Offerings (“the Guidelines”).

It is our responsibility to form an opinion, as required by the Guidelines, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented in their original form, considering the adjustments and discussing the proforma consolidated balance sheets with the responsible officers of TMC Life Sciences. Our work involved no independent examination of any of the underlying financial information other than our audit of the financial statements that included the audited balance sheets of TMC Life Sciences, DWSC, Damansara Fertility Centre Sdn. Bhd. and IVF Tech as at 30 April 2005.

In our opinion:

- (a) the proforma consolidated balance sheets have been properly compiled on the bases stated; and
- (b) within the context of the assumed date of the proposals:
 - (i) such bases are consistent with the accounting policies of TMC Life Sciences; and
 - (ii) the adjustments set out are appropriate for the purposes of the proforma consolidated balance sheets pursuant to the Guidelines.

The accompanying proforma balance sheets and this letter have been prepared for inclusion in this Prospectus in connection with the above proposals. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ernst & Young'.

ERNST & YOUNG
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia

A handwritten signature in black ink, appearing to be 'Yeo Eng Seng'.

Yeo Eng Seng
1212/12/06(J)
Partner

TMC LIFE SCIENCES BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2005
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

The proforma consolidated balance sheets have been prepared on accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements. These have been prepared based on the audited balance sheet of the Company and audited balance sheets of DWSC and IVF Tech as at 30 April 2005.

The proforma consolidated balance sheets of TMC Life Sciences should be read in conjunction with the notes thereto:

(1) Proforma I - Acquisitions

Proforma I is stated after incorporating the effects of the following:

Acquisition of the following companies:-

(a) DWSC

Acquisition by TMC Life Sciences of the entire issued and paid-up share capital of DWSC comprising 2,180,000 ordinary shares of RM1.00 each for a purchase consideration of RM11,732,055 to be satisfied by the issuance and allotment of 11,732,055 new ordinary shares of RM1.00 each in TMC Life Sciences at an issue price of RM1.00 per ordinary share to the vendors of DWSC.

Preceding the acquisition of DWSC by TMC Life Sciences, DWSC undertakes a renounceable rights issue of 1,180,000 ordinary shares of RM1.00 each ("Rights Shares") at par on the basis of 118 new Rights Shares for every 100 DWSC Shares held.

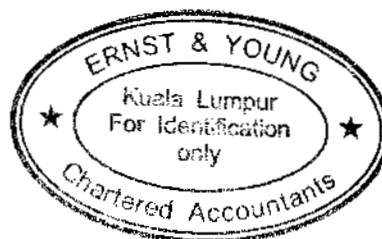
(b) IVF Tech

Acquisition by TMC Life Sciences of the entire issued and paid-up share capital of IVF Tech comprising 1,000 ordinary shares of RM1.00 each for a purchase consideration of RM70,943 to be satisfied by the issuance and allotment of 70,943 new ordinary shares of RM1.00 each in TMC Life Sciences at an issue price of RM1.00 per ordinary share to the vendors of IVF Tech.

The acquisitions of DWSC and IVF Tech was completed on 27 May 2005.

(2) Proforma II - Special Issue

Proforma II is stated after incorporating the effects of Proforma I and the effects of special issue of 820,000 new ordinary shares of RM1.00 each at par to Dr. Colin Lee, who will then assign the rights to allotment of these shares to the doctors and staff of the Proforma Group pursuant to a Doctor and Staff Share Participation Scheme, whereby Dr. Colin Lee will assign the rights to allotment of up to 820,000 new ordinary shares of RM1.00 each at par to eligible doctors and staff.



TMC LIFE SCIENCES BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2005
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

(3) Proforma III - Share Split

Proforma III is stated after incorporating the effects of a share split pursuant to which its existing ordinary shares of RM1.00 each will be split into ordinary shares of RM0.10 each.

(4) Proforma IV - Initial Public Offering ("IPO")

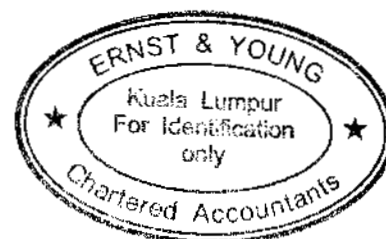
Proforma IV is stated after incorporating the effects of Proforma III and the effects of public issue of 42,100,000 new ordinary shares of RM0.10 each at an issue price of RM0.38 per share.

The premium arising from the public issue of RM11,788 million is credited to the share premium reserves account.

(5) It is assumed that the cash proceeds of 15,998 million to be received from the IPO will be utilised as follows:-

	RM'000
Research and Development projects	6,000
To part-finance for the construction of Tropicana Medical Centre	6,000
Local and regional expansion activities	1,500
Working capital	498
Listing expenses	2,000
	<hr/>
	15,998
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The estimated listing expenses of RM2 million will be set off against share premium reserves account.



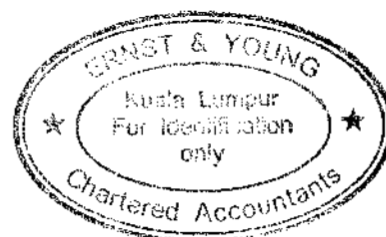
TMC LIFE SCIENCES BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2005
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

Share Capital, Share Premium and Reserves on Consolidation

The movements in the proforma share capital, share premium reserves and reserves on consolidation are as follows:

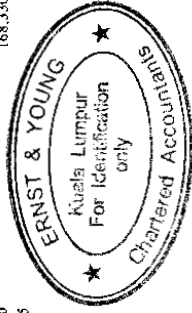
	Share Capital RM'000	Proforma Share Premium RM'000	Reserves on Consolidation RM'000
As at 30 April 2005	*	-	-
Proforma I			
Arising from Acquisitions	11,803	-	9,096
	<u>11,803</u>	-	<u>9,096</u>
Proforma II			
Arising from Special Issue	820	-	-
	<u>12,623</u>	-	<u>9,096</u>
Proforma III			
Arising from Share Split	-	-	-
	<u>12,623</u>	-	<u>9,096</u>
Proforma II			
Arising from Public Issue	4,210	11,788	-
Listing expenses incurred	-	(2,000)	-
	<u>16,833</u>	<u>9,788</u>	<u>9,096</u>

* RM2



TMC LIFE SCIENCES BERHAD
 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2005

	TMC Life Sciences As at 30 April 2005	Adjustment I	Proforma I After Acquisitions	Adjustment II	Proforma II After Proforma I and Special Issue	Adjustment III	Proforma III After Proforma II and Share Split	Adjustment IV	Proforma IV After Proforma III and Public Issue
NON CURRENT ASSETS									
Property, plant and equipment	-	23,323,065	23,323,065		23,323,065		23,323,065	10,000,000	33,323,065
Development project costs	-	2,776,755	2,776,755		2,776,755		2,776,755	3,000,000	5,776,755
CURRENT ASSETS									
Expenses carried forward	375,883		375,883		375,883		375,883	(375,883)	-
Inventories	-	431,600	431,600		431,600		431,600		431,600
Trade receivables	-	309,311	309,311		309,311		309,311		309,311
Other receivables	435	647,412	647,847		647,847		647,847		647,847
Amount owing by Director	-	1,630,282	1,630,282		1,630,282		1,630,282		1,630,282
Cash and bank balances	2	3,586,275	3,586,277	820,000	4,406,277		4,406,277	1,373,883	5,780,160
	376,320		6,981,200		7,801,200		7,801,200		8,799,200
CURRENT LIABILITIES									
Trade payables	-	846,853	846,853		846,853		846,853		846,853
Other payables	386,457	305,065	691,522		691,522		691,522		691,522
Amount owing to related parties	-	15,326	15,326		15,326		15,326		15,326
Borrowings	-	630,846	630,846		630,846		630,846		630,846
Tax payable	-	779,998	779,998		779,998		779,998		779,998
	386,457		2,964,545		2,964,545		2,964,545		2,964,545
NET CURRENT (LIABILITIES)/ASSETS									
	(10,137)		4,016,655		4,836,655		4,836,655		5,834,655
NET (LIABILITIES)/ASSETS									
	(10,137)		30,936,475		30,936,475		30,936,475		44,934,475
FINANCED BY:									
Share capital	2	11,803,998	11,803,000	820,000	12,623,000		12,623,000	4,210,000	16,833,000
Share premium	-							9,788,000	9,788,000
Reserves on consolidation	-	9,096,802	9,096,802		9,096,802		9,096,802		9,096,802
Accumulated (losses)	(10,139)		(10,139)		(10,139)		(10,139)		(10,139)
Shareholders' equity	(10,137)		20,889,663		21,709,663		21,709,663		35,707,663
Deferred and long term liabilities:									
Borrowings	-	6,128,662	6,128,662		6,128,662		6,128,662		6,128,662
Deferred taxation	-	3,098,150	3,098,150		3,098,150		3,098,150		3,098,150
SHAREHOLDERS' (DEFICIT)/FUND									
	(10,137)		30,936,475		30,936,475		30,936,475		44,934,475
Number of ordinary shares	2		11,803,000		12,623,000		126,230,000		168,330,000
Net tangible (liabilities)/assets per share (RM)	(5,068.50)		1.53		1.50		0.15		0.18



14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

14.1 Share Capital

1. No ordinary shares will be allotted on the basis of this prospectus later than twelve (12) months after the date of this Prospectus.
2. There are no founder, management or deferred shares in the Company. As at the date of this Prospectus there is only one class of shares in the Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.
3. No person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries.
4. There are no restrictions on the transfer of the Shares of the Company, except as disclosed in the Prospectus and otherwise required by law.
5. A director is not required to hold any qualification shares in the Company.

14.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association. (The words and expressions appearing in the following provisions shall bear the same meanings used in the Company's Articles of Association.)

(a) Transfer of securities

- 41 Subject to the provisions of these Articles, the Central Depositories Act and the Rules, the transfer of any security or class of securities of the Company shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of securities.
- 42 Subject to the Rules, no share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind, partnership or a person who is not a beneficial owner or not an authorised nominee of the Deposited Securities.
- 43
 - (a) The Central Depository may, in its absolute discretion, refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.
 - (b) Subject to the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid shares except where required by law.
 - (c) Subject to the applicable laws and regulations, an instrument of transfer must be in respect of only one class of shares.
- 44
 - (a) The Company may require the Central Depository to suspend the registration of transfers at such times and for such period as the Directors may from time to time determine provided always that such registration shall not be suspended for more than thirty (30) days or such other period as may be required by The Exchange in any year. At least three (3) Market days' prior notice or such other period as may be required by The Exchange, (or, subject to any written laws to the contrary, such other period provided for under the Rules) of any such suspension shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate action, at least seven (7) Market days prior notice shall be given to the Central Depository.

- (b) The transfer books and Register may on due notice being given as required by the Act and The Exchange be closed during such times as the Directors think fit, not exceeding in the whole thirty (30) days in each year.
- 45 Subject to the provisions of the Act, the Central Depositories Act and the Rules, nothing in these Articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

(b) Remuneration of Directors

- 104 The fees of the directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors in such proportions as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:-
- (a) fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover;
 - (b) salaries payable to executive directors may not include a commission on or a percentage of turnover;
 - (c) fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
 - (d) any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.
- 105 (1) The directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors.
- (2) If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the directors may pay him special remuneration, in addition to his director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged subject always to Article 104.

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(c) Voting and borrowing powers of the directors

- 109 (1) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party PROVIDED ALWAYS that nothing contained in these Articles shall authorise the directors to borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (2) The directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
- (4) All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors may from time to time determine.
- 118 A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the directors generally. Subject to these Articles, questions arising at any meeting of the directors shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall not have a second or casting vote. Directors may participate in a meeting of the directors by means of a conference telephone or similar electronic telecommunicating equipment by means of which all persons participating in the meeting can hear each other and participates throughout the duration of the communication between the directors and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- 123 No director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

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(d) Changes in capital and variation of class rights

- 5 Without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by special resolution determine provided that:-
- (a) the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time;
 - (b) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meetings of the Company but shall only have the right to vote in each of the following circumstances and in no others:-
 - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
 - (ii) on a proposal to reduce the Company's share capital;
 - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (iv) on a proposal that affects their rights attached to the share;
 - (v) on a proposal to wind up the Company; and
 - (vi) during the winding up of the Company;
 - (c) in the distribution of capital in a winding up of the Company, the preference shareholder shall be entitled to repayment of capital in priority to any repayment of capital to any ordinary shareholder; and
 - (d) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 13 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

- 12 Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in such manner as they think most beneficial to the Company. The directors may likewise also dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this Article.

- 13 Notwithstanding the preceding Article the Company may apply to The Exchange for waiver of the convening of an extraordinary general meeting to obtain shareholders' approval for further issues of shares (other than bonus or rights issue) where the aggregate issue of which in any one financial year do not exceed ten per centum (10%) of the issued capital.
- 21 If at any time the share capital is divided into different classes of shares, the right attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-tenth (1/10) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.
- 22 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.
- 52 The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.
- 53 Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transfers, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.
- 54 (1) The Company may from time to time by ordinary resolution:-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the other or others of such share;
 - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

- (2) The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by the law.
- (3) Anything in pursuance of the two foregoing Articles shall be done in a manner provided and subject to any conditions imposed by the Act, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

14.3 Directors and Major Shareholders

1. The names, addresses and occupation of the Directors are set out in Section 1 of this Prospectus.
2. Save as disclosed in Section 8.6 of the Prospectus, there are no existing or proposed service contracts between the Directors or Major Shareholders and the Group, excluding contracts expiring, or terminable by the employing company without payments or compensation (other than statutory compensation) within one (1) year.
3. Save as disclosed in Section 8.2.4 and Section 7.1 of this Prospectus and below, no amount or benefit has been paid or given within the two (2) years preceding the date hereof, nor is it intended to be paid or given, to the Promoters, Directors or Major Shareholders of the Company:-
 - (i) On 30 October 2003, DWSC paid a dividend of RM1,900,080 to its shareholders in respect of the FYE 31 December 2003. DWSC's shareholders at that point included Dr Colin Lee and Lim Dee Dek @ Lim Tua Lek, who form part of the Promoters, Directors and/or Major Shareholders of the Company;
 - (ii) For the FY 31 December 2003, FY 31 December 2004 and up to LPD, a total of RM75,400, RM69,600 and RM44,500 respectively was paid to Lim Dee Dek @ Lim Tua Lek, who is a Major Shareholder of the Company, for her service in the Group; and
 - (iii) For the FY 31 December 2003, FY 31 December 2004 and for the period 1 January 2005 up to LPD, the Group paid a total of RM49,470, RM4,370 and RM5,000 respectively to Messrs Siew Boon Yeong & Associates and Messrs SBY Tax and Corporate Consultancy Sdn Bhd for advisory, taxation and audit services rendered.

Amos Siew, who is a Promoter and Director of the Company, is the sole proprietor of Messrs Siew Boon Yeong & Associates and a Major Shareholder and director of Messrs SBY Tax and Corporate Consultancy Sdn Bhd.

As at LPD, Messrs Siew Boon Yeong & Associates and Messrs SBY Tax and Corporate Consultancy Sdn Bhd no longer perform any services for the Group.
4. The Directors' and Major Shareholders' direct and indirect shareholdings are set out in Section 8.2.2 and Section 8.1.1 respectively.

14.4 General

1. The time of the opening of the Application is set out in Section 16.1 of this Prospectus.
2. The amount payable in full on application to the Company is RM0.38 per Share.
3. Save as disclosed in this Prospectus, no Shares or debentures of the Company or its subsidiaries have been issued or proposed to be issued as fully or partly paid-up for cash or otherwise than in cash within the two (2) preceding years of the date of this Prospectus.

4. As at the date of this Prospectus, neither the Company nor its subsidiaries have any convertible debt securities.
5. The name and address of the Auditors are set out in the Corporate Information page of this Prospectus.
6. Save as disclosed in Section 4 of this Prospectus, the Directors of the Company or its subsidiaries are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiaries.
7. With the exception of the IPO, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
8. During the last financial year and the current financial year, there were:-
 - a) no public take-over offers by third parties in respect of the Company's shares; and
 - b) no public take-over offers by the Company in respect of other companies' shares.
9. Save for the Special Issue, the Doctor and Staff Share Participation Scheme and pink form allocation as set out in Section 7 of this Prospectus, there are at present no other schemes involving the staff or the Directors in the capital of the Company and its subsidiaries as at the date of this Prospectus.
10. The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
11. Save as disclosed in this Prospectus, so far as known to the Company, there does not exist any persons, who, directly or indirectly, jointly or severally, exercise control over the Company.

14.5 Material Contracts, Litigation and Contingent Liabilities

1. Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries within the two (2) years preceding the date of this Prospectus:-
 - (i) Tenancy Agreement dated 13 November 2003 entered into between Chan Swee Kwan ("**Landlord**") and DFC ("**Tenant**") whereby the Landlord grants and the Tenant accepts the tenancy of the demised premises more particularly described as No. 8, Jalan Prima, Metro Prima, Kepong, 52100 Kuala Lumpur at the rental rate of Ringgit Malaysia Four Thousand Eight Hundred (RM4,800.00) per month. The tenancy shall be for a period of two (2) years commencing from 1 December 2003 until 30 November 2005.

Neither party shall be entitled to terminate this Tenancy Agreement for at least two (2) years from the date of this Tenancy Agreement, failing which the defaulting party shall pay to the other party liquidated damages in the sum of Ringgit Malaysia Nine Thousand Six Hundred (RM9,600.00) only.

The Tenant is entitled to renew the tenancy for a further term of two (2) years by giving not less than three (3) months' notice in writing to the Landlord before the expiration of the tenancy. The renewal is subject to a maximum increase of ten per centum (10%) of the existing rental.

- (ii) A Sale and Purchase Agreement dated 29 September 2003 entered into between DWSC as the purchaser and Perbadanan Kemajuan Negeri Selangor ("PKNS") as the vendor whereby PKNS agreed to sell and DWSC agreed to purchase all that piece of 99 years leasehold land measuring approximately 261,360 sq. feet (6 acres) known as Lot No. 11, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara ("the said Lot") for the purchase price of RM9,219,902-00 only to be satisfied in cash.

PKNS retains the right to terminate this Agreement notwithstanding that the purchase price has been paid in full in the event DWSC fails to comply with its ongoing obligations under this Agreement. The said obligations include complying with the Special Conditions of use of the said Lot such as keeping the said Lot clean and observing and complying with any rules or regulations as stipulated by the management of the Syarikat Pengurusan Taman Sains to be set up.

- (iii) Tenancy Agreement dated 17 December 2003 entered into between SS Lee ("Landlord") and DWSC ("Tenant") whereby the Landlord grants and the Tenant accepts the tenancy of the demised 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. The tenancy shall be for a period of three (3) years commencing from 1 January 2003 until 31 December 2005.

The Landlord is entitled to terminate this Tenancy Agreement in the first two (2) years of tenancy by giving one (1) month's notice to the Tenant and the Tenant is entitled to terminate this Tenancy Agreement in the second year of tenancy by giving one (1) month's notice to the Landlord.

- (iv) Tenancy Agreement dated 28 January 2004 entered into between Hock Der Realty Sdn Bhd ("Landlord") on one part and DWSC on the other ("Tenant") whereby the Landlord grants and the Tenant accepts the tenancy of the demised premises more particularly described as Unit 18, Level 1, City Plaza, 21 Jalan Tebrau, 80300 Johor Bahru at the current rental rate of Ringgit Malaysia Eight Thousand Five Hundred and One and Sen Sixty (RM8,501.60) per month.

For the period from 1 June 2006 to 31 May 2007, the rental rate shall increase to Ringgit Malaysia Ten Thousand Five Hundred and Twenty-Five and Sen Eighty Only (RM10,525.80). The tenancy shall be for a period of three (3) years commencing from 1 June 2004 until 31 May 2007.

The Tenant is entitled to renew the tenancy by giving not less than three (3) months' notice in writing to the Landlord before the expiration of the tenancy. The period and rental for such renewal shall be determined by the Landlord.

- (v) Sale and Purchase Agreement dated 6 May 2005 entered into between Dr. Colin Lee, Lim Dee Dek @ Lim Tua Lek, Lee Soon Ai, Ooi Lay Pheng, Amos Siew and Amos Tan En Wai ("Vendors") and the Company ("Purchaser") whereby the Vendors agree to sell and the Purchaser agrees to buy from the Vendors the Two Million One Hundred and Eighty Thousand (2,180,000) issued and fully paid up ordinary shares in the capital of DWSC representing the entire issued and paid up capital of DWSC at a purchase price of Ringgit Malaysia Eleven Million Seven Hundred and Thirty-two Thousand and Fifty-five (RM11,732,055-00). The purchase price was satisfied by the issuance and allotment of Eleven Million Seven Hundred and Thirty-two Thousand and Fifty-five (11,732,055) new ordinary shares of RM1.00 each in the share capital of the Purchaser at the issue price of Ringgit Malaysia One (RM1-00) be credited as fully paid up in favour of the Vendors and/or their nominees.

This Sale and Purchase Agreement was completed on 27 May 2005.

- (vi) Sale and Purchase Agreement dated 6 May 2005 entered into between Dr. Colin Lee, Lim Dee Dek @ Lim Tua Lek, Amos Siew and Amos Tan En Wai ("**Vendors**") and the Company ("**Purchaser**") whereby the Vendors agree to sell and the Purchaser agrees to buy from the Vendors the One Thousand (1,000) issued and fully paid up ordinary shares in the capital of IVF Tech representing the entire issued and paid up capital of IVF Tech at a purchase price of Ringgit Malaysia Seventy Thousand Nine Hundred and Forty-three (RM70,943-00). The purchase price was satisfied by the issuance and allotment of Seventy Thousand Nine Hundred and Forty-three (70,943) new ordinary share of RM1.00 each in the share capital of the Purchaser at the issue price of Ringgit Malaysia One (RM1-00) be credited as fully paid up in favour of the Vendors and/or their nominees.

This Sale and Purchase Agreement was completed on 27 May 2005.

- (vii) Assignment Agreement dated 23 May 2005 entered into between Dr Colin Lee and DWSC whereby Dr Colin Lee has agreed to assign the trademark as set out below under Class 6 to DWSC for a consideration of Ringgit Malaysia Ten (RM10-00) only.



This Assignment Agreement was completed on 23 May 2005.

- (viii) Underwriting Agreement dated 5 September 2005 entered into between the Company, AmMerchant Bank and AmSecurities Sdn Bhd for the underwriting of 5,400,000 IPO Shares for an underwriting commission of 1.75% of the Issue Price of RM0.38 per Share.

2. Save as disclosed below, none of the Company and its subsidiaries are engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Company or subsidiaries:-

Kuala Lumpur Sessions Court Summons No. 12-53-665-2005
Sharmila Rebecca George ("**Plaintiff**") vs Dr Colin Lee (1st), Damansara Women's Specialist Centre Sdn Bhd (2nd) and Hospital Pakar Damansara Sdn Bhd (3rd) (collectively the "**Defendants**").

The Plaintiff has on 3 June 2005 commenced an action against the Defendants for alleged medical negligence. The Plaintiff is claiming, inter alia, special damages amounting to RM76,848.53 and general damages. The Court has fixed this matter for mention on 4 October 2005.

The Board is of the opinion that the First and Second Defendants have a strong defence to this claim. The lawyers representing the 1st Defendant is of the view that the 1st Defendant has a strong defence to this claim and it follows that liability similarly should not attach to the 2nd Defendant.

The Board is of the opinion that there will not be any material financial impact arising from the above-mentioned material litigation as both the 1st and 2nd Defendants are adequately insured.

3. As at LPD, the Group has no material contingent liabilities.

14.6 Material Agreements

1. Save as set out in Section 8.6 and below, there does not exist any material agreements entered into by the Group in the ordinary course of business (including but not limited to shareholders' agreements underlying the basis of the Company's / Group's business, supplier agreements, customer agreements, insurance policies and directors' service agreements) within the two (2) years preceding the date of this Prospectus:

- (i) Memorandum of Understanding dated 6 December 2003 ("**MOU**") entered into between DWSC and Rumah Sakit Bina Kasih, a private hospital incorporated in Indonesia ("**RSBK**") whereby the parties agree to form a smart partnership.

Pursuant to this MOU, RSBK shall, inter alia, promote DWSC's fertility services in the region of Pekanbaru, Indonesia and refer the patients to DWSC. DWSC shall, inter alia, accept the referrals and provide transfer of knowledge and technologies to the doctors of RSBK.

This MOU is not legally binding.

- (ii) A Letter of Appointment dated 13 August 2002 whereby DWSC appointed Architects Sixone Sdn Bhd to provide architectural services for the proposed construction of TMC.

- (iii) The assets and interests of DWSC are insured under the following policies:-

- | | | | |
|-----|--------------------|---|---|
| (a) | Insurer | : | Tokio Marine Insurans (Malaysia) Berhad |
| | Insured | : | SS Lee & DWSC and its subsidiaries / associated companies f.t.r.r. & I (" SS Lee-DWSC ") |
| | Type | : | Fire Material Damage |
| | Policy No. | : | (pending issuance) |
| | Premium paid | : | RM2,398.30 |
| | Amount insured | : | RM1,707,010.00 |
| | Period of coverage | : | 1 August 2005 to 31 July 2006 |
| (b) | Insurer | : | Tokio Marine Insurans (Malaysia) Berhad |
| | Insured | : | SS Lee-DWSC |
| | Type | : | Burglary |
| | Policy No. | : | (pending issuance) |
| | Premium paid | : | RM370.15 |
| | Amount insured | : | RM98,000 |
| | Period of coverage | : | 1 August 2005 to 31 July 2006 |
| (c) | Insurer | : | Tokio Marine Insurans (Malaysia) Berhad |
| | Insured | : | SS Lee-DWSC |
| | Type | : | Money |
| | Policy No. | : | (pending issuance) |
| | Premium paid | : | RM556.00 |
| | Amount insured | : | For money in transit - RM20,000.00
For money secured in locked safe/drawer and cabinet - RM30,000.00 |
| | Period of coverage | : | 1 August 2005 to 31 July 2006 |
| (d) | Insurer | : | Tokio Marine Insurans (Malaysia) Berhad |
| | Insured | : | SS Lee-DWSC |
| | Type | : | Public Liability |
| | Policy No. | : | (pending issuance) |
| | Premium paid | : | RM535.00 |
| | Amount insured | : | Limit of indemnity:
(a) Any one accident: RM1,500,000
(b) Any one period of indemnity: Unlimited |
| | Period of coverage | : | 1 August 2005 to 31 July 2006 |

- (e) Insurer : Tokio Marine Insurans (Malaysia) Berhad
 Insured : SS Lee-DWSC
 Type : All Risks
 Policy No. : (pending issuance)
 Premium paid : RM5,035.93
 Amount insured : RM1,367,600.00
 Period of coverage : 1 August 2005 to 31 July 2006
- (f) Insurer : Tokio Marine Insurans (Malaysia) Berhad
 Insured : DWSC
 Type : Motor Vehicle
 Policy No. : W-V-A4-AG-025384
 Premium paid : RM10,356.86
 Amount insured : RM469,000
 Period of coverage : 24 March 2005 to 23 March 2006
- (g) Insurer : Tokio Marine Insurans (Malaysia) Berhad
 Insured : DWSC
 Type : Motor Vehicle
 Policy No. : W-V-A5-AG-030004
 Premium paid : RM1,038.37
 Amount insured : RM40,000
 Period of coverage : 8 July 2005 to 7 July 2006
- (h) Insurer : Hong Leong Assurance Berhad
 Insured : DWSC
 Type : Professional Indemnity
 Policy No. : B504BB000649
 Premium paid : RM55,376.50
 Amount insured : RM1,000,000 (Any one claim)
 Period of coverage : 30 January 2005 to 29 January 2006
- (i) Insurer : ING Insurance Berhad
 Insured : Employees of DWSC, IVF Tech, DFC
 Type : Group Hospitalisation Scheme
 Policy No. : G 50000382 H
 Premium paid : RM496.00 for Directors/General Manager/Doctors
 RM342.00 for Nursing Manager/Embryologist
 RM260.00 for Staff Nurse/Senior Finance
 Executive/Executive/Accounts and Admin Assistant
 RM158.00 for Receptionist/Cleaner
 Amount insured : Not Applicable
 Period of coverage : 1 June 2005 to 31 May 2006
- (j) Insurer : ING Insurance Berhad
 Insured : Employees of DWSC, IVF Tech, DFC
 Type : Group Personal Accident
 Policy No. : HODP04003231/PGP/R01
 Premium paid : RM1,879.00
 Amount insured : RM4,450,000.00
 Period of coverage : 1 June 2005 to 31 May 2006

14.7 Consents

The written consents of the Adviser, Managing Underwriter, Sole Placement Agent, Sponsor, Underwriters, Solicitors for the Listing, Principal Banker, Issuing House, Registrar and the Company Secretaries to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letter relating to the Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Valuers to the inclusion in this Prospectus of their name and the Valuation Certificate in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.8 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of the Prospectus:-

- (a) Memorandum and Articles of Association of the Company;
- (b) Directors' Report and Accountants' Report as included herein;
- (c) Reporting Accountants' letter relating to the Proforma Consolidated Balance Sheets as included herein;
- (d) Audited financial statements of TMC Life Sciences from the date of its incorporation, being 8 August 2003, to 31 December 2004, and for the four (4) months ended 30 April 2005; audited financial statements of DFC from the date of its incorporation, being 11 March 1999, to 31 December 2004, and for the four (4) months ended 30 April 2005; and audited financial statements of DWSC and IVF Tech for the past five (5) financial years ended 31 December 2004 and for the four (4) months ended 30 April 2005;
- (e) The material contracts and material agreements referred to under Section 14.5 and 14.6 of this Prospectus (including the service agreements referred to under Section 8.6 of this Prospectus);
- (f) Valuation Certificate and valuation reports referred to under Section 6.16 and Appendix 15 of this Prospectus;
- (g) Writs and relevant cause papers in respect of the material litigation disclosed in Section 14.5.2 of this Prospectus; and
- (h) The letters of consent referred to under Section 14.6 of this Prospectus.

14.9 Responsibility Statements

This Prospectus has been seen and approved by the Directors of the Company, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

AmMerchant Bank, being the Adviser and Managing Underwriter, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

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