



TMC LIFE SCIENCES BHD
Company no. 624409-A
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND PERIOD ENDED 31 MARCH 2007

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INTERIM FINANCIAL REPORT FOR THE
FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		CURRENT YEAR QUARTER 31.Mar.07 RM	PRECEDING YEAR CORRESPONDING QUARTER 31.Mar.06 RM	CURRENT YEAR TO-DATE 31.Mar.07 RM	PRECEDING YEAR CORRESPONDING PERIOD 31.Mar.06 RM
Revenue		6,964,796	5,956,711	6,964,796	5,956,711
Operating expenses		(3,237,834)	(2,931,800)	(3,237,834)	(2,931,800)
Profit from operations		3,726,962	3,024,911	3,726,962	3,024,911
Amortisation & Depreciation		(421,140)	(133,635)	(421,140)	(133,635)
Finance costs		-	-	-	-
Interest income		72,358	124,018	72,358	124,018
Profit before taxation		3,378,180	3,015,294	3,378,180	3,015,294
Taxation	B5	(869,570)	(715,900)	(869,570)	(715,900)
Net profit attributable to Shareholders		2,508,610	2,299,394	2,508,610	2,299,394
Earnings per share (sen)					
- Basic	B14	1.49	1.37	1.49	1.37

(The unaudited condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial report)

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INTERIM FINANCIAL REPORT FOR THE
FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31 March 2007 (UNAUDITED) RM	AS AT 31 December 2006 (AUDITED) RM
ASSETS			
Non-Current Assets			
Property, plant and equipment		23,249,588	20,080,184
Prepaid land lease payments		19,344,791	19,395,833
Intangible assets		7,460,648	6,914,021
		<u>50,055,027</u>	<u>46,390,038</u>
Current Assets			
Inventories		656,538	681,837
Trade and other receivables		2,021,785	1,690,341
Cash and cash equivalents		5,302,773	11,889,617
		<u>7,981,096</u>	<u>14,261,795</u>
TOTAL ASSETS		<u>58,036,123</u>	<u>60,651,833</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		16,833,000	16,833,000
Share premium		10,324,678	10,324,678
Retained profits		24,316,161	21,807,551
Total Equity		<u>51,473,839</u>	<u>48,965,229</u>
Non-current liability			
Deferred taxation		3,190,997	3,190,997
Current liabilities			
Trade and other payables		2,112,077	7,539,759
Tax payable		1,259,210	955,848
		<u>3,371,287</u>	<u>8,495,607</u>
Total liabilities		<u>6,562,284</u>	<u>11,686,604</u>
TOTAL EQUITY AND LIABILITIES		<u>58,036,123</u>	<u>60,651,833</u>

(The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial report)

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INTERIM FINANCIAL REPORT FOR THE
FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share Capital RM	Share Premium RM	Distributable Retained Profits RM	Total RM
At 1 January 2007	16,833,000	10,324,678	21,807,551	48,965,229
Net profit for the period	-	-	2,508,610	2,508,610
At 31 March 2007	<u>16,833,000</u>	<u>10,324,678</u>	<u>24,316,161</u>	<u>51,473,839</u>
At 1 January 2006 (Restated)	16,833,000	10,324,678	13,852,764	41,010,442
Net profit for the period	-	-	2,299,394	2,299,394
At 31 March 2006	<u>16,833,000</u>	<u>10,324,678</u>	<u>16,152,158</u>	<u>43,309,836</u>

(The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial report)

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INTERIM FINANCIAL REPORT FOR THE
FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	CURRENT YEAR PERIOD ENDED 31 March 2007 RM (UNAUDITED)	PRECEEDING YEAR PERIOD ENDED 31 March 2006 RM (UNAUDITED)
Cash flows from operating activities		
Profit before taxation	3,378,180	3,015,294
Adjustments for		
Non-cash items	421,140	133,635
Finance costs	-	-
Interest income	(72,358)	(124,018)
Operating profit before changes in working capital	3,726,962	3,024,911
Changes in working capital:		
Net change in current assets	(306,144)	(574,617)
Net change in current liabilities	(5,427,682)	178,727
Cash (used in) / generated from operations	(2,006,864)	2,629,021
Interest received	72,358	124,018
Income tax paid	(566,208)	(620,070)
Net cash (used in) / generated from operating activities	(2,500,714)	2,132,969
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,316,726)	(994,417)
Project development costs	(769,404)	(732,556)
Net cash used in investing activities	(4,086,130)	(1,726,973)
Cash flows from financing activities		
	-	-
Net cash (used in)/generated from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(6,586,844)	405,996
Cash and cash equivalents at beginning of financial period	11,889,617	17,219,549
Cash and cash equivalents at end of financial period	5,302,773	17,625,545
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	5,302,773	17,625,545

(The unaudited condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial report)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2007

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

A1 BASIS OF PREPARATION

The interim report is prepared in accordance with FRS134 "Interim Financial Reporting" and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The accounting policies and method of computation adopted for this quarterly report are consistent with those adopted in the annual financial statements for the year ended 31 December 2006.

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 2006 and the following FRSs and amendments are effective for the financial periods beginning on or after 1 October 2006:

- (i) FRS 6 Exploration for and Evaluation of Mineral Resources;
- (ii) Amendment to FRS 119₂₀₀₄ Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures; and
- (iii) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation; and
- (iv) FRS 124 Related Party Disclosures.

FRS 6 are not relevant to the Group's operations. FRS 124, FRS 119₂₀₀₄ (amended) and FRS 121 (amended) have been adopted by the Group for the financial period beginning 1 January 2007.

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 2006.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5 UNUSUAL ITEMS

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

A6 CHANGE IN ESTIMATES

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

A7 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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 2007 and up to the date of this report.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 March 2007 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 2007 are as follows:

	RM '000
Approved and contracted for	43,837
Payment up to 31 March 2007	<u>(18,803)</u>
	<u>25,034</u>

A15 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company and/or its subsidiaries	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 31 March 2007 RM	Cumulative Quarter Ended 31 March 2007 RM
Damansara Women's Specialist Centre Sdn Bhd	SS Lee Medical Services Sdn Bhd	Company connected with a Director and substantial shareholder of the Company	Rental of business premises	105,000	105,000
Damansara Fertility Centre Sdn Bhd	Dr Lee Soon Soo	Director and substantial shareholder of the Company	Rental of premise	3,600	3,600

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

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

B1 REVIEW OF PERFORMANCE

For the current quarter under review, the Group achieved a revenue and profit after taxation of RM6.96 million and RM2.51 million respectively. Compared to the preceding year corresponding quarter, the Group's revenue and profit after taxation grew by 16.8% and 9.1% respectively. The improvement of revenue and profit after taxation were mainly due to the higher number of patient visits and higher number of ART Cycles performed during the quarter under review.

Review of Performance	Current quarter under review			Cumulative quarters under review		
	Current Quarter (RM' mil)	Preceding Year Corresponding Quarter (RM' mil)	Changes %	Current Period (RM' mil)	Preceding Year Corresponding Period (RM' mil)	Changes %
Revenue	6.96	5.96	16.8%	6.96	5.96	16.8%
Profit after taxation	2.51	2.30	9.1%	2.51	2.30	9.1%

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved a revenue and profit before taxation of RM6.96 million and RM3.38 million respectively for the current quarter as compared to RM6.62 million and RM3.66 million respectively in the preceding quarter.

B3 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2007

Barring any unforeseen circumstances, the Board is optimistic of the Group's performance in the financial year ending 31 December 2007.

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
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Malaysian income tax:				
- current taxation	869,570	715,900	869,570	715,900
- deferred taxation	-	-	-	-
Total	869,570	715,900	869,570	715,900

The effective tax rate of the Group for the period ended 31 March 2007 approximates the statutory tax rate.

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 2007 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	-	4,253	1,747	29%
Part finance of the construction of Tropicana Medical Centre	6,000	-	6,000	-	0%
Local and regional expansion	1,500	-	672	828	55%
Working capital	498	537	1,035	-	0%
Listing expenses*	2,000	* (537)	1,463	-	0%
Total	15,998	-	13,423	2,575	16%

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

B10 BORROWINGS

There were no borrowings as at 31 March 2007.

B11 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B12 MATERIAL LITIGATION

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

B13 DIVIDENDS

No dividend has been declared for the current quarter ended 31 March 2007.

B14 EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
Basic earnings per share (EPS)	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Net profit attributable to shareholders	2,508,609	2,299,394	2,508,609	2,299,394
Weighted average number of ordinary shares in issue ('000)	168,330	168,330	168,330	168,330
EPS (sen)	1.49	1.37	1.49	1.37