

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2012**
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR</u> <u>30 JUNE 2012</u> <u>(UNAUDITED)</u> <u>RM'000</u>	<u>PRECEDING YEAR</u> <u>CORRESPONDING</u> <u>QUARTER</u> <u>30 JUNE 2011</u> <u>(UNAUDITED)</u> <u>RM'000</u>	<u>15 MONTHS</u> <u>ENDED</u> <u>30 JUNE 2012</u> <u>(UNAUDITED)</u> <u>RM'000</u>	<u>15 MONTHS</u> <u>ENDED</u> <u>30 JUNE 2011</u> <u>(UNAUDITED)</u> <u>RM'000</u>
REVENUE	8,653	9,219	35,728	72,116
COST OF SALES	(8,182)	(5,822)	(26,077)	(56,117)
GROSS PROFIT	471	3,397	9,651	15,999
OTHER (EXPENSE)/INCOME	(1,947)	406	4,180	8,313
SELLING AND DISTRIBUTION EXPENSES	(326)	(1,189)	(3,244)	(9,668)
ADMINISTRATIVE EXPENSES	(2,250)	(3,013)	(13,201)	(16,368)
OTHER OPERATING EXPENSES	(10,286)	(517)	(13,669)	(17,792)
SHARE OF RESULT OF JOINTLY CONTROLLED ENTITY	(407)	(176)	(1,708)	(266)
FINANCE COSTS	(81)	(168)	(811)	(600)
NET LOSS BEFORE TAXATION	(14,826)	(1,260)	(18,802)	(20,382)
INCOME TAX REFUNDED	263	-	252	216
NET LOSS FOR THE PERIOD/YEAR	(14,563)	(1,260)	(18,550)	(20,166)
OTHER COMPREHENSIVE EXPENSES				
Exchange Fluctuation Reserve	289	-	270	(43)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD/YEAR	(14,274)	(1,260)	(18,280)	(20,209)
Loss attributable to:				
Equity holders of the parent Company	(14,297)	(1,224)	(18,211)	(20,022)
Minority interest	(266)	(36)	(339)	(144)
	(14,563)	(1,260)	(18,550)	(20,166)
Total comprehensive expenses attributable to:				
Equity holders of the parent Company	(14,008)	(1,224)	(17,941)	(19,919)
Minority interest	(266)	(36)	(339)	(290)
	(14,274)	(1,260)	(18,280)	(20,209)
Loss per share (sen)				
Basic	(5.00)	(0.43)	(6.37)	(7.00)
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 March 2011.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012
(The figures have not been audited)

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	<u>As at 30/6/12</u> <u>RM'000</u>	<u>As at 31/03/11</u> <u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	22,176	23,005
Interest in a jointly controlled entity	(402)	1,305
Other investments	63	63
Intangible assets	275	400
Goodwill on consolidation	-	1,822
	<u>22,112</u>	<u>26,595</u>
Current assets		
Inventories	2,626	4,730
Trade and other receivables	11,500	14,798
Amount owing by a related party	-	9
Tax refundable	428	527
Short-term investments	-	1,962
Deposits with licensed banks	2,756	3,556
Cash and bank balances	249	2,124
	<u>17,559</u>	<u>27,706</u>
TOTAL ASSETS	<u><u>39,671</u></u>	<u><u>54,301</u></u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	28,668	28,668
Share premium	15,785	15,785
Treasury share	(110)	(110)
Reserves	5,915	322
Accumulated losses	(44,962)	(26,751)
	<u>5,296</u>	<u>17,914</u>
Minority interest	(59)	280
TOTAL EQUITY	<u><u>5,237</u></u>	<u><u>18,194</u></u>
Non-current liabilities		
Long-term borrowings	3,835	4,545
Deferred tax liabilities	1,870	95
	<u>5,705</u>	<u>4,640</u>
Current liabilities		
Trade and other payables	14,398	13,886
Advances received from distributors	7,566	12,155
Short-term borrowings	3,099	1,085
Bank overdrafts	3,461	4,077
Tax liabilities	205	264
	<u>28,729</u>	<u>31,467</u>
TOTAL LIABILITIES	<u><u>34,434</u></u>	<u><u>36,107</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>39,671</u></u>	<u><u>54,301</u></u>
	-	-
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.02</u>	<u>0.06</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 March 2011.

INS BIOSCIENCE BERHAD (Company No: 623239-V)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2012
(The figures have not been audited)**

	Issued and fully paid ordinary shares of RM0.10 each		Non- Distributable Share Premium	Treasury Shares	Revaluation Reserve	Foreign Exchange Reserve	Accumulated Loss	Shareholders' Equity	Minority Interests	Total
	Number of shares '000	Nominal value RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 April 2010 (Nominal value at RM0.10 per share)	286,680	28,668	15,785	(110)	-	219	(6,380)	38,182	534	38,716
Dividend	-	-	-	-	-	-	(1,573)	(1,573)	-	(1,573)
Total comprehensive expenses for the financial year	-	-	-	-	-	103	(18,798)	(18,695)	(254)	(18,949)
At 31 March 2011 / 1 April 2011 (Nominal value at RM0.10 per share)	286,680	28,668	15,785	(110)	-	322	(26,751)	17,914	280	18,194
Revaluation Surplus	-	-	-	-	5,323	-	-	5,323	-	5,323
Total comprehensive expenses for the financial period	-	-	-	-	-	270	(18,211)	(17,941)	(339)	(18,280)
At 30 June 2012 (Nominal value at RM0.10 per share)	286,680	28,668	15,785	(110)	5,323	592	(44,962)	5,296	(59)	5,237

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 March 2011.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2012
(The figures have not been audited)**

	CURRENT FINANCIAL PERIOD TO DATE 30/6/2012 RM'000	AUDITED FINANCIAL YEAR ENDED 31/03/2011 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(18,802)	(19,122)
Adjustments for:-		
Allowance for impairment losses on receivables	3,362	11,180
Allowance for slow moving inventory	-	3,490
Amortisation of intangible assets	125	100
Bad debts written off	9	-
Depreciation of property, plant & equipment	3,949	2,930
Equipment written off	166	495
Forfeiture of advance received from distributors	(1,361)	-
Gain on disposal of plant and equipment	-	(1)
Impairment loss on goodwill	1,822	1,822
Impairment loss on plant and equipment	4,491	-
Interest expense	811	432
Interest income	(82)	(120)
Loss on disposal of plant and equipment	4	21
Provision for possibility writeback of forfeited income	287	1,081
Share of loss in jointly controlled entity	1,708	91
Writeback of forfeited income	751	-
Writeback of impairment losses on receivables	(2,299)	(1,406)
Operating (loss)/profit before working capital changes	(5,059)	993
Net changes in current assets	4,338	(2,260)
Net changes in current liabilities	(3,751)	(1,816)
Cash for operations	(4,472)	(3,083)
Interest paid	(811)	(432)
Income tax refund/(paid)	291	(153)
NET CASH FOR OPERATING ACTIVITIES	(4,992)	(3,668)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	82	120
Subscription of shares in a jointly controlled entity	-	(1,396)
Proceeds from disposal of plant and equipment	-	166
Purchase of property, plant and equipment	(685)	(3,482)
NET CASH FOR INVESTING ACTIVITIES	(603)	(4,592)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of term loan	-	1,500
Repayment of term loan	(285)	(253)
Net drawdown of bills payable	1,992	432
Additional of hire purchase obligations	39	-
Repayment of hire purchase obligations	(442)	(450)
Dividend paid	-	(1,573)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	1,304	(344)
NET DECREASE IN CASH AND CASH EQUIVALENT	(4,291)	(8,604)
EFFECTS OF FOREIGN EXCHANGE	270	(16)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,565	12,185
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD / YEAR (NOTE A15)	(456)	3,565

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 March 2011.