

Notes to the Quarterly Report – 31 March 2009

**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.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2007. The Group adopts the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 111	Construction Contracts
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 reclassification of financial statements of the Group is as follows:

**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.

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**A1. Basis of preparation (Cont'd)**

**Change of Financial Year End**

On 21 November 2008, the Company announced that the Board of Directors of the Company has approved the change of year end from 31 December to 31 March. Thus, the statutory financial statements will be made up from 1 January 2008 to 31 March 2009 covering a period of 15 months. This interim financial report covers the period from 1 January to 31 March 2009 which is an additional quarter of reporting arising from the change in year end to 31 March 2009.

**A2. Auditors' report of preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

**A3. Seasonal or cyclical factors**

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

**A4. 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.

**A5. 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.

**A6. Debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2009, except for:-

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**A6. Debts and equity securities (Cont'd)**

The shareholders of INSB had given their approval for INSB to buy-back its own shares at the Extraordinary General Meeting ("EGM") held on 18 September 2008. During the current quarter ended 31 March 2009, INSB bought back from the open market, 456,400 ordinary shares of RM0.10 each ("INSB Shares") listed and quoted on the MESDAQ Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.176 per share. The total consideration paid for the share buy-back of INSB Shares by INSB during the financial period ended 31 March 2009, excluding transaction costs, was RM109,836 and was financed by internally generated funds. The INSB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 31 March 2009, the total shares bought back, all of which are held as treasury shares, amounted to 0.16% of INSB Shares. None of the treasury shares held were resold or cancelled during the financial period ended 31 March 2009.

**A7. Dividend paid**

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

**A8. Segment information**

Segmental reporting for the financial period ended 31 March 2009.

	<b>Manufacturing RM'000</b>	<b>Marketing and distribution of products RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Group RM'000</b>
<b>REVENUE</b>					
External sales	10,391	64,913	-	-	75,304
Inter-segment sales	15,889	6,410	50	(22,349)	-
	<u>26,280</u>	<u>71,323</u>	<u>50</u>	<u>(22,349)</u>	<u>75,304</u>
<b>RESULTS</b>					
Segment results	819	(9,653)	(1,435)	168	(10,101)
Unallocated corporate expenses					(176)
Finance costs					(184)
Interest income					360
Profit before taxation					<u>(10,101)</u>
Taxation					(333)
Profit after taxation					<u>(10,434)</u>

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**A8. Segment information (Cont'd)**

	<b>Manufacturing RM'000</b>	<b>Marketing and distribution of products RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Group RM'000</b>
<b>OTHER INFORMATION</b>					
<b>Segment assets</b>	31,643	29,538	20,679	(23,397)	58,463
Unallocated corporate assets					411
<b>Consolidated total assets</b>					<u>58,874</u>
<b>Segment liabilities</b>	18,290	30,353	877	(23,397)	26,123
Unallocated corporate liabilities					320
<b>Consolidated total liabilities</b>					<u>26,443</u>
Capital expenditure					9,764
Depreciation					2,792
Non-cash expenses other than depreciation					<u>11,928</u>

**A9. Valuation of property, plant and equipment**

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

**A10. 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.

**A11. 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 term investments, restructuring and discontinuing operations for the current financial quarter under review.

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**A12. Changes in contingent assets and contingent liabilities**

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

<b>Contingent Liabilities</b>	<b>The Group 31.3.2009 RM'000</b>	<b>The Company 31.3.2009 RM'000</b>
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”), 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 2005 to the date of the writ of summons to be assessed by the court, as well as 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. On 6 September 2007, the judge has ordered to consolidate this case with another case bearing Civil Suit no. S5-22-445-2001 (“2001 Case”). Consequently, all the file would be transferred to the 2001 Case. As EPMSB has applied to strike out the Writ and Statement of Claims for both cases, the court has fixed a hearing date on 24 April 2009 for the striking out application of the 2001 Case.

Meanwhile, the solicitors of the Plaintiff had filed an application for discharge from acting as solicitors to the Plaintiff and such application was approved on the hearing date held on 3 March 2009.

Subsequent to the hearing date on 24 April 2009, the Court had on 28 April 2009 struck out the Writ & Statement of Claim for both cases with costs. Hence, there is no more action from the Plaintiff against the Company.

EPMSB’s solicitors had filed in the Draft Order and is waiting for the approval from the Court. EPMSB have instructed the solicitors to claim cost from the Plaintiff.

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**A12. Changes in contingent assets and contingent liabilities (Cont'd)**

- (a) On 14 June 2006, two subsidiaries, namely EPMSB and The Origins Food Sdn Bhd ("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 judgment and 8% per annum on the sum of RM277,960 from the date of judgment until the date of full realisation.

The case management has been postponed to 13 July 2009.

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

**A13. Capital commitments**

	<b>As at 31.3.2009</b>
	<b>RM'000</b>
Approved and contracted for:~	
- contract sum for construction of research and development ("R&D") centre in College of Food Science & Nutritional Engineering, China Agriculture University, Beijing	701
- club membership	27
	<hr/>
	728
	<hr/>

**A14. Significant related party transactions**

There were no significant related party transactions for the financial period ended 31 March 2009 other than those disclosed below:-

	<b>RM'000</b>
* Bio-Agro Products Sdn Bhd Office rental received	9
** IBG Manufacturing Sdn Bhd Office rental received	9
*** INS Holdings Berhad Office rental paid	510
	<hr/>

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**A14. Significant related party transactions (Cont'd)**

- \* A company in which Wong Seng Tong is a director.
- \*\* A company in which Datuk Yeat Sew Chuong and Wong Seng Tong are directors, and Datuk Yeat Sew Chuong is deemed to have interest.
- \*\*\* 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 2009 for related party transactions with the related parties in which certain Directors have significant financial interests are as below:

	<b>RM'000</b>
<b>Amounts due from related parties</b>	
* IBG Manufacturing Sdn. Bhd.	
- non trade	71
	71
<b>Amounts due to related parties</b>	
* IBG Manufacturing Sdn. Bhd.	
- non trade	17
	17
* A company in which Datuk Yeat Sew Chuong and Wong Seng Tong are directors, and Datuk Yeat Sew Chuong is deemed to have interest.	

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.

**A15. Cash and cash equivalents**

	<b>As at 31.3.2009 RM'000</b>
Fixed deposits with licensed banks	5,297
Cash and bank balances	3,169
Bank overdraft	(3,462)
	5,004

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

**B1. Review of performance**

The Group's total revenue for the quarter under review decreased by 77% to RM4.860 million as compared to RM21.297 million in the corresponding period of the preceding year. The Group's loss before tax was RM11.030 million as compared to the RM1.122 million profit before tax reported in the corresponding period of the previous year. The lower revenue for the current quarter was mainly due to the fall in demand for the slimming series product in the local market as there was stiff competition for this product series. The loss before tax was further compounded by the additional of allowance for doubtful debts, advertisement and promotional expenses, and administrative expenses such as web-site improvement.

The Group generated revenue of RM75.304 million and a loss before tax of RM10.101 million for the 15 months' ended 31 March 2009, as compared to revenue of RM112.358 million and profit before tax of RM2.769 million in the 15 months' ended 31 March 2008. The drop in the performance were mainly due to the lower sales generated from the local market since the second half of year 2008 as a result of stiff competition in the consumer market for the slimming series product and the slower consumer spending in the country due to, amongst others, the fuel hike, high electricity tariffs and other inflationary pressures.

**B2. Variation of results against preceding quarter**

	<b>Jan'09 – Mar'09</b>	<b>Oct'08 – Dec'08</b>
	<b>(5<sup>th</sup> Q)</b>	<b>(4<sup>th</sup> Q)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	4,860	10,243
(Loss) / Profit before tax ("LBT/PBT")	(11,030)	(1,312)
(Loss) / Profit after tax ("LAT/PAT")	(11,040)	(1,406)

For the current financial quarter ended 31 March 2009, the Group recorded a total revenue and LBT of RM4.860 million and RM11.030 million respectively, as compared to the revenue and LBT of RM10.243 million and RM1.312 million respectively as stated in the preceding financial quarter ended 31 Dec 2008. The loss before tax was further compounded by the additional of allowance for doubtful debts, advertisement and promotional expenses, and administrative expenses such as web-site improvement.

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### **B3. Prospects**

The Group will continue to increase awareness on the Group's brands as well as to promote natural herbal products by continuing the "Strategic Alliance Partner" ("SAP") business program, which has approximately 70 SAPs as at to-date. In view of the current consumer spending pattern, the Group plans to implement new marketing strategies to complement the SAP business program in order to stimulate the consumer market. The Group will open additional new physical outlets, namely "Easy Mall" by the end of year 2009, which will complement the Group's existing e-commerce retailing network services and is expected to increase the Group's revenue. "Easy Mall" serves as a service centre and product selling and redemption center which enable end users to purchase products and services easily.

In order to support the Group's development plans, the Group has launched new products, namely "Amberly Corset", "Pulse Health Care System" and "La Vie B series", which are the Group's healthy lifestyle series and beauty related series products. Barring unforeseen circumstances, these products are expected to further contribute to the Group's total revenue in the future. The prospects of the Group are also dependent on the progress of the market penetration of the Group's products.

### **B4. Profit forecast and profit guarantee**

The Group did not announce or disclose any profit forecast or profit guarantee during the current financial quarter under review.

### **B5. Taxation**

	<b>3 months quarter ended 31.3.2009 RM'000</b>	<b>15 months (Cumulative) ended 31.3.2009 RM'000</b>
Current period taxation	<u>10</u>	<u>333</u>

The effective tax rate for the current financial period presented above were higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes.

### **B6. Disposal of unquoted investments and/or properties**

There were no disposals of unquoted investments and/or properties of the Group during the current financial quarter and financial year to date.

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**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 and utilization of proceed from Initial Public Offering**

There were no corporate proposals announced but not completed as at 22 May 2009 (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 May 2009 (being a date not earlier than seven days before the date of this announcement), the status of utilisation of the proceeds from the Public Issue is as follows:-

			Proposed Utilisation	Revision as approved by the Securities Commission (a)	Actual utilisation as at 22.05.2009	Intended timeframe for utilization (b)	Balance unutilised	% unutilised
			RM'000	RM'000	RM'000		RM'000	
1	R&D Centre and Manufacturing Plant		18,000	12,000	11,275	July-09	725	6.04
2	R&D Expenditure		4,000	4,000	926	July-09	3,074	76.85
3	Working Capital		1,088	5,088	5,088		-	-
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>21,289</u>		<u>3,799</u>	<u>15.14</u>

Notes:-

- (a) 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.
- (b) 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.

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### **B9. Group's borrowings and debt securities**

Details of Group's bank borrowings as at 31 March 2009 which are denominated in Ringgit Malaysia are as follows :-

	<b>As at 31.3.2009 RM'000</b>
Short term borrowings:	
Secured	
- Hire purchase payables	245
- Bills payables	1,486
-Term loan	304
	<hr/> 2,035 <hr/>
Long term borrowings:	
Secured	
- Hire purchase payables	684
-Term loan	2,696
	<hr/> 3,380 <hr/>
Total borrowings	<hr/> <hr/> 5,415 <hr/> <hr/>

### **B10. Off balance sheet financial instruments**

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

### **B11. Material litigations**

Save as disclosed below, there were no other material litigations since the last financial year ended 31 December 2007:-

- (i) Legal proceedings commenced by Ling Lit Yain (“Ling”) against Easy Pha-Max Marketing 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 from July 1999 to 31 December 2005, together with interest at 8% per annum on the sum of RM3,719,591.98 effective from 1 January 2005; and a further loss of commission and bonus from 1 January 2005 to the date of the writ of summons to be assessed by court, as well as interest together with general damages to be assessed and interest until full realisation.

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**B11. Material litigations (Cont'd)**

(i) Legal proceedings commenced by Ling Lit Yain (“Ling”) against Easy Pha-Max Marketing Sdn Bhd (“EPMSB”), a wholly owned subsidiary of INSBIO (Cont'd)

EPMSB had filed an application to strike out the Writ of Summons and Statement of Claim on 24 November 2006. On 6 September 2007, the judge has ordered to consolidate this case with another case bearing Civil Suit no. S5-22-445-2001 (“2001 Case”). Consequently, all the file would be transferred to 2001 Case. As EPMSB has applied to strike out the Writ and Statement of Claims for both cases, the court has fixed a hearing date on 24 April 2009 for the striking out application of the 2001 Case.

Meanwhile, the solicitors of the Plaintiff had filed an application for discharge from acting as solicitors to the Plaintiff and such application was approved on the hearing date held on 3 March 2009.

Subsequent to the hearing date on 24 April 2009, the Court had on 28 April 2009 struck out the Writ & Statement of Claim for both cases with costs. Hence, there is no more action from the Plaintiff against the Company.

EPMSB’s solicitors had filed in the Draft Order and is waiting for the approval from the Court. EPMSB have instructed the solicitors to claim cost from the Plaintiff.

(ii) Legal proceedings 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 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 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.

EPMSB is currently seeking advice from its solicitor on other options for recovery of the aforesaid awarded sum.

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**B11. Material litigations (Cont'd)**

(iii) Legal proceedings 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, interest and costs and an injunction restraining Yigaho from further publishing any publications containing the above statements or any similar words defamatory to EPMSB.

The case management has been postponed to 26 August 2009.

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

The case management has been postponed to 13 July 2009.

(v) Legal proceedings 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.

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**B11. Material litigations (Cont'd)**

- (v) Legal proceedings commenced by EPMSB against Lim Chiew Yin ("LCY") and Yigaho Corporation Sdn Bhd ("Yigaho") (Cont'd)

The case has been fixed for Case Management on 7 September 2009.

- (vi) Legal Proceedings 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 referred to as the "Defendants") in the Kuala Lumpur High Court bearing Civil Suit No. S7-23-82-2006 for libel 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 which at all material time was a popular business magazine widely read by the Malaysian direct sales circles 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".

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.

Amicable settlement between the parties was successful. Withdrawal of the Suit before the Judge on the mentioned date of 25 February 2009 with no order as to cost on either party. Each party to bear their own cost.

EPMSB's solicitors had on 26 February 2009 filed a "Notis Pemberhentian" dated 24 February 2009. Accordingly, this case is now closed.

- (vii) Legal proceedings commenced by Lee Pak Choong and 82 other Plaintiffs against EPMSB, INSBIO and 6 (six) other Defendants

EPMSB was served with the Writ of Summons and Statement of Claim of Lee Pak Choong and 82 other Plaintiffs (collectively referred to as the "Plaintiffs") dated 11 March 2009 for the alleged breach of agreement and fraudulent misrepresentation on 23 March 2009, while INSBIO only received service at its registered office address on 27 March 2009 bearing Civil Suit No. D-22-446-2009.

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**B11. Material litigations (Cont'd)**

(vii) Legal proceedings commenced by Lee Pak Choong and 82 other Plaintiffs against EPMSB, INSBIO and 6 (six) other Defendants (Cont'd)

The Plaintiffs filed a claim against EPMSB, INSBIO and six (6) other Defendants (collectively referred to as the "Defendants") for a sum of RM9,968,000.00 being the purported sum of monies claimed by the Plaintiffs, general damages, exemplary damages and aggravated damages to be assessed by the Court, an interest at the rate of 8% per annum on the RM9,968,000.00 and general damages respectively from the date of filing of the Writ of Summons until date of full settlement, costs on solicitor-client basis, costs and such other relief as the Court deems fit and proper.

EPMSB, INSBIO & the other Defendants had entered Conditional Appearance and filed Applications for Setting Aside and/or Striking Out of the aforesaid suit on 31 March 2009 and 14 April 2009 respectively.

These were done, on the grounds of irregularities on the said Writ of Summons and Statement of Claim including, *inter alia*, not properly and correctly identifying the Plaintiffs to the Suit, which had rendered the said Writ of Summons and Statement of Claim defective and null and void.

The hearing of the Defendants' Applications for the Setting Aside and/or Striking Out the Plaintiffs' Writ of Summons and Statement of Claim is fixed for hearing on 7 July 2009.

(viii) Legal proceedings commenced by EPMSB, INSBIO, Datuk Yeat Sew Chuong and Hewo Sdn Bhd against Lee Pak Choong, Leong Yin Yat and Wong Pin Ching

EPMSB, INSBIO, Datuk Yeat Sew Chuong and another (collectively referred to as the "Plaintiffs") had on 3 April 2009 filed a Writ of Summons at the High Court of Malaya, Kuala Lumpur against Lee Pak Choong, Leong Yin Yat and Wong Pin Ching (collectively referred to as the "Defendants") for slander and libel bearing Civil Suit No. S-23-20-2009.

The particulars of the claims by the Plaintiffs against the Defendants are for unspecified general damages, aggravated damages and exemplary damages for slander and libel.

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**B11. Material litigations (Cont'd)**

- (ix) Legal proceedings commenced by EPMSB, INSBIO, Datuk Yeat Sew Chuong and Hewo Sdn Bhd against Joseph Iruthayam

EPMSB, INSBIO, Datuk Yeat Sew Chuong and another (collectively referred to as the "Plaintiffs") had on 20 April 2009 filed a Writ of Summons at the High Court of Malaya, Kuala Lumpur against Joseph Iruthayam ("Defendant") for slander and libel bearing Civil Suit No. S-23-27-2009.

The particulars of the claims by the Plaintiffs against the Defendant are for unspecified general damages, aggravated damages and exemplary damages for slander and libel.

**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**

	<b>Individual Quarter Current Quarter Ended 31.3.2009</b>	<b>Cumulative Quarter Current Year-To- date 31.3.2009</b>
<b>(a) Basic earnings per share attributable to equity holders of the parent</b>		
Net loss after tax attributable to equity holders of the parent (RM'000)	(11,040)	(10,389)
Weighted average number of ordinary shares ('000)	286,224	286,224
<b>Earnings per share (sen)</b>	(3.85)	(3.62)
<b>(b) Fully diluted earnings per share</b>	N/A	N/A

**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 28 May 2009.