

INS BIOSCIENCE BERHAD

(Company No: 623239 - V)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2006 RM'000	CURRENT YEAR TO DATE 31/12/2007 RM'000	PRECEDING YEAR CORRESPONDING YEAR 31/12/2006 RM'000
Revenue	27,458	3,730	89,066	23,201
Cost of sales	<u>(17,637)</u>	<u>(3,210)</u>	<u>(58,479)</u>	<u>(14,190)</u>
Gross profit	9,821	520	30,587	9,011
Other operating income	2,247	89	2,457	440
Selling and distribution expenses	(8,866)	(1,228)	(19,461)	(3,825)
Administrative expenses	(2,217)	(2,012)	(6,685)	(7,535)
Other operating expenses	(48)	(9,318)	(3,221)	(10,551)
Finance costs	<u>(693)</u>	<u>(257)</u>	<u>(2,444)</u>	<u>(696)</u>
Profit / (loss) before taxation	244	(12,206)	1,233	(13,156)
Taxation	<u>216</u>	<u>129</u>	<u>195</u>	<u>507</u>
Profit / (loss) after taxation	<u>460</u>	<u>(12,077)</u>	<u>1,428</u>	<u>(12,649)</u>
Attributable to :				
- equity holders of the parent	460	(12,077)	1,428	(12,649)
- minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings Per Share attributable to equity holders of the parent (Sen)				
(a) Basic	0.16	(4.21)	0.50	(4.41)
(b) Fully diluted	N/A	N/A	N/A	N/A

The above statement should be read in conjunction with the accompanying notes attached to this interim financial report as well as the Audited Financial Statements for the financial year ended 31 December 2006.

INS BIOSCIENCE BERHAD

(Company No: 623239 - V)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)

	Issued and fully paid ordinary shares of RM0.10 each		Non- Distributable Share Premium	Distributable - Retained Profit	Total
	Number of shares '000	Nominal value RM'000	RM'000	RM'000	RM'000
At 1 January 2006 (Nominal value at RM0.10 per share)	286,680	28,668	15,785	6,286	50,739
Effect of adopting FRS 3	-	-	-	3,339	3,339
Net loss for the year	-	-	-	(12,649)	(12,649)
At 31 December 2006 (Nominal value at RM0.10 per share)	286,680	28,668	15,785	(3,024)	41,429
Net profit for the year	-	-	-	1,428	1,428
At 31 December 2007 (Nominal value at RM0.10 per share)	<u>286,680</u>	<u>28,668</u>	<u>15,785</u>	<u>(1,596)</u>	<u>42,857</u>

The above statement should be read in conjunction with the accompanying notes attached to this interim financial report as well as the Audited Financial Statements for the financial year ended 31 December 2006.

INS BIOSCIENCE BERHAD

(Company No: 623239 - V)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007 (UNAUDITED)

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.12.2007. RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31.12.2006. RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,126	16,395
Prepaid lease payment	44	-
Development expenditure	756	705
Other investment	63	63
Goodwill on consolidation	3,595	3,644
	20,584	20,807
Current assets		
Inventories	6,982	6,440
Trade and other receivables	12,443	16,627
Amount due from related parties	2	2,215
Tax refundable	530	265
Fixed deposits with licensed banks	5,930	5,628
Cash and bank balances	30,171	5,507
	56,058	36,682
TOTAL ASSETS	76,642	57,489
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	28,668	28,668
Share premium	15,785	15,785
Accumulated loss	(1,596)	(3,024)
	42,857	41,429
Minority Interest	-	-
Total equity	42,857	41,429
Non-current liabilities		
Hire purchase payables	988	702
Deferred taxation	-	-
	988	702
Current liabilities		
Trade and other payables	32,483	7,361
Amount owing to related parties	-	2,534
Hire purchase payables	285	118
Provision for taxation	29	1,243
Bills payables	-	1,873
Bank overdrafts	-	2,229
	32,797	15,358
Total liabilities	33,785	16,060
TOTAL EQUITY AND LIABILITIES	76,642	57,489
Net assets [NA] per share attributable to the equity holders of the parent (sen)	14.95	14.45

The above statement should be read in conjunction with the accompanying notes attached to this interim financial report as well as the Audited Financial Statements for the financial year ended 31 December 2006.

INS BIOSCIENCE BERHAD

(Company No: 623239 - V)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)

	Year Ended 31/12/2007 (Unaudited) RM'000	Year Ended 31/12/2006 (Audited) RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit/(loss) before taxation	1,233	(13,156)
Adjustments for:		
Allowance for doubtful debts	2,122	8,739
Allowance for doubtful debts recovered	(2,122)	-
Depreciation of property, plant and equipment	1,990	1,879
Equipment written off	-	89
Gain on disposal of property, plant and equipment	-	(91)
Unrealised loss on foreign exchange	-	148
Interest expense	271	421
Interest income	(265)	(214)
Government grant	(6)	-
Penalty on late payment of income tax	-	-
Operating profit before working capital changes	3,223	(2,185)
Changes in working capital:		
Net change in current assets	3,643	(1,938)
Net change in current liabilities	25,121	2,086
Cash generated from/(for) operations	31,987	(2,037)
Interest paid	(271)	(421)
Tax paid	(1,284)	(518)
Government grant	6	-
Net cash from/(for) operating activities	30,438	(2,976)
CASH FLOWS FOR INVESTING ACTIVITIES		
Effect of disposal of subsidiary companies	49	-
Development cost paid	(51)	(388)
Proceeds from disposal of property, plant and equipment	-	327
Purchase of property, plant and equipment	(1,765)	(2,085)
Purchase of other investment	-	(9)
Interest received	265	214
Net cash for investing activities	(1,502)	(1,941)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net drawdown of bills payable	(1,873)	429
Repayment to a related party	(320)	(3)
Additional of hire purchase obligations	607	-
Repayment of hire purchase obligations	(155)	(2,233)
Net cash for financing activities	(1,741)	(1,807)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	27,195	(6,724)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,906	15,630
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note 16)	36,101	8,906

The above statement should be read in conjunction with the accompanying notes attached to this interim financial report as well as the Audited Financial Statements for the financial year ended 31 December 2006.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements of INS Bioscience Berhad (“INSBIO”) and its subsidiaries (“the Group”) for the year ended 31 December 2006. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

A2. Change in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures

The new/revised FRS which has impact on the financial statements of the Group is as follows:

(a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the reclassification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A3. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

A4. Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current financial quarter under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A6. Material changes in estimates

There was no change in accounting estimates made that would materially affect the financial statements of the Group for the current financial quarter under review.

A7. Debts and equity securities

There was no issuance and repayment of debt and equity securities, shares buy back, share cancellation or shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividend paid

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

INS BIOSCIENCE BERHAD
 (Company No. 623239-V)
 (Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A9. Segment information

Segmental reporting for the financial year ended 31 December 2007.

	Manufacturing RM'000	Marketing and distribution of products RM'000	Others RM'000	Eliminations RM'000	Group RM'000
REVENUE					
External sales	5,493	83,573	-	-	89,066
Inter-segment sales	4,559	122	-	(4,681)	-
	10,052	83,695	-	(4,681)	89,066
RESULTS					
Segment results	2,303	1,221	(456)	509	3,577
Unallocated corporate expenses					(171)
Finance costs					(2,444)
Interest income					271
Profit before taxation					1,233
Taxation					195
Profit after taxation					1,428

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A9. Segment information (Cont'd)

	Manufacturing RM'000	Marketing and distribution of products RM'000	Others RM'000	Eliminations RM'000	Group RM'000
OTHER INFORMATION					
Segment assets	35,017	39,216	25,350	(23,471)	76,112
Unallocated corporate assets					530
Consolidated total assets					<u>76,642</u>
Segment liabilities	17,038	39,898	291	(23,471)	33,756
Unallocated corporate liabilities					29
Consolidated total liabilities					<u>33,785</u>
Capital expenditure	513	1,252	-	-	1,765
Depreciation	1,114	876	-	-	1,990
Non-cash expenses other than depreciation	-	-	-	-	-

A10. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment for the current financial quarter under review.

INS BIOSCIENCE BERHAD
 (Company No. 623239-V)
 (Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A11. Material events subsequent to the end of the quarter

There was no material event subsequent to the end of the current financial quarter under review.

A12. Changes in the composition of the Group

On 18 December 2007, Easy Pha-Max Marketing Sdn. Bhd (formerly known as INS Enterprise Sdn. Bhd.), one of the subsidiary of INSBIO disposed 49% of its shares of Easy Pha-Max International Sdn. Bhd. to a third party for cash consideration of RM 49,000.00.

A13. Changes in contingent assets and contingent liabilities

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

Contingent Liabilities	The Group 31.12.2007 RM'000	The Company 31.12.2007 RM'000
Corporate guarantees given to financial institutions for facilities granted to the subsidiaries, unsecured	-	4,103
Claim of commission by a former distributor, unsecured	3,700	-
	<u>3,700</u>	<u>4,103</u>

A former distributor has made a claim against a subsidiary, Easy Pha-max Marketing Sdn. Bhd. ("EPMSB") (formerly known as INS Enterprise Sdn. Bhd. ("INSE")), for a purported sum of approximately RM3.7 million being his alleged loss of commission for the period from July 1999 to December 2005, together with interest at 8% per annum on the sum of approximately RM3.7 million effective from January 2005; and a further loss of commission and bonus from January 2006 to the date of the writ summons to be assessed by the court; and interest together with general damages to be assessed and interest until full realisation.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A13. Changes in contingent assets and contingent liabilities (Cont'd)

EPMSB had filed application to strike out the Writ of Summons and Statement of Claim on 24 November 2006. The mention date fixed on 20 February 2008 has been postponed pending transferring file from S6-22-925-2005 to S5-22-445-2001 and the next date will be fixed and be informed by the Court later.

The next mention date for Case Management is fixed on 31 March 2008.

Based on legal opinion, the directors are of the view that the former distributor's suit has no basis and is unlikely to succeed. Accordingly, no provision has been made in the financial statements.

A14. Capital commitments

	As at 31.12.2007
	RM'000
Approved and contracted for:~	
- contract sum for construction of R & D centre	701
- club membership	27
	<hr/>
	728
Approved but not contracted for:~	
- acquisition of plant and machineries	163
	<hr/>
	891
	<hr/>

A15. Significant related party transactions

There were no significant related party transactions for the financial year ended 31 December 2007 other than those disclosed as follows:-

	RM'000
* Bio-Agro Products Sdn Bhd Office rental received	12
* IBG Manufacturing Sdn Bhd Office rental received	16
** INS Holdings Berhad Office rental paid	421
	<hr/>

INS BIOSCIENCE BERHAD
 (Company No. 623239-V)
 (Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

A15.	Significant related party transactions (Cont'd)
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- * Companies in which Datuk Yeat Sew Chuong and Wong Seng Tong are deemed to have interests and are directors.
- ** A company in which Datuk Yeat Sew Chuong, Wong Seng Tong, and Khoo Keat have interests in shares and are directors.

The directors are of the opinion that the above transactions have been entered into the normal course of business and have been established under terms that were mutually agreed between the parties.

The outstanding balances as at 31 December 2007 for related party transactions with the related parties in which certain Directors have significant financial interests are as below:

	RM'000
Amounts due from related parties	
* IBG Manufacturing Sdn. Bhd.	
- non trade	2
* Companies in which Datuk Yeat Sew Chuong and Wong Seng Tong are deemed to have interests and are directors.	2

The normal trade credit terms granted by/ (to) the related parties range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The non-trade balance is unsecured, interest-free and not subject to fixed terms of repayment.

A16. Cash and cash equivalents

	As at 31.12.2007
	RM'000
Fixed deposits with licensed banks	5,930
Cash and bank balances	30,171
	36,101

INS BIOSCIENCE BERHAD
 (Company No. 623239-V)
 (Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1. Review of performance

For the current financial quarter ended 31 December 2007, the Group recorded a total revenue and profit before taxation of RM 27.458 million and RM 0.460 million respectively.

	Oct – Dec'07	July – Sept'07	Apr – June'07	Jan – Mar'07
	(4th Q)	(3rd Q)	(2nd Q)	(1st Q)
	RM'000	RM'000	RM'000	RM'000
Revenue	27,458	32,865	20,937	7,806
Profit before tax ("PBT")	244	571	318	100
Profit after tax ("PAT")	460	550	365	53

B2. Variation of results against preceding quarter

For the current financial quarter ended 31 December 2007, the Group recorded a total revenue and PBT of RM 27.458 million and RM 0.460 million respectively compared to the revenue and PBT of RM 32.865 million and RM 0.571 million respectively in 3rd Q. The Group recorded lower revenue of approximately RM 5.407 million in the current quarter compared to 3rd Q, mainly due to the lower local sales in festive seasons. The lower of PBT for current quarter was mainly due to increase in selling and distribution expenses for continuing of brand name advertising activities.

B3. Prospects

The Group will continue to spearhead the developments in current domestic and international markets, and also continue to venture into new overseas markets. This will be done through the appointment of marketing agents and distributors in the international market to enable the Group's products to enter into the new markets rapidly. For local markets, the Group will continue with the new marketing plan, namely 'Easy Pha-max Center' to attract new members to join as distributors.

Few Products launched during the financial year ended 31 December 2006, such as 'Bio-Refine', 'Bio-Prolife', 'Procan' and the new products, namely 'Bio-Arth', 'Beautie Woman' and 'So Man' which were launched on 12 May 2007, 30 September 2007 and 30 December 2007 respectively were the major contributors of the Group's total revenue in current financial quarter ended 31 December 2007.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B3. Prospects (Cont'd)

In order to support the Group's aggressive development plan, the Group will continue to launch new products in the forthcoming quarter. The developments of the new product are expected to further contribute to the Group's total revenue in year 2008.

B4. Profit forecast and profit guarantee

The Group did not announce any profit forecast nor profit guarantee during the current financial quarter under review.

B5. Taxation

	3 months quarter ended 31.12.2007. RM'000	12 months (Cumulative) ended 31.12.2007. RM'000
Current period taxation	283	304
Over provision for taxation in prior years	(499)	(499)
	<u>(216)</u>	<u>(195)</u>

The effective tax rate for the periods presented above is lower than the statutory tax rate principally due to unabsorbed tax losses and capital allowances brought forward.

B6. Disposal of and unquoted investments and properties

There were no disposals of unquoted investments and/or properties of the Group during the current financial quarter under review.

B7. Quoted securities

There were no acquisitions or disposals of quoted and marketable securities during the current financial quarter under review.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B8. Status of corporate proposals

There are no corporate proposals announced and not completed as at 22 February 2008 (being a date not earlier than seven days before the date of this announcement). The Company's entire issued and paid up capital of 286,680,020 ordinary shares of RM0.10 each were listed and quoted on 26 July 2005 on the Mesdaq market of Bursa Malaysia Securities Berhad. The proceeds from the Public Issue were received after the Company's listing. As at 22 February 2008, the status of utilisation of the proceeds from the Public Issue is as follows:-

		Proceeds from IPO RM'000	Revision as approved by the Securities Commission (b) RM'000	Actual utilisation as at 22.02.2008 RM'000	Intended timeframe for utilisation	Balance unutilise RM'000	% of unutilised
1	R&D Centre and Manufacturing Plant	18,000	12,000	9,954	July-09	2,046	17.05%
2	R&D Expenditure	4,000	4,000	918	July-09	3,082	77.05%
3	Working Capital	1,088	5,088	5,088	Jan-08	-	-
4	Estimated Listing Expenses	2,000	2,000	2,000		-	-
5	Repayment of hire purchase facilities	-	2,000	2,000		-	-
		<u>25,088</u>	<u>25,088</u>	<u>19,960</u>		<u>5,128</u>	<u>20.44%</u>

Notes:-

- (a) The listing expenses were under-estimated by approximately RM183,000 and the shortfall was credited from working capital.
- (b) On 16 January 2006, the Securities Commission had approved the reallocation of RM6 million from the unutilised proceeds for research and development ("R&D") centre and manufacturing plant to working capital (RM4 million) and repayment of hire purchase facilities (RM2 million) respectively.
- (c) On 9 January 2008, the Securities Commission had approved the extension of intended timeframe for utilisation of IPO funds from 25 January 2008 to 25 July 2009.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B9. Group's borrowings and debt securities

Details of Group's bank borrowings as at 31 December 2007 which are denominated in Ringgit Malaysia were as follows :-

	As at 31.12.2007 RM'000
Short term borrowings:	
Secured	
- Hire purchase payables	285
Long term borrowings:	
Secured	
- Hire purchase payables	988
Total borrowings	1,273

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at the date of this announcement.

B11. Material litigations

There were no other material litigations since the last financial year ended 31 December 2006 except the followings:-

- (i) Legal proceedings commenced by Ling Lit Yain ("Ling") against Easy Pha-Max Marketing Sdn Bhd ("EPMSB") (formerly known as INS Enterprise Sdn. Bhd. ("INSE")), a wholly owned subsidiary of INSBIO

On 3 January 2006, EPMSB was served with a Writ of Summons and Statement of Claim dated 28 December 2005 by Ling bearing the Civil Suit No. S6-22-925-2005.

Ling filed a claim against EPMSB for a purported sum of RM3,719,591.98 being his alleged loss of commission for the period of July 1999 to 31 December 2004, interest at 8% on the sum of RM3,719,591.98 effective from 1st January 2005; further loss of commission and bonus from 1st January 2005 to the date of the writ of summons to be assessed by court, and interest together with general damages to be assessed and interest until full realization.

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B11. Material litigations (cont'd)

EPMSB had filed application to strike out the Writ of Summons and Statement of Claim on 24 November 2006. The mention date fixed on 20 February 2008 has been postponed pending transferring file from S6-22-925-2005 to S5-22-445-2001 and the next date will be fixed and be informed by the Court later.

The next mention date for Case Management is fixed on 31 March 2008.

(ii) Statement of Claim against Hon Kwee Chian

On 16 January 2006, EPMSB had filed Writ of Summons and Statement of Claim against Hon Kwee Chian in the Kuala Lumpur High Court bearing Civil Suit No. S2-23-8-2006. Mr. Hon Kwee Chian was a distributor of EPMSB. The Statement of Claim filed against Mr. Hon Kwee Chian are for defamation as a result of the publication of several defamatory statements in connection with EPMSB and EPMSB's way of trade and business carried on by EPMSB at the time of publications to disparage EPMSB's reputation.

On 3 August 2007, the Court had awarded EPMSB the sum of RM50,000 as damages to EPMSB with interest rate of 8% per annum from 3 August 2007 until the date of full realization. A copy of the certified true copy of the sealed Penghakiman dated 3 August 2007 was served on 10 October 2007.

(iii) Statement of claim commenced by EPMSB against Yigaho Corporation Sdn Bhd ("Yigaho")

The Company had filed a Writ of Summons and Statement of Claim against Yigaho in the Kuala Lumpur High Court bearing Civil Suit No. S3-23-1-2006.

EPMSB is seeking, amongst others, damages for libel, aggravated and exemplary damages, an injunction restraining Yigaho from further publishing any publications containing the above statements or any similar words defamatory to EPMSB, interest and costs.

The Mention date was heard on 10 January 2008 and Case Management has been fixed on 27 March 2008 pending preparing documentation for trial.

(iv) Legal proceedings commenced by Lim Soon Hooi ("LSH") against EPMSB and The Origin Foods Sdn Bhd ("TOF"), wholly-owned subsidiaries of INS BIO.

On 14 June 2006, EPMSB and TOF were served with a Writ of Summons and Statement of Claim dated 9 March 2006 by LSH in the Kuala Lumpur High Court bearing Civil Suit No. S2-22-198-2006.

LSH filed a claim against EPMSB and TOF (collectively referred to as "Defendants") for a sum of RM277,960.00 being total royalty payable to LSH as at 31 December 2004, interest on the sum of RM277,960.00 at a rate which the Court think fit and proper from 1 January

INS BIOSCIENCE BERHAD
(Company No. 623239-V)
(Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B11. Material litigations (cont'd)

2005 until the date of judgement and interest at 8% per annum on the sum of RM277,960.00 from the date of judgment till the date of full realisation.

The hearing date and Case Management were fixed on 30 January 2008 and the continuation of the hearing date has been fixed on 1 April 2008.

(v) Statement of claim against Lim Chiew Yin ("LCY") and Yigaho Corporation Sdn Bhd

EPMSB had filed a Writ of Summons and Statement of Claim against LCY and Yigaho in the Kuala Lumpur High Court bearing Civil Suit No. S5-23-62-2006 for having published or caused to be published the defamatory statement against EPMSB on page 71 of the 10th Edition (September 2005 issue) of the Global Business Magazine, which at all material time was a popular business magazine widely read by the Malaysian direct sales circles, under the sub-title "Yigaho Group".

EPMSB is seeking, amongst others, general damages, aggravated and exemplary damages, an injunction restraining LCY, Yigaho and/or their servant from repeating the above statement, or any part thereof, interest and cost and such other relief which the Court may deem fit and proper to grant.

The hearing date for the Case Management has been fixed on 6 May 2008 pending preparing documentation for trial.

(vi) Statement of claim against GB Explorer Sdn Bhd, Tan Yew Tee and Tan Yew Lim

EPMSB had filed and served sealed Writ of Summons and Statement of Claim against GB Explorer Sdn Bhd, Tan Yew Tee and Tan Yew Lim (Collectively "The Defendants") in the Kuala Lumpur High Court bearing Civil Suit No. S7-23-82-2006 on 7 February 2007 for libel/innuendo contained in 2 separate articles having been published and/or caused to be published by the Defendants in a local Chinese Language Magazine, namely the Global Business Magazine on page 134, paragraph 2 of "The (2005) GBM Direct Sales Special Edition" (and in The GBM Website) and on page 71 of "The 10th Edition (September 2005 issue) of the GBM", which at all material time was a popular business magazine widely read by the Malaysian direct sales circles, under the sub-title "Yigaho Group".

EPMSB is seeking, amongst others, general damages, aggravated and exemplary damages, interest and cost and such other relief which the Court may deem fit and proper to grant.

The hearing of Case Management and settlement has been fixed on 16 April 2008.

INS BIOSCIENCE BERHAD
 (Company No. 623239-V)
 (Incorporated in Malaysia)

Notes to the Quarterly Report – 31 December 2007

B12. Dividends

The Board of Directors does not recommend any interim dividends in respect of the current financial quarter under review.

B13. Earnings per share

	Individual Quarter Current Quarter Ended 31.12.2007.	Cumulative Quarter Current Year To- date 31.12.2007.
(a) Basis Earnings per share		
Net profit after tax (RM'000)	460	1,428
Weighted average number of ordinary shares ('000)	286,680	286,680
Earning per shares (sen)	<u>0.16</u>	<u>0.50</u>
(b) Fully diluted earnings per share	<u>N/A</u>	<u>N/A</u>

B14. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 February 2008.

By Order of the Board,
 Yeap Kok Leong (MAICSA NO: 0862549)
 Company Secretary
 Kuala Lumpur
 Date: 29 February 2008