

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2006

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

A1 BASIS OF PREPARATION

The interim report is prepared in accordance with FRS134 "Interim Financial Reporting" and Appendix 7A of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The accounting policies and method of computation adopted for this quarterly report are consistent with those adopted in the annual financial statements for the year ended 31 December 2005.

A2 CHANGES IN ACCOUNTING POLICIES

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

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

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

A3 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the annual financial statements of the Company and its subsidiaries for the financial year ended 31 December 2005.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5 UNUSUAL ITEMS

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

A6 CHANGE IN ESTIMATES

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

A7 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

A8 PROPERTY, PLANT AND EQUIPMENT

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

A9 DIVIDEND PAID

There was no dividend paid during the current quarter under review.

A10 SEGMENTAL INFORMATION

The Group operates wholly in Malaysia and has only one business segment which is in gynaecological, fertility services, research and development in life sciences.

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

There were no material events subsequent to 31 March 2006 and up to the date of this report.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group for the current financial period under review.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 March 2006 and up to the date of this report.

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 31 March 2006 are as follows:

	RM '000
Approved and contracted	39,990
Payment up to 31 March 2006	<u>(903)</u>
	<u>39,087</u>

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 FOR THE QUARTER ENDED 31 MARCH 2006**

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

B1 REVIEW OF PERFORMANCE

For the current quarter under review, the Group achieved a revenue, profit before taxation and profit after taxation of **RM5.96 million, RM3.02 million and RM2.30 million** respectively.

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved a revenue and profit before taxation of **RM5.96 million** and **RM3.02 million** respectively for the current quarter as compared to **RM6.21 million** and **RM3.23 million** respectively in the preceding quarter. The current quarter's result was slightly lower than the preceding quarter mainly due to fewer number of business days and lower number of customer visits during the long Chinese New Year celebration.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2006

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

B4 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

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

B5 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31.03.2006	31.03.2005	31.03.2006	31.03.2005
<u>Malaysian income tax:</u>				
- current taxation	715,900	N/A	715,900	N/A
- deferred taxation	-	N/A	-	N/A
Total	<u>715,900</u>	<u>N/A</u>	<u>715,900</u>	<u>N/A</u>

The effective tax rate of the Group for the period ended 31 March 2006 was lower than the statutory tax rate due to over provision in taxation in prior year.

B6 PROFIT ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

B7 QUOTED SECURITIES

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

B8 STATUS OF CORPORATE PROPOSAL

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

B9 STATUS OF UTILISATION OF LISTING PROCEEDS

The Company raised RM15.998 million during its Initial Public Offering exercise in October 2005 and the details of the utilisation of proceeds up to 31 March 2006 are as follows:-

Purpose	Proposed Utilisation RM'000	Transfer (to)/from	Actual Utilisation RM'000	Deviation	
				Unutilised Proceeds RM'000	%
R & D Projects	6,000	-	1,387	4,613	77%
Part finance of the construction of Tropicana Medical Centre	6,000	-	926	5,074	85%
Local and regional expansion	1,500	-	102	1,398	93%
Working capital	498	537	1,035	-	0%
Listing expenses*	2,000	* (537)	1,463	-	0%
Total	15,998	-	4,913	11,085	

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

B10 BORROWINGS

There were no borrowings as at 31 March 2006.

B11 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B12 MATERIAL LITIGATION

Save as disclosed below, there are no material litigation pending as at the date of this report:-

On 3 June 2005, Sharmila Rebecca George ("Plaintiff") commenced an action against Dr Colin Lee (1st), Damansara Women's Specialist Centre Sdn Bhd (2nd) and Hospital Pakar Damansara Sdn Bhd (3rd) (collectively the "Defendants") for alleged medical negligence. The Plaintiff is claiming, inter alia, special damages amounting to RM76,848.53 and general damages. The matter is now fixed for mention on 9 June 2006 for the 3rd Defendant to file their bundle of documents.

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 litigation as both the 1st and 2nd Defendants are adequately insured.

B13 DIVIDENDS

The Directors have proposed a First and Final gross dividend of 1 sen per share less 28% income tax subject to the shareholders' approval at the forthcoming Annual General Meeting. The book closure date for the purpose of determining the shareholders' entitlements to the said dividend will be on 30 June 2006, subject to shareholders approval. The dividend, upon shareholders' approval, shall be payable on 14 July 2006.

B14 EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
Basic earning per share (EPS)	31.Mar.06	31.Mar.05	31.Mar.06	31.Mar.05
Net profit attributable to shareholders	2,299,394	N/A	2,299,394	N/A
Weighted average number of ordinary shares in issue	168,330,000	N/A	168,330,000	N/A
Basic EPS (sen)	1.37	N/A	1.37	N/A