

INS BIOSCIENCE BERHAD

(Company No: 623239 - V)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2007 RM'000	CURRENT YEAR TO DATE 31.03.2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2007 RM'000
Revenue	21,297	7,806	21,297	7,806
Cost of sales	(12,110)	(4,839)	(12,110)	(4,839)
Gross profit	9,187	2,967	9,187	2,967
Other operating income	3,593	61	3,593	61
Selling and distribution expenses	(5,055)	(576)	(5,055)	(576)
Administrative expenses	(2,898)	(1,397)	(2,898)	(1,397)
Other operating expenses	(3,691)	(854)	(3,691)	(854)
Finance costs	(14)	(101)	(14)	(101)
Profit before taxation	1,122	100	1,122	100
Taxation	(70)	(47)	(70)	(47)
Profit after taxation	1,052	53	1,052	53
Attributable to :				
- equity holders of the parent	1,077	53	1,077	53
- minority interest	(25)	-	(25)	-
	1,052	53	1,052	53
Earnings Per Share attributable to equity holders of the parent (Sen)				
(a) Basic	0.38	0.02	0.38	0.02
(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 2007.

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(Company No: 623239 - V)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.03.2008 RM'000	(AUDITED) AS AT 31.12.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,529	15,312
Prepaid lease payment	45	45
Development expenditure	-	-
Other investment	63	63
Goodwill on consolidation	3,644	3,644
	<u>25,281</u>	<u>19,064</u>
Current assets		
Inventories	7,957	6,936
Trade and other receivables	20,634	14,804
Tax refundable	431	477
Fixed deposits with licensed banks	11,778	14,796
Cash and bank balances	10,528	20,117
	<u>51,328</u>	<u>57,130</u>
TOTAL ASSETS	<u>76,609</u>	<u>76,194</u>
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	(446)	(1,523)
	<u>44,007</u>	<u>42,930</u>
Minority Interest	20	45
Total equity	<u>44,027</u>	<u>42,975</u>
Non-current liabilities		
Hire purchase payables	998	1,047
Deferred taxation	-	-
	<u>998</u>	<u>1,047</u>
Current liabilities		
Trade and other payables	31,057	31,624
Hire purchase payables	227	226
Provision for taxation	300	322
Bills payables	-	-
Bank overdrafts	-	-
	<u>31,584</u>	<u>32,172</u>
Total liabilities	<u>32,582</u>	<u>33,219</u>
TOTAL EQUITY AND LIABILITIES	<u>76,609</u>	<u>76,194</u>
Net assets [NA] per share		
attributable to the equity holders of the parent (sen)	15.35	14.97

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 2007.

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008 (UNAUDITED)

	Number of shares		Issued and fully paid ordinary shares of RM0.10 each	Non- Distributable Share Premium	Distributable - Retained Profit / Accumulated Loss	Shareholders' Equity	Minority Interests	Total
	'000	Nominal value RM'000						
At 1 January 2007 (Nominal value at RM0.10 per share)	286,680	28,668	28,668	15,785	(3,024)	41,429	-	41,429
Disposal of interest in a subsidiary	-	-	-	-	3	3	46	49
Net profit for the year	-	-	-	-	1,498	1,498	-1	1,497
At 31 December 2007 (Nominal value at RM0.10 per share)	286,680	28,668	28,668	15,785	(1,523)	42,930	45	42,975
Net profit for the period ended 31 March 2008	-	-	-	-	1,077	1,077	(25)	1,052
At 31 March 2008 (Nominal value at RM0.10 per share)	286,680	28,668	28,668	15,785	(446)	44,007	20	44,027

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 2007.

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(Company No: 623239 - V)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008 (UNAUDITED)

	3 months ended 31.03.2008 RM'000	3 months ended 31.03.2007 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	1,122	100
Adjustments for:		
Allowance for doubtful debts	3,384	522
Depreciation of property, plant and equipment	540	475
Gain on disposal of property, plant and equipment	-	(1)
Writeback of allowance for doubtful debts	(3,409)	-
Interest expense	14	101
Interest income	(124)	(60)
Operating profit before working capital changes	<u>1,527</u>	<u>1,137</u>
Changes in working capital:		
Net change in current assets	(6,827)	1,626
Net change in current liabilities	(567)	(4,391)
Cash for operations	<u>(5,867)</u>	<u>(1,628)</u>
Interest paid	(14)	(101)
Tax paid	(46)	(188)
Net cash for operating activities	<u>(5,927)</u>	<u>(1,917)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Development cost paid	-	(20)
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(6,757)	(131)
Interest received	124	60
Net cash for investing activities	<u>(6,633)</u>	<u>(90)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Net drawdown of bills payable	-	659
Repayment of hire purchase obligations	(47)	(29)
Net cash for financing activities	<u>(47)</u>	<u>630</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,607)	(1,377)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	34,913	8,906
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A16)	<u>22,306</u>	<u>7,529</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 2007.

Notes to the Quarterly Report – 31 March 2008

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 2007. 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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The above FRSs align the MASB’s FRSs with the equivalent International Accounting Standards (“IASs”), both in terms of form and content. The adoption of these standards will only impact the form and content of disclosures presented in the financial statements.

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.

Notes to the Quarterly Report – 31 March 2008

A3. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2007 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.

Notes to the Quarterly Report – 31 March 2008

A9. Segment information

Segmental reporting for the financial period ended 31 March 2008.

	Manufacturing RM'000	Marketing and distribution of products RM'000	Others RM'000	Eliminations RM'000	Group RM'000
REVENUE					
External sales	1,355	19,942	-	-	21,297
Inter-segment sales	5,085	-	-	(5,085)	-
	6,440	19,942	-	(5,085)	21,297
RESULTS					
Segment results	1,160	(210)	(129)	191	1,012
Unallocated corporate expenses					-
Finance costs					(14)
Interest income					124
Profit before taxation					1,122
Taxation					(70)
Profit after taxation					1,052

Notes to the Quarterly Report – 31 March 2008

A9. Segment information (Cont'd)

	Manufacturing	Marketing and distribution of products	Others	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
OTHER INFORMATION					
Segment assets	36,963	34,378	25,385	(20,548)	76,178
Unallocated corporate assets					431
Consolidated total assets					<u>76,609</u>
Segment liabilities	19,078	30,283	3,469	(20,548)	32,282
Unallocated corporate liabilities					300
Consolidated total liabilities					<u>32,582</u>
Capital expenditure	625	6,132	-	-	6,757
Depreciation	301	239	-	-	540
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.

Notes to the Quarterly Report – 31 March 2008

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

There were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long terms investments, restructuring and discontinuing operations for the current financial quarter under review.

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 31.03.2008 RM'000	The Company 31.03.2008 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 (a)	3,700	-
Claim of royalty by a former director (b)	278	-
	<u>3,978</u>	<u>4,103</u>

- (a) 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.

Notes to the Quarterly Report – 31 March 2008

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

The subsidiary, EPMSB had, on 24 November 2006, filed an application to strike out the writ of summons and the statement of claim made by the former distributor.

EPMSB had filed an 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 mention date for the Case Management is fixed on 2 July 2008. The application to strike out the Plaintiff's case is fixed on 12 June 2008.

- (b) On 14 June 2006, two subsidiaries EPMSB and TOF were served with a Writ of Summons and Statement of Claim dated 9 March 2006 by a former director of TOF in the Kuala Lumpur High Court.

The former director filed a claim against EPMSB and TOF (collectively referred to as "Defendants") for a sum of RM277,960 being total royalty alleged to be payable to him as at 31 December 2004, interest on sum of RM277,960 at a rate which the Court think fit and proper from 1 January 2005 until the date of judgement till the date of full realization.

The hearing date for the Case Management has been fixed on 5 August 2008.

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

A14. Capital commitments

	As at 31.03.2008
	RM'000
Approved and contracted for:~	
- contract sum for construction of R&D centre in College of Food Science & Nutritional Engineering, China Agriculture University, Beijing	701
- club membership	27
	<hr/>
	728
	<hr/>

Notes to the Quarterly Report – 31 March 2008

A15. Significant related party transactions

There were no significant related party transactions for the financial period ended 31 March 2008 other than those disclosed as follows:-

	RM'000
* Bio-Agro Products Sdn Bhd Office rental received	4
* IBG Manufacturing Sdn Bhd Office rental received	4
** INS Holdings Berhad Office rental paid	<u>104</u>
* A company in which Datuk Yeat Sew Chuong, Wong Seng Tong and Khoo Keat are deemed to have interest, and Datuk Yeat Sew Chuong and Wong Seng Tong are directors.	
** A company in which Datuk Yeat Sew Chuong, Wong Seng Tong, and Khoo Keat are shareholders and 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 March 2008 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	<u>7</u>
* A company in which Datuk Yeat Sew Chuong, Wong Seng Tong and Khoo Keat are deemed to have interest, and Datuk Yeat Sew Chuong and Wong Seng Tong are directors.	

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 31.03.2008 RM'000
Fixed deposits with licensed banks	11,778
Cash and bank balances	<u>10,528</u>
	<u>22,306</u>

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 March 2008, the Group recorded a total revenue and profit before taxation of RM21.297 million and RM1.122 million respectively.

	Jan – Mar'08	Oct – Dec'07	Increase/ (Decrease)	
	(1 st Q) (Unaudited)	(4 th Q) (Audited)		
	RM'000	RM'000	RM'000	%
Revenue	21,297	29,454	(8,157)	(28)%
Profit before tax ("PBT")	1,122	659	463	70%
Profit after tax ("PAT")	1,052	529	523	99%

B2. Variation of results against preceding quarter

For the current financial quarter ended 31 March 2008, the Group recorded a total revenue and PBT of RM21.297 million and RM1.122 million respectively, compared to the revenue and PBT of RM29.454 million and RM0.659 million respectively as stated in the previous financial quarter ended 31 December 2007. The Group recorded a decrease in revenue of approximately RM8.157 million in the current quarter compared to previous quarter, mainly attributable to the lower local sales due to festive seasons for the current quarter. The higher PBT for current quarter was mainly due to lower selling and distribution expenses for advertising activities as compared to previous financial quarter ended 31 December 2007.

B3. Prospects

The Group will continue to spearhead the developments in the 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.

Products namely 'Bio-Arth', 'Beautie Woman' and 'So Man' 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 the current financial quarter ended 31 March 2008. Barring any unforeseen circumstances, these products are expected to contribute positively to the Group's revenue for the remaining financial period.

In order to support the Group's development plan, the Group will continue to launch new products in the forthcoming quarter and these products are expected to further contribute to the Group's total revenue in year 2008. The prospects of the Group are also dependent on the progress of market penetration of the Group's products.

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 31.03.2008 RM'000	3 months (Cumulative) ended 31.03.2008 RM'000
Current period taxation	<u>70</u>	<u>70</u>

The effective tax rate for current financial year presented above is lower than the statutory tax rate principally due to utilization of unabsorbed tax losses 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.

B8. Status of corporate proposals

There are no corporate proposals announced and not completed as at 21 May 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 21 May 2008, the status of utilisation of the proceeds from the Public Issue are as follows:-

			Proceeds from IPO RM'000	Revision as approved by the Securities Commission (b) RM'000	Actual utilisation as at 21.05.2008 RM'000	Intended timeframe for utilisation	Balance unutilised RM'000	% unutilised
1	R&D Centre and Manufacturing Plant		18,000	12,000	10,360	July-09	1,640	13.67%
2	R&D Expenditure		4,000	4,000	926	July-09	3,074	76.85%
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>20,374</u>		<u>4,714</u>	<u>18.79%</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.

Notes to the Quarterly Report – 31 March 2008

B9. Group's borrowings and debt securities

Details of Group's bank borrowings as at 31 March 2008 which are denominated in Ringgit Malaysia were as follows :-

	As at 31.03.2008
	RM'000
Short term borrowings:	
Secured	
- Hire purchase payables	227
Long term borrowings:	
Secured	
- Hire purchase payables	998
Total borrowings	<u>1,225</u>

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 2007 except for the following:-

- (i) Legal proceedings commenced by Ling Lit Yain ("Ling") against Easy Pha-Max Marketing Sdn Bhd (formerly known as INS Enterprise Sdn. Bhd.) ("EPMSB"), 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 1 January 2005; further loss of commission and bonus from 1 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 realisation.

EPMSB had filed an 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 mention date for the Case Management is fixed on 2 July 2008. The application to strike out the Plaintiff's case is fixed on 12 June 2008.

Notes to the Quarterly Report – 31 March 2008

B11. Material litigations (Cont'd)

(ii) Statement of Claim commenced by EPMSB against Hon Kwee Chian

On 16 January 2006, EPMSB had filed a 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")

EPMSB had on 4 January 2006 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 hearing date for the Case Management has been fixed on 7 August 2008.

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

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 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 for the Case Management has been fixed on 5 August 2008.

B11. Material litigations (Cont'd)

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

EPMSB had on 15 June 2006 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 4 July 2008.

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

EPMSB had on 7 February 2007 filed a 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 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 mention date for the case has been fixed on 20 August 2008.

B12. Dividends

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

B13. Earnings per share

	Individual Quarter Current Quarter Ended 31.03.2008	Cumulative Quarter Current Year To- date 31.03.2008
(a) Basis earnings per share attributable to equity holders of the parent		
Net profit after tax attributable to equity holders of the parent (RM'000)	1,077	1,077
Weighted average number of ordinary shares ('000)	286,680	286,680
Earnings per share (sen)	<u>0.38</u>	<u>0.38</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 23 May 2008.

By Order of the Board,
 Yeap Kok Leong (MAICSA NO: 0862549)
 Company Secretary
 Kuala Lumpur
 Date: 23 May 2008.