

5. INFORMATION ON OUR GROUP (Cont'd)**Taiwan**

| Trade Mark No. | Issuing Authority | Subject Matter | Class/ Category | Date of Registration | Validity Period |
|----------------|-------------------|----------------|-----------------|----------------------|-----------------|
| 01184312 | - | Orgacids | - | 1 December 2005 | 10 years |

India

| Trade Mark No. | Issuing Authority | Subject Matter | Class/ Category | Date of Registration | Validity Period |
|----------------|--|----------------|-----------------|----------------------|-----------------|
| 1370746 | Trade Mark Registry, Mumbai, Government of India | Orgacids | Class 5 | 13 July 2005 | 10 years |

Indonesia

| Trade Mark No. | Issuing Authority | Subject Matter | Class/ Category | Date of Registration | Validity Period |
|----------------|-----------------------------|----------------|-----------------|----------------------|-----------------|
| IDM000113663 | Indonesia Trade Mark Office | Orgacids | Class 5 | 13 July 2005 | 10 years |

Our Group had submitted applications for the registration of trademarks in relation to the following:

Malaysia

| Application No. | Issuing Authority | Subject Matter | Class/ Category | Submission Date | Status |
|-----------------|-------------------|----------------|-----------------|-----------------|---------|
| 2005/11642 | IPC | Zenacids | Class 5 | 15 July 2005 | Pending |
| 2005/11643 | IPC | Fam-Wash | Class 5 | 15 July 2005 | Pending |

China

| Application No. | Issuing Authority | Subject Matter | Class/ Category | Submission Date | Status |
|-----------------|----------------------------|----------------|-----------------|-----------------|---------|
| 4855184 | Trade Mark Office of China | Orgacids | Class 5 | 24 August 2005 | Pending |

Pakistan

| Application No. | Issuing Authority | Subject Matter | Class/ Category | Submission Date | Status |
|-----------------|---------------------------------|----------------|-----------------|-----------------|---|
| 212045 | Trade Mark Registry of Pakistan | Orgacids | Class 5 | 9 August 2005 | Pending issuance of Registration of Certificate |

5. INFORMATION ON OUR GROUP (Cont'd)

The Philippines

| Application No. | Issuing Authority | Subject Matter | Class/Category | Submission Date | Status |
|-----------------|--------------------------|----------------|----------------|------------------|---------|
| 4-2005-008834 | IP Office of Philippines | Zenacids | Class 5 | 6 September 2005 | Pending |

Vietnam

| Application No. | Issuing Authority | Subject Matter | Class/Category | Submission Date | Status |
|-----------------|--------------------------------|----------------|----------------|-----------------|---------|
| 4-2008-05522 | National Office of IP, Vietnam | Pfi Aqua | Class 5 | 19 March 2008 | Pending |
| 4-2008-05519 | National Office of IP, Vietnam | Pfi Tase | Class 5 | 19 March 2008 | Pending |

We will continue to take such steps as are customary in our industry to protect our IP rights, including the filing of patent and trademark applications and the execution of confidentiality agreements with our key management.

In the manufacture of key products such as Orgacids, we safeguard the product formulations by limiting knowledge to the management team involved, who have non-disclosure agreements with the Group, and by separating knowledge amongst the production team. The production team is usually divided into two, with one individual worker assigned to prepare the liquid mixture into smaller tanks that are coded. In this way, none of the workers have complete knowledge of the contents, nor the exact process to manufacture the products.

5.4.8 Material Contracts/Agreements

Save as disclosed in Sections 5.6 and 15 of this Prospectus, our Group currently does not depend on any other contracts or arrangements including patents, licences, industrial, commercial or financial contracts or new manufacturing processes, which are material to our business or profitability.

5.4.9 Modes of Marketing

In the domestic market, our Group's market penetration strategy includes the launching of joint-marketing campaigns with producers and feedmills and educating producers and the public on risks of antibiotic growth promoters and its relevant practical alternatives. Whilst strengthening our relationship with existing customers, we also target potential users who are mainly large scale producers, farmers and feedmillers.

In relation to overseas market development that offers large potential for our animal health products, we intend to increase the pace of geographical development. We also tap into our regional network of distributors to distribute our products in foreign markets. In addition, we plan to improve our existing production plant to comply with the GMP guidelines, and to increase production capacity in order to meet the growing demand for our products and place our Group in a good position as we plan to export our products to China, USA and Europe within the next three (3) to six (6) years.

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.10 Technology

Our Group is a pioneer in the local development of organic acid compounds, a segment of the animal health feed additive industry. We are also one of the local companies that have developed our own proprietary animal health products on the strength of internal R&D capabilities.

Our biotechnology research is focused on developing “green” animal health products, in particular, non-antibiotic feed additives, to capitalise on the eventual withdrawal of antibiotics and consumer pressure for “safe food”. The value of our work addresses all three (3) challenges highlighted by the Prime Minister at BioMalaysia 2005: food sufficiency, environmental protection and conservation, and human health.

5.4.11 R&D**(a) R&D policies**

Our Group believes that R&D is the most important activity in our business as it is the bedrock of our mission, creates sustainable earnings growth and secures our long-term business success. We also conduct research internally and through collaborations with universities and government agencies. Our R&D policy guides the R&D activities of our Group. As part of our R&D policy, we focus on:

- (i) the introduction and development of innovative “green” animal products that are progressive and have a large untapped market potential. These products are based on natural substances that are safe for humans, animals and the environment;
- (ii) maximizing the value of our existing products by enhancing the features, efficacy, species applicability and/or discovering new uses for it;
- (iii) conducting our research activities in an ethical manner in accordance with standard scientific methods and practices; and
- (iv) investing continuously in human capital and R&D assets as they are the foundation of our long-term business success.

(b) R&D facilities and team

Our existing primary R&D facility and laboratory is situated at our corporate office in Kota Kemuning, Shah Alam. Furthermore, as part of our Group’s R&D activities, we collaborate with universities and government agencies to carry out certain portion of our efficacy studies as they are neutral third-parties, which offer credibility to results of the field trials. The Group will continue to collaborate with the universities and government agencies such as UPM and DVS, which is part of the Ministry of Agriculture, respectively, to collaborate in R&D work, co-sponsored conferences and participate in committees organized by the Ministry of Agriculture to resolve issues concerning the industry. Other than universities and government agencies, we also collaborate with other established third-parties in the course of performing R&D tests and investigative experiments. The areas of collaboration include tests in efficacies of our Group’s existing products, such as Orgacids, as well as consultations work carried out with these partners on the possibilities of commercialisation of potential products, such as plant extracts.

5. INFORMATION ON OUR GROUP (Cont'd)

In the collaborations mentioned above, the R&D works are carried out in facilities on the premises of these third-parties, and concern entirely natural/organic ingredients or “green” animal health products. As a result of these partnerships, the IP rights either belong to us or shared between our Group and the third-party.

Moving forward, we plan to invest in our own research facilities, which will include a microbiology laboratory for the culture and isolation of cultivar, bio-reactors for the production of direct fed microbials and its metabolites and phytochemical analyser and extractor to assist in the development of plant extract, laboratory animals’ facilities to house and board research animals and emulsifier facilities to mix different media of product candidates and alter into a homogenous and stable form. This will be done within a thirty-six (36) months period from the date of listing, utilising the proceeds from the Public Issue. As disclosed in Section 3.7(i), our Group intends to utilise RM2.41 million for the purchase of R&D facilities. This will enable us to have our own independent facilities and better security on our research. The above said R&D facilities, when purchased, will also be located at the site of our existing R&D facility and laboratory at No. 11, Jalan Anggerik Mokara 31/47, Kota Kemuning, Section 31, 40460 Shah Alam.

One of our Executive Directors, Dr Kok Poe Chu leads the R&D and technical team of nine (9) well-qualified members. Besides Dr Kok, three (3) other senior management members, Dr Tan Kim Sing, Dr Fong Chan Seng and Dr Teo Kim Lai also contribute to the development of the Group’s R&D activities. We expect to hire an additional five (5) R&D staff within the next three (3) years to broaden our multi-disciplinary abilities and thus, strengthen our R&D and Technical team. Details of our R&D team are as follows:

| Name | Designation | Years | Qualifications |
|---------------------|-------------------------------------|-------|---------------------------------|
| Dr Kok Poe Chu | Director, R&D and Corporate Affairs | 20 | D.V.M. |
| Ang Seong Kian | R&D and Technical Manager | 23 | D.V.M. |
| Chang Ying Kang | R&D and Technical Manager | 16 | Bachelor of Veterinary Medicine |
| Yeoh Yoke Seen | R&D and Technical Manager | 15 | Bachelor of Veterinary Medicine |
| Lim Shea Ly | Chemist | 5 | BSc. Chemistry |
| Norasni bt. Muttlib | Laboratory Analyst | 9 | Dip. Food Technology |
| Lie Poh Chong | Pharmacist | 35 | B. Pharmacy |
| Dr. Lee Choon Shen | R&D and Technical Executive | 1 | D.V.M. |
| Dr. Fong Chee Wee | R&D and Technical Executive | 1 | D.V.M. |

Lim Shea Ly and Norasni bt. Muttlib are also responsible for quality control during the manufacturing process.

(c) Achievement in R&D

Our Group’s most notable achievement in R&D of new products was the introduction of Orgacids, our own non-antibiotic feed additive formulated from natural substances, which enhances productivity, growth and health of livestock in 2003. Orgacids, an organic acid compound, has since been well received in overseas markets such as in the Philippines, Taiwan, Thailand and Vietnam as well as in the domestic market.

5. INFORMATION ON OUR GROUP (Cont'd)

In FYE 2007, total sales contribution from these four (4) overseas markets amount to approximately RM1.67 million representing 30% of total Orgacids revenue. We have a patent application, protecting the formulation and manufacturing process of Orgacids, pending approval.

Our Group maximises the value of our existing product range by improving its efficacy, formulating versions for other species, and discovering new uses for the active ingredient. At present, our Group is concentrating on developing the full potential of our core organic acid compound, which will result in an extended range of organic acid products. The key stages of our R&D process include candidate progression, technical and regulatory development and commercial development.

Following our success in developing our own proprietary organic acid compound product, Orgacids, we are currently seeking to extend our organic acid range with four (4) new products. Some of the products, which are targeted for species of cattle, tilapia, poultry and swine, are already undergoing field efficacy trials and are currently in the technical and regulatory development and commercial development stages. Our Group expects to bring them to market within the next two (2) to three (3) years.

Our strategy is to develop “green” animal products that have strong growth and market potential. Thus, our R&D team is constantly scanning through potential candidates to bring into development. When a promising candidate is identified, we evaluate its market potential and economic benefits and if it passes scrutiny, we will bring it into development. At present, we have several candidates in the research pipeline, which are further explained in part (d) below. During the initial stages of development, our R&D team concentrates on three (3) key product features, being efficacy, safety and cost competitiveness, as these are the main factors that will determine a product’s commercial success. Hence, besides selecting the right candidates to develop, we also strive to ensure a high quality and productive product development process. With these measures in place, we will grow our portfolio of proprietary products, create sustainable earnings and drive our long-term business success.

(d) Plan for proposed future R&D

Our R&D and product strategies focus on developing animal health products that are progressive and have a large untapped market potential. Thus, we are concentrating the majority of our R&D efforts on non-antibiotic feed additives to capitalize on the growing demand for growth promoters that are safe for humans, animals and the environment following the anticipated withdrawal of antibiotics by producers and governments in the coming years.

Details of our planned product development are as follows:

(i) Direct fed microbials

Direct fed microbials are live naturally-occurring microorganisms which are fed to animals to improve its health and growth by altering the microbial balance in the intestine. The healthy microbes in the intestine improve the animal’s digestion so it is able to absorb more nutrients, thereby improving the feed conversion ratio. The established presence of the friendly microbes also prevents pathogenic bacteria such as *Salmonella Enteritidis* and *E.coli* from colonizing the intestine and harming the animal’s health. In addition, the microbes increase the animal’s resistance to infectious diseases by attacking the pathogen directly.

5. INFORMATION ON OUR GROUP (Cont'd)

Currently, our Group is researching into new products for species of poultry, cattle and swine that will improve the health, growth rate and feed efficiency of the livestock and also provide solution against several pathogens such as *Salmonella Enteritidis* and *Vancomycin-Resistant Enterococcus*. Direct fed microbials are currently in the technical and regulatory development stage and are expected to be launched in 2010.

(ii) Immune Modulators

Immune modulators are immunologically active compounds that affect the working of the immune system, thus enhancing resistance to disease. These substances include antibodies, medium chain triglycerides, cytokines, spray-dried plasma and other compounds.

The animal's immune system is suppressed or affected by natural stresses such as birthing, and immaturity, or by farm management practices such as weaning, co-mingling temperature change and transportation. The weakened immune system aggravates the effects of infectious diseases and leads to higher animal mortality rates.

At present, our Group is looking into products that will stimulate immunity, improve piglet and calf growth and survival rate for cattle and swine. Our Group is also looking at new products that will stimulate immunity and improve survival of day-old chicks for poultry. Immune modulators are currently in the commercial development stage and are expected to be launched in 2009.

(iii) Plant extracts

Plant extracts, or phytochemicals, are non-nutritional biochemicals produced by plants that contain protective and disease-preventing compounds. These compounds have been in use for thousands of years by humans to treat diseases and improve overall health.

At present, our Group is researching into plant extract products for poultry, swine and cattle. Our Group expects these products to provide variety of benefits to livestock animals, among others, improvement in growth, immunity and vaccination response for poultry and swine and reduction of diarrhoea and increase in milk flow for cattle. Plant extracts are currently in the candidate progression and technical and regulatory development stages and are expected to be launched in 2010 and 2011.

(e) R&D Costs

Our Group's R&D cost and the corresponding percentage of R&D cost to revenue over the past three (3) FYE 2007 and for the three (3) months FPE 31 March 2007 and 2008 are as follows:

| FYE | 2005 | 2006 | 2007 | Three (3) months FPE 31 March | |
|---|--------|--------|--------|----------------------------------|-------|
| | | | | 2007* | 2008 |
| R&D Cost (RM'000) | 436 | 382 | 418 | 109 | 76 |
| Revenue (RM'000) | 26,170 | 27,225 | 23,141 | 5,771 | 6,153 |
| Amount spent as a percentage of revenue (%) | 1.7 | 1.4 | 1.8 | 1.9 | 1.2 |

Note:

* Based on unaudited management accounts for the three (3) months FPE 31 March 2007.

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.12 Quality Control

Our management practices stringent quality processes with strong emphasis on producing high quality animal health products. A majority of our products follow a standard production sequence that has been continuously enhanced over the years of operations where stringent control measures are applied and strictly adhered to throughout the entire production process.

Our Group's stringent process and quality control measures have managed to ensure and maintain our Group's product quality consistency. Experienced and trained personnel inspect various key points of the production process. Any non-conformance or problems are detected early on in the process and actions are taken to remedy those non-conformance or problems.

Laboratory tests are carried out on the finished products prior to release for sale to ensure that product specifications are met. In order to improve testing capabilities and to meet increasing customer demands, our Group has consistently upgraded our testing and laboratory equipment.

5.4.13 Seasonality / Cyclicity of Demand

Our Group has not experienced any material seasonality or cyclicity in our business for the past twelve (12) months. Nevertheless, as our Group is principally involved in the R&D, manufacturing and marketing of animal health products in the animal feed additive market, which is a sub-segment of the livestock industry, our business operations may be indirectly affected by the trends apparent in the livestock industry. For example, our business operations and results were affected by factors dampening the livestock industry such as reports of the bird flu epidemic for the FYE 2007.

5.4.14 Interruptions in Business

There has been no interruption in our Group's business activities during the past twelve (12) months which has had a significant effect on the operations of our Group.

5.4.15 Employees

As at 15 August 2008, our Group has 38 employees. Our Group's employees do not belong to any union and the employees' relationship with our Group's management is amicable. The employees are trained under our Group's own internal training programmes and sent for workshops and seminars, to ensure that they are kept abreast of the latest developments in their respective fields. The external workshops and seminars included those conducted by universities and government agencies such as UPM, DVS, Federation of Livestock Farmers' Association of Malaysia, Malaysia Association of Food Animal Veterinarian and Veterinary Association Malaysia on specific courses associated with livestock. In addition, our Group also engages external training centres to organise courses to enhance quality and competency level of our employees. Our employees participate in courses that provide continuous improvement and team building programmes.

There was no labour or industrial dispute in the past between the employees and our management.

The breakdown of the total number of employees and the average number of years in service are as follows:

| Category | No. of employees | Average length of service (years) |
|----------------------------|------------------|-----------------------------------|
| Management | 4 | 8 |
| R&D and Technical | 8* | 6 |
| Sales & Marketing | 7 | 7 |
| Finance and Administration | 7 | 3 |
| Production | 12 | 6 |
| Total | 38 | |

5. INFORMATION ON OUR GROUP (Cont'd)

| Category | Permanent | Contractual | Total |
|----------------------------|-----------|-------------|-----------|
| Management | 4 | - | 4 |
| R&D and Technical | 8* | - | 8 |
| Sales & Marketing | 5 | 2 | 7 |
| Finance and Administration | 7 | - | 7 |
| Production | 12 | - | 12 |
| Total | 36 | 2 | 38 |

Note:

* Our Director of R&D and Corporate Affairs, Dr Kok Poe Chu, is categorised under the category of Management.

5.4.16 Availability of Raw Materials

The main raw materials used by our Group for the production of our animal health products consist of natural ingredients such as phosphoric acid, silica, vitamins and minerals. For instance, Orgacids contains Lactic Acid, Malic Acid, Tartaric Acid, Citric Acid, Formic Acid, Phosphoric Acid and a plant extract. Our Group does not foresee any difficulties in procuring the raw materials as they are readily available from local and overseas suppliers and we are able to identify additional suppliers should the need arise. In addition, as our Group sources its raw materials from local and overseas suppliers, we are not dependent on a single or a group of suppliers in our business. During the past twelve (12) months, our Group has not experienced any shortages in the supply or any significant fluctuation in the prices of raw materials.

5.4.17 Key Achievement and Recognition

Our Group has obtained awards and recognition for its technical expertise from various organisations. Our Group's key achievements and recognitions are as follows:

| Year | Awards and Recognitions | Awarded by | Country |
|------|--|--|----------|
| 2008 | Industry Excellence Award | World Poultry Science Association (WPSA) – Branch | Malaysia |
| 2007 | Outstanding Animal Health Provider Awards 2007 | Livestock Asia and the Department of Veterinary Services | Malaysia |
| 2007 | BioNexus Status | Biotech Corp | Malaysia |
| 2006 | Pioneer Status | MITI | Malaysia |
| 2005 | Best Animal Health Provider | Sin Heng Chan (East Coast) Sdn Bhd | Malaysia |
| 2004 | Best Animal Health Supplier Award 2004 | Yenher Agro-Products Sdn Bhd | Malaysia |
| 2003 | Best Animal Health Provider Award 2004 | Flavour Right Sdn Bhd | Malaysia |

5.4.18 Location of Operations

We operate in two locations in Kota Kemuning. Our 47,000 sq. ft. premise in Kota Kemuning houses our corporate office, manufacturing, quality control, laboratory, R&D and warehouse facilities. Our 15,839 sq. ft. premise in Kota Kemuning is dedicated to manufacturing organic acids.

5. INFORMATION ON OUR GROUP (Cont'd)

The location is strategic as it has good access to highways and ports, and is expected to fulfil our growing needs in the future.

The summary of properties owned by our Group is listed below:

| Locations | Tenure | Land area (sq. ft) | Date of issuance of CF | Function |
|--|------------------------|--------------------|------------------------|---|
| Kota Kemuning No.11, Jalan Anggerik Mokara (31/47), Kota Kemuning, Section 31, 40460 Shah Alam | Freehold | 47,000 | 6 February 2008 | Corporate office, laboratory, R&D, manufacturing of vitamin mineral premixes, feed additives and soluble products and warehouse |
| Kota Kemuning No.16, Jalan Anggerik Mokara (31/61), Kota Kemuning, 40460 Shah Alam | Freehold | 15,839 | 28 June 2000 | Manufacturing of organic acids |
| Kota Kemuning No.13, Jalan Anggerik Mokara (31/47), Kota Kemuning, 40460 Shah Alam | Freehold (Vacant land) | 46,000 | Not applicable | Not applicable |

5.4.19 Competitive Advantages

As a pioneer in the local development of organic acid compounds, our Group has developed as a key market participant within the organic acid compounds market in Malaysia. This is primarily due to our Group's wide range of quality products along with our commitment and efforts in the area of R&D in developing non-antibiotic feed additives, and the continued strong growth expected from our proprietary organic acid compound product, Orgacids. Further, we believe that we also have the following competitive advantages:

(a) Strong R&D Capabilities in Biotechnology Research

Our Group's main competitive advantage lies in our strong emphasis on biotechnology R&D and innovations in the non-antibiotics feed additives market. Our Group's commitment towards R&D coupled with our proactive commitment in finding an alternative to antibiotic growth promoters has led to the development of our proprietary organic acid compound, Orgacids. Our Group is one of the Malaysian companies in our industry that has developed our own proprietary products through internal research and development capabilities.

(b) Strong customer loyalty

Our Group has built up strong loyalty and close working relationships with our customers throughout the years, which was achieved through viewing our customers as business partners. We provide them with strong technical support, technical advice, veterinary services and other types of assistance as and when required as well as inviting our customers to courses and seminars, which we frequently organize with UPM. As a result, this approach builds up significant goodwill and customer loyalty, which raises the barriers to entry for other potential competitors.

5. INFORMATION ON OUR GROUP (Cont'd)

(c) Portfolio of high-quality products

Our Group offers a complete portfolio of high quality products that are efficacious and cost competitive, and are able to offer our customers a full range of solutions to solve their production problems. The current leading product of our portfolio is Orgacids, which contributed approximately 23.72% and 27.63% to our total revenue for the FYE 2007 and for the three (3) months FPE 31 March 2008, respectively.

(d) Strong regional network

We have extensive networks in the Asia-Pacific region with Pfizer and other former Pfizer colleagues who have ventured into the animal health industry via management buyouts and have also become leading players in their respective countries. They are willing to distribute our products as it does not compete, but complements their own product range, thus enabling them to offer a complete portfolio of solutions to their own clients.

With good relationships and strong distribution channels, we have avoided the usual host of difficulties faced by new entrants such as lack of market intelligence, distribution channels and credibility with buyers. Through these networks, we are able to immediately access large and sophisticated livestock producers who place a premium on quality products and technical expertise. Our Group has leveraged these networks in Thailand, Taiwan, Vietnam and the Philippines and will utilise them again to enter Indonesia, India, China, USA and Europe markets in future.

(e) Sales team and technical expertise

Our sales and technical support teams are constantly working with our customers to better understand their needs, in order to best utilize the products existing within our portfolio and to derive the optimum benefits.

Over the years, our customers have come to rely on us for assistance when they have production problems as we are able to diagnose and recommend solutions. As a result, we have built up goodwill and trust, which has become a formidable barrier for other competitors.

Besides providing valuable service, the teams also gather invaluable knowledge and feedback on how drugs and treatments are performing in farming conditions over the long term. They also provide feedback on how the drugs can be enhanced, other uses that have been discovered, as well as other production problems that are still unmet. This information is conveyed to management and the R&D team, who then apply the knowledge in their product development strategy.

(f) Brand equity

Our Group's brand, "Sunzen", enjoys strong recognition in the livestock and animal health industries. It is associated with high quality products, excellent technical service and innovation. We will be able to leverage on this reputation to achieve customer acceptance when we introduce new products under the "Sunzen" brand.

(g) Management

Our Group has a well-experienced and well-qualified management team. Our senior management members, Dr Tan Kim Sing, Dr Kok Poe Chu, Dr Teo Kim Lai and Dr Fong Chan Seng are qualified veterinarians with sound technical knowledge, deep understanding of the market and strong networks with academics and the industry. The senior management members are also important to our R&D efforts, and together were responsible for the successful development of Orgacids.

5. INFORMATION ON OUR GROUP (Cont'd)

5.5 Major Customers

Our Group's customers are various local and overseas animal feed manufactures and distributors. Due to our Group's wide customer base, we do not rely on any major customer in our business.

None of our customers individually contribute more than 10% of our Group's turnover for the past three (3) FYEs 2007 and for the three (3) months FPE 31 March 2008. As such, to illustrate our major customers, we have chosen to disclose our top three (3) customers for each of the past three (3) FYEs 2007 and for the three (3) months FPE 31 March 2008. These customers are listed as follows:

| | Name | Country | Products Sold | Length of Relationship (Years) | Sales Contribution (%) | | | |
|---|---------------------------------|----------|--|--------------------------------|------------------------|----------|----------|------------------------------------|
| | | | | | FYE 2005 | FYE 2006 | FYE 2007 | Three (3) months FPE 31 March 2008 |
| 1 | Yenher Agro Products Sdn Bhd | Malaysia | Feed additives and veterinary pharmaceuticals | 4.5 | 7.7 | 7.8 | 5.5 | 5.2 |
| 2 | Yau Enterprise Sdn Bhd | Malaysia | Feed additives and others (companion animal products) | 9 | 6.8 | - | - | - |
| 3 | E-Rei International Co. Ltd | Taiwan | Feed additives | 4 | 6.8 | 5.3 | - | - |
| 4 | CNA Nutrican Sdn Bhd | Malaysia | Feed additives, veterinary pharmaceuticals and animal vaccines | 9 | - | 6.1 | 6.9 | 6.5 |
| 5 | Lay Hong Berhad | Malaysia | Feed additives and soluble powder | 9 | - | - | 3.8 | - |
| 6 | Gold Coin Feedmills (M) Sdn Bhd | Malaysia | Feed additives and veterinary pharmaceuticals | 3 | - | - | - | 7.0 |

Most of our Group's orders are short-term in duration. As a result, our Group must continually source for new orders to sustain its revenue. Failure to obtain new orders or the cancellation or delay of existing orders could have a material adverse effect on our Group's business and results of operations. However, it is believed that our Group's continuous R&D and marketing efforts may mitigate this risk. As at 15 August 2008, our Group is not dependant on any commercial or financial contracts with our customers.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.6 Major Suppliers

For the FYE 2005, we only had two (2) suppliers contributing more than 10% of annual purchase and one (1) each for the FYE 2006, FYE 2007 and for three (3) months FPE 31 March 2008. We have therefore chosen to disclose our top three (3) suppliers for each of the past three (3) FYEs 2007 and for three (3) months FPE 31 March 2008. These suppliers are listed as follows:

| | Name | Country | Material Supplied | Length of Relationship (Years) | Purchase Contribution (%) | | | |
|---|--|--|---|--------------------------------|---------------------------|----------|----------|------------------------------------|
| | | | | | FYE 2005 | FYE 2006 | FYE 2007 | Three (3) months FPE 31 March 2008 |
| 1 | Pfizer | Various jurisdiction where Pfizer has subsidiaries | Animal vaccines, veterinary pharmaceuticals and antibiotic feed additives | 9 | 50.6 | 53.9 | 35.3 | 48.5 |
| 2 | Nylex Specialty Chemicals Sdn Bhd | Malaysia | Inorganic acid | 4 | 11.7 | 8.8 | 4.2 | 8.9 |
| 3 | Phibro | USA | Antibiotic feed additives | 8 | 6.4 | - | - | - |
| 4 | Hangzhou Dehou Import & Export Co. Ltd | China | Raw materials | 2 | - | 6.5 | - | - |
| 5 | Danberg (M) Sdn Bhd | Malaysia | Feed additives | 2.5 | - | - | 3.4 | - |
| 6 | DM International Industry Co., Ltd | China | Inorganic acid | 0.5 | - | - | - | 7.9 |

Except for Pfizer who contributes approximately 50.6%, 53.9%, 35.3% and 48.5% for the FYE 2005, FYE 2006, FYE 2007 and three (3) months FPE 31 March 2008, respectively, and Nylex Specialty Chemicals Sdn Bhd who contribute 11.7% for the FYE 2005, none of our suppliers individually contribute more than 10% of our Group's purchases. As such, Pfizer is our major supplier for the supply of animal vaccines, veterinary pharmaceuticals and antibiotic feed additives to our Group.

Pfizer is our main supplier for antibiotic feed additive products range. We are the sole distributor of Pfizer's products in the region and as such, Pfizer's animal health products enable us to offer a complete portfolio of solutions to our clients. Our relationship with Pfizer stretches over the last ten (10) years since our establishment, and our Group has enjoyed great understanding with Pfizer, which has culminated in our Group being offered amongst other things, favourable pricing, longer credit terms and exceptional after sales service and support.

In addition, our close business link with Pfizer has enabled both parties to collaborate on the cross-marketing of our products. Our Group's products such as Orgacids and certain vitamin mineral premixes, act as complements to Pfizer's products, which had also contributed positively to both parties' existing business relationship.

As at 15 August 2008, save for a renewable long term distributorship agreement with Pfizer dated 10 April 2008 ("Distributorship Agreement"), our Group is not dependant on any commercial or financial contracts with our suppliers. The Distributorship Agreement is made between Sunzen Corporation (as distributor) and Pfizer Overseas LLC ("Pfizer Overseas", as principal, and as successor-in-interest to Pfizer Overseas Inc.).

5. INFORMATION ON OUR GROUP (Cont'd)

Brief details on the Distributorship Agreement are as follows:

Salient terms of the agreement

- (i) Sunzen Corporation is appointed as Pfizer Overseas' exclusive distributor, to buy and resell for Sunzen Corporation's own account, to solicit orders for, and to distribute Pfizer Overseas' animal health products as listed in Annexure 2 of the Distributorship Agreement ("Products") in Malaysia, Singapore and Brunei, for a term of three (3) years commencing on 10 April 2008.
- (ii) Sunzen Corporation is granted a right and licence to use Pfizer Overseas' trademarks for the Products in connection with Sunzen Corporation's sale and distribution thereof, and Sunzen Corporation shall be responsible for effecting all necessary product registrations and renewals, which may be required for the distribution of the Products by Sunzen Corporation.

Pfizer Overseas may terminate the Distributorship Agreement:

- (i) at any time without cause subject to ninety (90) days' prior written notice thereof being provided to Sunzen Corporation; or
- (ii) upon written notice to Sunzen Corporation in the event that Sunzen Corporation commits an event of default under the Distributorship Agreement which remains unremedied for a period of thirty (30) days, or if Sunzen Corporation is subject to a change of control. Further, the Agreement will be automatically terminated, *inter alia*, if Sunzen Corporation should, *inter alia*, be subject to any winding-up or insolvency proceedings, suspend the operations of a substantial portion of its business, be reorganized or be liquidated or dissolved.

Pursuant to Clause 9.4 of the Distributorship Agreement, no waiver, modification, change or amendment of any of the provisions of the Distributorship Agreement shall be valid unless in writing and signed by the party against whom such claimed waiver, modification, change or amendment is sought to be enforced. The likelihood of the agreement being adversely modified by Pfizer Overseas is thus low since Sunzen Corporation's prior consent will be required in order for any modification to be valid.

In essence, the Directors believe that the likelihood of the Distributorship Agreement being terminated by Pfizer Overseas is very minimal. However, in the event that Pfizer Overseas opts to terminate its distributorship agreement with our Group, we are able to source for alternatives from other agencies which distribute similar products. The other agencies include other suppliers and distributors that are currently not present in the Malaysian market. On the total purchase contribution, the percentage of animal vaccines, veterinary pharmaceuticals and antibiotic feed additives purchased from Pfizer have decreased from 50.6% in FYE 2005 to 35.3% in FYE 2007 although it has increased again to 48.5% for the three (3) months FPE 31 March 2008.

We seek to limit the dependency on Pfizer through the following measures:

- (i) Capturing more market share via our wide range of innovative and quality animal health products; and
- (ii) Enhancing our commitment and efforts in R&D of non-antibiotic feed additives particularly in the organic acid compounds segment, for which there is growing market potential. One of our Group's products that is in the pipeline is the direct-fed microbial product that is developed in line with the industry shift towards "green" and organic product.

Our Group consistently undertakes to maintain good relationships with all our existing suppliers and to increase our supplier base in order to reduce dependence on a single or a group of suppliers. Our management believes that save for our long term relationship with Pfizer, we are not dependent on any single supplier and that the risk of over dependency on any single supplier is not material, due to the availability of suppliers who are able to provide similar materials in the market. Our Group is also not dependant on any commercial or financial contracts with any of our suppliers.

5. INFORMATION ON OUR GROUP (Cont'd)

5.7 Future Plans, Strategies and Prospects

5.7.1 Overview of Future Plans and Strategies

Product Development

Our Group will focus on introducing new innovative products that have a large untapped market potential. At present, government regulations banning products that pose health risks, consumer pressure for “safe” food, and the movement towards sustainable farming and livestock rearing practices, are gaining importance and momentum around the world. These factors are opening up a market for “green” animal health products, which are products based on natural compounds that improve productivity and are harmless to consumers, animals and the environment. Present product candidates in our research pipeline are direct fed microbials, immune modulators and plant extracts. In order to ensure a regular supply of new products and faster high-quality development process to bring products to market, we will also invest approximately 2% to 5% of annual sales on R&D activities, constructing an R&D facility, increase our R&D team’s capabilities, appoint biotechnology advisers, collaborating with universities and research institutes, and capitalizing on the support and incentives by the government under the BioNexus Status.

Market Penetration

Our Group will pursue a market penetration strategy in Malaysia to increase the market share of our products and secure a dominant position in the feed additives market. By solidifying our position, we will also pave the way for new products in our research portfolio. We will also target new users as well as increase the usage of our products by our existing customers. We plan to achieve this by strengthening our relationship with existing customers, targeting potential users, launching joint-marketing campaigns with producers and feedmills, and educating producers and the public on the risks of antibiotic growth promoters and the practical alternatives.

Market Development

We will pursue a market development strategy that is based on the large potential for our products in the overseas markets such as in China, the US and Europe. We also intend to avoid over-dependence on a single country that may expose us to risks such as disease outbreaks. We will also utilise our marketing and distribution networks, as well as our management’s experience to penetrate the export markets successfully. Our strategy will involve increasing our pace of geographical development, tapping our regional network and improving our existing plant to a GMP compliant plant and to increase capacity to meet the expected demand for our products.

Human Resource Policy

Our Group recognises that continued business success depends on the technical knowledge and the skills of our biotechnology R&D, technical and marketing personnel. The employees are trained under our Group’s own internal training programmes and sent for workshops and seminars, to ensure that they are kept abreast of the latest developments in their respective fields.

Our Group also acknowledges the need to continuously motivate the employees. We therefore encourage collaborative and supportive working environment and reward key R&D, technical and marketing staff who contribute materially to the development of new products or improvements, allocate an annual training budget for the R&D, technical and marketing team to attend training program, workshop and seminar to sharpen their skills and knowledge with the latest development in the respective field.

5. INFORMATION ON OUR GROUP (Cont'd)

5.7.2 Prospects of our Group

Our Group's strong commitment towards biotechnology R&D and marketing strategies will ensure sustained growth and continued acceptance of our products in the feed additive market, particularly in the non-antibiotic feed additive segment.

Our Directors believe that our major strength in terms of technical expertise is to vary our existing products and to formulate new products in accordance to the requirements of the market. Our Group has a strong and experienced management team, focusing on continually improving productivity and quality. Based on our business development strategies, our Directors believe that our Group is well positioned to increase its market share in the feed additives market in general and non-antibiotic feed additives segment in particular.

5.8 Information on our Subsidiary Companies

Information on our subsidiary companies is set out below:

5.8.1 Sunzen Corporation

(i) History and Business

Sunzen Corporation was incorporated as a private limited company in Malaysia under the Act on 17 October 1998. Sunzen Corporation commenced its operations in January 1999 and is mainly involved in the distribution and marketing of animal health products.

(ii) Share Capital

The existing authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in issued and paid-up share capital of Sunzen Corporation since its date of incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value RM | Consideration | Total issued and paid-up share capital RM |
|-------------------|---------------------------------|--------------|--|---|
| 17.10.98 | 4 | 1.00 | Subscribers' Shares | 4 |
| 27.04.99 | 249,996 | 1.00 | Cash | 250,000 |
| 26.07.99 | 250,000 | 1.00 | Capitalisation of amount owing to shareholders | 500,000 |
| 08.09.03 | 500,000 | 1.00 | Bonus issue | 1,000,000 |
| 22.07.04 | 1,000,000 | 1.00 | Capitalisation of amount owing to Directors and shareholders | 2,000,000 |

(iii) Substantial Shareholder

Sunzen Corporation is a wholly-owned subsidiary of Sunzen Biotech.

(iv) Subsidiary and Associated Companies

Sunzen Corporation does not have any subsidiary or associated companies as at 15 August 2008, being the latest practicable date prior to the printing of this Prospectus.

5. INFORMATION ON OUR GROUP (Cont'd)

(v) Employees

As at 15 August 2008, Sunzen Corporation has 32 employees.

5.8.2 Sunzen Feedtech

(i) History and Business

Sunzen Feedtech was incorporated in Malaysia on 31 July 2007 under the Act. It has yet to commence operations. Sunzen Feedtech became a wholly-owned subsidiary of Sunzen Biotech on 22 January 2008.

(ii) Share Capital

The existing authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM4.00 comprising 4 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in issued and paid-up share capital of Sunzen Feedtech since its date of incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value RM | Consideration | Total issued and paid-up share capital RM |
|-------------------|---------------------------------|--------------|---------------------|---|
| 31.07.2007 | 4 | 1.00 | Subscribers' Shares | 4 |

(iii) Substantial Shareholder

Sunzen Feedtech is a wholly owned subsidiary of Sunzen Biotech.

(iv) Subsidiary and Associated Companies

Sunzen Feedtech does not have any subsidiary or associated companies as at 15 August 2008, being the latest practicable date prior to the printing of this Prospectus.

(v) Employees

As at 15 August 2008, Sunzen Feedtech has no employees.

5.8.3 Sunzen LifeSciences

(i) History and Business

Sunzen LifeSciences was incorporated in Malaysia under the Act and commenced its business on 3 January 2007. Its principal activities are R&D and commercialisation of in-feed anti bacterial products and supplements for animal health production which qualifies under the BioNexus Status. Sunzen LifeSciences became a wholly-owned subsidiary of Sunzen Biotech on 1 March 2007. On 23 July 2007, Sunzen LifeSciences' application for the BioNexus Status was approved by the Biotech Corp.

5. INFORMATION ON OUR GROUP (Cont'd)

(ii) Share Capital

The existing authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in issued and paid-up share capital of Sunzen LifeSciences since its date of incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value RM | Consideration | Total issued and paid-up share capital RM |
|--------------------------|--|---------------------|----------------------|--|
| 03.01.2007 | 2 | 1.00 | Subscribers' Shares | 2 |

(iii) Substantial Shareholder

Sunzen LifeSciences is a wholly owned subsidiary of Sunzen Biotech.

(iv) Subsidiary and Associated Companies

Sunzen LifeSciences does not have any subsidiary or associated companies as at 15 August 2008, being the latest practicable date prior to the printing of this Prospectus.

(v) Employees

As at 15 August 2008, Sunzen LifeSciences has no employees. All its activities have been and will be carried out by the Promoters and employees of Sunzen Biotech and Sunzen Corporation.

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6. INDUSTRY OVERVIEW

6.1 Overview of the Global Economy

Global growth in 2008, expected to be generally more broad-based both across regions and within countries, will continue to spur world trade and investment flows. Growth in world trade volume is projected at 7.4% in 2008 (2007: 7.1%), supported by steady demand-driven expansion in global high-technology industries, commodities and services.

The positive outlook, however, could be affected by fallout of the USA subprime mortgage crisis, impacting on the real economy in the USA and the global economy. Other near-term risks include the possibility of a disorderly unwinding of global imbalances, and global inflationary pressures arising from higher crude oil prices.

Notwithstanding these risks, the global economy is anticipated to continue expanding at 5.2% in 2008 (2007: 5.2%) with Japan, Europe and emerging Asia, in particular China and India, counterbalancing a possible moderation of the USA economy.

(Source: Economic Report 2007/2008)

6.2 Overview of the Malaysian Economy

The outlook for the Malaysian economy in 2008 remains favourable. As a small and highly open economy, the outlook will be influenced by the current high degree of uncertainties in the global economic and financial environment, including the problems associated with the international credit markets and financial institutions. These uncertainties will have some impact on Malaysia, mainly through the trade and financial markets linkages.

The resilience of the Malaysian economy to weather a slowdown in the global economy has, however, strengthened over the years, due to a number of factors. First is the emergence of domestic demand as a key driver of growth. The strong economic growth of 6.3% in 2007 was achieved due to the robust expansion in domestic activities despite a moderation in external demand. Second, Malaysia's export markets are increasingly diversified, with almost 54% of total exports to the Asian (exclude Japan) economies (2001: 46.2%). Meanwhile, the share of Malaysia's exports to USA has declined to 15.6% in 2007 from 20.2% in 2001. Thus, while global growth is expected to moderate in 2008 due mainly to slower growth in the USA, and to a lesser extent, in Europe and Japan, the outlook for strong economic growth in the Asian region and other emerging economies would support the export sector. Third, as a commodity producer, Malaysia will continue to benefit from high prices of crude oil, palm oil and rubber. In addition, the strong base in the commodity sector would further strengthen the linkages with downstream activities, including the resource-based industries which will continue to benefit from the robust domestic demand as well as demand from the regional economies.

Against this backdrop, the Malaysian economy is projected to expand by 5 – 6% in 2008. Domestic demand is expected to remain resilient, providing strong support to the economy. While consumer and business sentiments could be affected by the prospects of a sharper than expected global economic slowdown and uncertainties in the international financial markets, the major underlying factors supporting domestic private sector activities are expected to remain generally intact in 2008.

(Source: Bank Negara Malaysia Annual Report 2007)

The Malaysian economy is projected to grow in line with its potential output. Private expenditure will be the main impetus to growth. The government will adopt a pragmatic approach in its fiscal management while remaining supportive of private sector initiatives.

6. INDUSTRY OVERVIEW (*Cont'd*)

With improved productivity and efficiency, inflation is expected to increase moderately. The unemployment rate is expected to remain low due to concerted efforts to create more job opportunities in all sectors of the economy. The economy is projected to grow at an average rate of 6% per annum with price stability. This growth will be supported by domestic demand with strong private investment and consumption. Per capita Gross National Product (“GNP”) in current terms is projected to increase by an average rate of 5.9% per annum to RM23,573 in 2010. Per capita GNP in terms of purchasing power parity is expected to increase to USD13,878 in 2010.

(Source: Ninth Malaysia Plan, 2006-2010)

6.3 Overview of the Biotechnology Industry

Biotechnology was identified as a key technology that could drive and support the nation to evolve into a knowledge-based economy.

The biotechnology sector faces a challenging future with increasing global competition. To be competitive, Malaysian biotechnology companies will need to identify and build upon niche products and services in appropriate parts of the global biotechnology value chain. The 9MP will focus on implementing the National Biotechnology Policy (“NBP”) to develop Malaysia’s niches in agriculture biotechnology, healthcare-related biotechnology, industrial biotechnology and bioinformatics. In this regard, the promotion of foreign and domestic investments and close collaboration with foreign entities to access new technology, expertise and markets will be intensified. The BioNexus concept will be employed whereby establishment of biotechnology companies or projects will be targeted near relevant research institutions and industrial bases to form synergistic linkages amongst these entities and hence, expedite the growth of clusters. Vital to the success of implementation of the NBP will be follow through of plans, effective implementation of programmes as well as constant monitoring and evaluation of the outcome and impact.

For the 9MP period, the focus will be on implementing the strategic thrusts of the NBP to generate new sources of growth in agriculture, healthcare and industrial biotechnologies as well as bioinformatics. To attract private sector investment in biotechnology, among others, a package of customised incentives including matching grants for R&D will be made available to BioNexus-status companies. Centres of excellence in biotechnology will be established to provide shared facilities and the necessary technical expertise and R&D support to the emerging industry.

(Source: Ninth Malaysia Plan 2006-2010)

6.4 Livestock Market Overview

Agriculture remains a cornerstone of Asia Pacific economies, providing both food security for the sustenance of a growing population as well as commodities for export that spur economic growth. The agriculture industry also occupies a significant proportion of the Asia Pacific labour force. The percentage of the labour force involved in agriculture exceeds 50 percent in China, India, Thailand, Laos, Myanmar, Cambodia and Vietnam. In Philippines and Indonesia close to 38 percent and 46 percent of the labour force is employed in the agriculture industry, while 15 percent of the Malaysia labour force is agro-based.

Livestock is a key segment of the agriculture industry across Asia Pacific. According to the FAO, livestock production has increased dramatically across Asia Pacific with China achieving a 93 percent growth in livestock production between 2000 and 2004. Vietnam and Philippines achieved equally impressive growth rates of 93 percent and 79 percent for the same period.

6. INDUSTRY OVERVIEW (Cont'd)

The increase in livestock production has been driven by an increasing emphasis on large scale commercial farming to meet domestic self-sustainability requirements as well as to cater to export markets. The poultry industry has emerged as the key livestock industry locally, accounting for up to 80 percent of livestock production in some countries. Swine is the second most important livestock product in Asia Pacific, with China, Taiwan, Vietnam and the Philippines having strong swine production industries.

The livestock industry in Asia Pacific is still largely dominated by a mix of backyard and commercial production. Poultry farming has benefited from industrial scale commercialisation of the poultry farming process that has spurred rapid industry growth. However, as with swine farming, the poultry industry is highly dependant on animal feed and animal feed additives to optimise and maximise production particularly on a commercial level. These two livestock segments are also key drivers of the animal feed additive market. Demand for antibiotic residue free meat has prompted increased demand for non-antibiotic feed additives, particularly in export oriented markets.

The livestock industry in Malaysia accounts for approximately 9.9 percent of total agricultural output and is segmented into 6 categories namely beef, mutton, pork, poultry as well as dairy (milk production) and egg production. Poultry is the key domestic livestock industry contributing 83.8 percent to total livestock production volumes in 2006, of which poultry meat production contributed 57.9 percent and egg production the remaining 25.9 percent. Livestock production expanded by 6.9 percent in 2006 and is expected to continue to expand strongly in with an increased emphasis on integrated farming with the rearing of cattle and goats in oil palm estates as well as the large scale feed lot cattle rearing are key contributing factors to higher livestock output. This trend is set to continue well into the forecast period of 2010, with an emphasis of increased meat production for export driving the expansion of the industry.

A total of RM519.8 million has been committed to further development of the livestock industry in the 9MP, an increase of 156.0 percent over the allocation in the 8th Malaysia Plan. This positive growth has been driven by government initiatives to achieve higher self sufficiency for key food commodity segments as well as increase exports of higher value food commodities to achieve a positive trade balance.

Overall, total livestock production in 2006 was estimated at 1.8 million MT and is forecast to achieve 1.9 million MT in 2007. The increased productivity of the livestock industry and related products has been mainly driven by improvements in efficiency and productivity brought about through the effective implementation of commercial farming practices. The livestock sub-sector has also benefited from the increased domestic demand and increased demand for high quality downstream processing of livestock products. Key industries, namely poultry, are reaping the benefits of higher output through implementation of integrated farming processes that has allowed the development of the downstream processing industry. Poultry meat and egg production account for approximately 84.0 percent of total livestock production with poultry accounting for 57.9 percent and eggs 25.9 percent individually.

The ruminant industries namely beef and mutton are set to achieve strong growth of 9.4 – 9.7 percent annually and are set to benefit from increased emphasis on development through the 9MP. However, the swine industry is expected to experience decline with efforts to reduce the environmental impact of current unsustainable farming practices.

(Source: IMR Report by Frost & Sullivan)

6. INDUSTRY OVERVIEW (*Cont'd*)

6.5 Overview of the Feed Additive Market

The feed additive market is a sub-segment of the livestock production industries that is generally categorized as a food commodity industry under the umbrella of agricultural production. Food commodities generally include livestock, food crop production as well as fisheries. The livestock industry is the primary consumer of products for animal health and maintenance particularly where intensive farming practices have been applied. Feed additives, veterinary pharmaceuticals and animal vaccines are utilized within the livestock production industry to maintain optimum health and productivity of livestock thereby maximizing both output and efficiency of conversion of animal feed to meat and related livestock products.

The feed additive market is generally characterised by the large number of manufacturers, distributors and foreign subsidiaries that supply feed additives to end-users. End-users include feedmillers, animal farms such as poultry or swine farms and integrators. Feed-millers blend feed additives with raw materials such as maize or soy meal to produce animal feed and they consequently sell to animal farms. Integrators are mainly in the poultry sector. Poultry integrators are involved in the whole gamut of the poultry industry engaging in breeding and contract growing, slaughtering, processing, selling of poultry products, feed-milling, and producing final animal feed.

Local manufacturers are defined as companies that import raw materials from foreign manufacturers, carry out basic formulations to reduce its concentration, or blend with their own specialty chemicals. There are two key types of manufacturers, companies that manufacture generics and those that manufacture proprietary products. Distributors get their supply from local and foreign manufacturers. Some distributors are also manufacturers, as mentioned above, while others are solely involved in the process of distribution of feed additives. Distributors may be large companies or small start-up companies who solely import and sell feed additives to end-users. Subsidiaries are actually the sales or marketing offices of foreign manufacturers that are set up domestically. They are different from the distributors in the sense that subsidiaries only sell their parent company products. Feed additives sold by subsidiaries are always branded products.

The growth and development of the feed additive markets is highly dependent on the livestock industry. The demand for feed additives is dependant on the current demand of the livestock production industry which is in turn governed by the market demand for poultry, meat, eggs and milk products. The key industry challenges that face the animal feed additive market in Asia Pacific are the need to comply with the strict EU regulations for export of livestock products driving the shift in feed additive usage, the threats of diseases such as HPAI and FMD, and that the feed additive markets are highly competitive and fragmented leading to a high degree of competition.

The key market drivers that may affect the industry include the consistent and growing demand for meat products locally which drives an increase in domestic meat production, increased commercialisation of livestock production increases the demand for feed additives and EU ban on antibiotic feed additives for livestock production drives adoption of increased non-antibiotic feed additive usage in export oriented-markets.

In contrast, the key market restraints that may affect the industry are the increased legislature regulating the veterinary products for animals, threats of diseases particularly for poultry such as HPAI and FMD for swine and ruminants, and low awareness among farmers and large backyard farming segment that lacks modernisation leads to lower usage of feed additives.

(Source: IMR Report by Frost & Sullivan)

6. INDUSTRY OVERVIEW (*Cont'd*)

6.5.1 Market Segmentation

The feed additive market is segment of the animal health market, which finds application in the livestock industry. For the purpose of this Prospectus, the animal health market is defined to include the following segments:

- Feed additives (non-nutritional)
- Veterinary pharmaceuticals
- Animal vaccines
- Others (disinfectants and so on)

There are in general, two main categories of feed additives namely nutritional and non-nutritional feed additives. Feed additives are segmented based on their mode of action in feed or within the animal itself. Nutritional feed additives such as amino acids provide nutrients that assist the animal to achieve optimal growth while non-nutritional additives enable more efficient use of nutrients in the diet through optimizing digestion. Additives that do not provide specific nutritional component are categorized as non-nutritional feed additives.

The feed additive market can be segmented into two key categories; the antibiotic and non-antibiotic feed additive market.

Antibiotics have been in use for more than 50 years as feed additives in the livestock and poultry industries. As prevention of disease and enhancement of growth and feed efficiency are critical in modern animal livestock production, there has been widespread incorporation of antibiotics into animal feed globally. It is estimated that almost 70 percent of all antibiotics used in animal feed is for the purpose of growth enhancement while only the remaining 30 percent is for therapeutic use. The rampant use of antibiotics at sub-therapeutic levels for growth enhancement has been shown to have contributed to the development of antibiotic microbial resistance within livestock. Consequently, meat and products for human consumption generated from these livestock have been shown to contain antibiotic residues. There are lingering health concerns with regards the consumption of these products as they are thought to contribute to antimicrobial resistance in humans as well. These concerns have prompted various bans on antibiotic growth promoters and increased the demand for alternatives.

The non-antibiotic feed additive market consists of all micro-ingredients added into the feed that are not of antibiotic nature or its derivatives. The non-antibiotic feed additive market comprises of organic acid compounds, direct-fed microbials, enzymes, immune modulators, plant extracts, anticoccidials and anthelmintics. These are used alone or in combination depending on the specific outcome desired to be achieved.

Antibiotic feed additives have fallen out of favour due to health concerns with regards to the antibiotic residues in meat. Conversely, the non-antibiotic feed additives market has been growing and driving overall growth in the feed additive industry.

(Source: IMR Report by Frost & Sullivan)

6. INDUSTRY OVERVIEW (Cont'd)

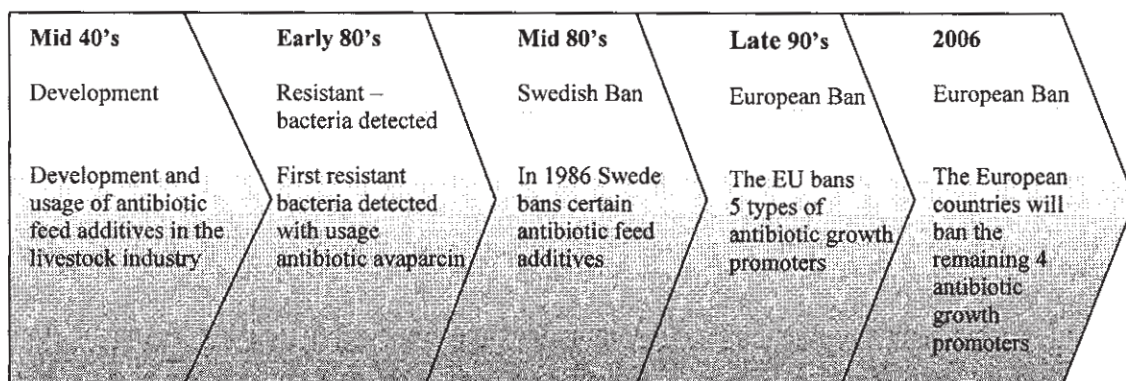
6.5.2 Changing Trends in the Feed Additive Industry

Since 1969, there have been rising concerns of antibiotic residues in products from farm animals. However, there was little response until the detection of resistant bacteria in animals fed a certain antibiotic called avoparcin in the early 1980s. Subsequently, other examples of transfer of resistant bacteria through the food chain were detected, such as strains of vancomycin-resistant enterococcus (VRE). As a result, in 1998 the EU banned the use of certain antibiotics that were also for human use, from being added to animal feed. These include:

- Avoparcin
- Tylosin
- Viginiamycin
- Zinc bacitracin
- Spiramycin
- Carbadox
- Olaquinox

The EU has also decided to ban the remaining four antibiotics currently being used in animal feed, which are monensin, salinomycin, flavophospholipol and avilamycin from 1st January 2006, in an effort to phase out use of antibiotics in animal feed, thereby preserving animal health and subsequently human health.

Feed Additive Market: Sequence of Events Leading to the Ban on Antibiotic Feed Additives (Europe)



Following this, there has been an increased interest globally and locally in finding alternatives to antibiotic feed additives. Scientists and manufacturers are using new and innovative ways through biotechnology to develop “green” and organic products that will bring about similar benefits as antibiotic growth promoters but without the risk of harm to humans. The trend toward “green” products, which can also be called nutraceuticals, is because it does not leave harmful residues that may affect the animals, consumers, and the environment.

Feed Additive Market: Benefits of “Green” and Organic Products as Alternatives to Antibiotic Feed Additives

| |
|--|
| Leaves no harmful residues |
| Is safe for farm animals, consumers, or the environment |
| Enables sustainable farming as organic ingredients are renewable resources |
| Occurs or produced naturally due to its organic nature |

6. INDUSTRY OVERVIEW (*Cont'd*)

Alternatives to antibiotic growth promoters that are being considered are organic acid compounds, direct fed microbials (probiotics), enzymes, immune modulators and plant extracts. Studies in the Europe and USA show that organic acid compounds show promising results in growth promotion for livestock production.

Feed Additive Market: Benefits of Organic Acid Compounds

| |
|---|
| Improves growth rate, feed efficiency and overall health of animals |
| Maintains low pH in gastro-intestinal tract that helps in digestion and absorption of nutrients |
| Reduces harmful bacteria in the gastro-intestinal tract |
| Promotes growth of beneficial bacteria |
| Lower mortality rate of animals |

However, the transition to using alternatives to antibiotics has been relatively slow mainly because of the:

- Lack of local regulations and controls on the use of antibiotics, which results in rampant use of these antibiotic feed additives in the livestock industry.
- Low awareness among farmers on the types, efficacy, and cost competitiveness of alternatives to antibiotics.
- Farmers' desire for short-term profits which generally makes them unwilling to move towards changing their feed formulation that would naturally require a lead time before they achieve the same level of productivity.

However, as pressure mounts from consumers and export markets that demand for safe food, the shift toward using alternatives to antibiotic growth promoters is expected to intensify.

(Source: IMR Report by Frost & Sullivan)

6.5.3 Outlook of Feed Additive Market

Malaysia

The Malaysian feed additive market was valued at RM189.1 million in 2006. The industry is relatively mature with the antibiotic market segment in decline and growth being driven primarily through non-antibiotic feed additives. Poultry is the main livestock category in the market followed by swine. The Malaysian poultry industry is focused on large scale commercial production of broilers and eggs. The industry is self-sufficient locally and exports to Singapore, Hong Kong and Brunei. The presence of large scale poultry integrators namely Leong Hup Holdings Sdn Bhd, KFC Holdings Sdn Bhd, Ayamas Corp Bhd and Farm's Best Berhad and egg producers such as TPC Plus Bhd have been positive drivers to commercial poultry and egg production and represent key markets for feed additives. The swine industry in Malaysia is in decline as the market has reached self-sufficiency levels and due to concerns regarding environmental pollution by pig farms.

6. INDUSTRY OVERVIEW (Cont'd)

The Malaysian feed additive market is expected to experience positive growth over the forecast period due to the increasing demand for non-antibiotic feed additives. The total feed additive market in Malaysia was valued at RM189.1 million in 2006. The antibiotic feed additive market was valued at RM133.3 million in 2006 and is expected to decline at a CAGR of (3.4) percent over the forecast period of 2006 to 2010. Consequently, many large manufacturers are actively incorporating alternatives to antibiotics to their feed additives. The non-antibiotic feed additive market is expected to grow at a CAGR of 13.8 percent from RM55.8 million in 2006 to achieve RM106.8 million in 2010. Organic acids as substitutes to antibiotics for growth promotion are expected to be a major contributor to the growth of this segment. Furthermore, new regulation requiring the mandatory registration of all veterinary products (including feed additives) is expected to further depress the antibiotic feed additive market.

Thailand

The feed additive market in Thailand was valued at RM730.0 million in 2006 with approximately 120 to 130 local and foreign market players in the country. Poultry is the main livestock category in the market followed by swine, which primarily drives the feed additive market. The Thai poultry industry is a well developed sector entering into the mature phase of growth and is characterized by sophisticated industrialization. The Thai poultry industry is heavily reliant on foreign exports, especially the EU and Japanese markets. The swine industry in Thailand, which was mainly operated in backyard farms traditionally, had also undergone significant modernisation and improvement on quality over the past decades. The Thai government had recognized the potential of its swine industry, and had laid out its long term plan to explore the export market for the swine products. The growing international demand for residue free meat products had resulted to a paradigm shift on the type of feed additives in Thailand. Under the market trend of existing poultry and swine farmers switching away from antibiotic feed additives to non-antibiotic feed additives, the antibiotic feed additive market is expected to decline, in line with the growth of non-antibiotic feed additive market.

The antibiotic feed additive market was valued at RM382.5 million in 2006 and is expected to decline at a CAGR of (1.5) percent over the forecast period of 2006 to 2010. Product substitution of antibiotics with non-antibiotic feed additives is a key driver of the industry decline of antibiotic feed additives. Consequently, many large manufacturers are actively incorporating alternatives to antibiotics to their feed additives. The non-antibiotic feed additive market is expected to grow at a CAGR of 4.1 percent from RM347.5 million in 2006 to achieve RM395.5 million in 2010.

The Philippines

The Philippine's feed additive market was valued at RM176.5 million in 2006 and is expected to grow at a CAGR of 2.4 percent over the forecast period. Swine is the main livestock category with a total production volume exceeding 1.8 million MT while poultry (meat production) accounts for the 1.2 million MT. Overall, livestock cultivation in Philippines is primarily through backyard production with commercial livestock production accounting for only 25 percent of the total production volume. However, government initiatives to modernize the backyard farming sector through consolidation and the implementation of commercial farming practices particularly in the swine sector are expected to positively impact the demand for feed additives.

The antibiotic feed additive market was valued at RM136.9 million in 2006 and is expected to decline at a CAGR of (2.8) percent over the forecast period of 2006 to 2010. The non-antibiotic feed additive market is expected to grow at a CAGR of 16.8 percent from RM39.6 million in 2006 to achieve RM72.4 million in 2010.

6. INDUSTRY OVERVIEW (Cont'd)

Vietnam

The feed additive market in Vietnam was valued at RM88.2 million in 2006 with approximately 45 to 50 local and foreign market players in the country. Swine is considered as the major livestock category followed by poultry. Both livestock categories are mainly catered for domestic consumption and minimal for export mainly due to the underdeveloped farming structure throughout the country that does not fulfill the quality requirements for major import markets like EU and Japan. Subsequent to the Agricultural Economic Restructuring Program established by the Vietnamese government in recent years, the livestock industry in Vietnam had been significantly revamped, with the gradual phase out of backyard farming, and rapid growth in the intensive industrial livestock production sector. The swine industry, especially, had been earmarked by the Vietnamese government for quality improvement and represents the key livestock export product in the future. The gradual industrialization of the livestock sector in Vietnam has provided the platform for growth in the feed additive market, and the non-antibiotic feed additive segment is expected to create a greater impact to the industry as the export for Vietnamese swine products increases.

The antibiotic feed additive market was valued at RM69.4 million in 2006 and is expected to grow at a CAGR of 4.6 percent to reach RM86.8 million by 2010. The strong government initiatives to promote swine meat export is considered to be the major driver for the growth of the non-antibiotic feed additive segment, which is expected to growth from the market size of RM18.8 million in 2006 to RM37.8 million by 2010, at a CAGR of 15.0 percent.

Taiwan

The Taiwanese feed additive market was valued at RM134.5 million in 2006. Swine is the main livestock category in the market followed by poultry. The swine industry in Taiwan is growing steadily because of the government support and international market demand. The Taiwanese poultry industry is focused on large scale commercial production of broilers and eggs. The industry is self-sufficient locally and exports to China, Hong Kong and Japan. The antibiotic feed additive market is in decline, driven primarily by lower usage of antibiotics by both poultry and swine farmers as well as the government policy to totally ban antibiotic feed additive by the year 2008. Public health concerns and EU policy of exportation ban on this kind of feed additive are expected to further depress the antibiotic feed additive market.

The antibiotic feed additive market was valued at RM87.9 million in 2006 and is expected to decline at a CAGR of (2.9) percent over the forecast period of 2006 to 2010. Product substitution of antibiotics with non-antibiotic feed additives is a key driver of the industry decline of antibiotic feed additives. Consequently, many large manufacturers are actively incorporating alternatives to antibiotics to their feed additives. The non-antibiotic feed additive market is expected to grow at a CAGR of 10.1 percent from RM46.6 million in 2006 to achieve RM61.3 million in 2010. Organic acids as substitutes for growth promotion are expected to be a major contributor to the growth of this segment.

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6. INDUSTRY OVERVIEW (Cont'd)

China

The Chinese feed additive market was valued at RM1.56 billion in 2006. Swine is the main livestock category in the market followed by poultry. The swine industry in China is growing steadily as the demands from both local and international market are rising year by year. The Chinese poultry industry is focused on large scale commercial production of broilers and eggs. The industry is self-sufficient locally and exports to the EU, the US and Japan. The antibiotic feed additive market is in decline, driven primarily by lower usage of antibiotics by both poultry and swine farmers as well as the government policy of usage transition from antibiotic feed additive to non-antibiotic feed additive. Health issues are expected to further depress the antibiotic feed additive market.

The antibiotic feed additive market was valued at RM1.21 billion in 2006 and is expected to decline at a CAGR of (5.9) percent over the forecast period of 2006 to 2010. Product substitution of antibiotics with non-antibiotic feed additives is a key driver of the industry decline of antibiotic feed additives. Consequently, many large manufacturers are actively incorporating alternatives to antibiotics to their feed additives. The non-antibiotic feed additive market is expected to grow at a CAGR of 11.8 percent from RM0.35 billion in 2006 to achieve RM0.61 billion in 2010. Organic acids as substitutes for growth promotion are expected to be a major contributor to the growth of this segment.

Outlook of Organic Acids Market in Malaysia

In Malaysia, the use of non-antibiotic feed additives especially for growth promotion has been on the increase. This has been driven by both public demand for antibiotic residues free meat products, increased awareness among livestock producers and increased regulatory requirements for feed additives and veterinary products. In response to this trend, many major antibiotic suppliers are incorporating non-antibiotic feed additives into their sales profile as the antibiotic feed additives are forecast to experience a consistent decline over the forecast period. Among the product categories for non-antibiotic feed additives, organic acid compounds have emerged as a key market segment with revenues estimated at RM16.7 million for 2006. This product segment is expected to achieve a CAGR of 16.1 percent over the forecast period due to the increased demand for non-antibiotic feed additives for growth promotion. There are currently a number of brands in the organic acid market such as Orgacids (Sunzen Corporation), Luctacid (distributed by Yau Enterprise Sdn Bhd), Acid Lac (Kemin Industries Sdn Bhd), and Salkil (distributed by Pacific Vet). These brands compete within the same product segment and there remains a risk of product substitution.

(Source: IMR Report by Frost & Sullivan)

6.6 Industry players and competition

There are approximately 120 companies present in the feed additive market in Malaysia. These companies are manufacturers, distributors, and subsidiaries of foreign manufacturers. Due to the large number of participants, the feed additive market in Malaysia is very competitive. Many companies in Malaysia are active as both manufacturer and distributor while other companies are only manufacturers or distributors. There are no dominant participants in the market. Most participants actively compete in all product segments and there is no clear competitive trend in the market. However, products differ through quality, price, and brand, as branded products are perceived to have a higher quality, and are thus priced higher compared to the cheaper generic products. The feed additive market can be segmented into three (3) tiers as described below with companies in all three (3) tiers competing with each other in the market.

6. INDUSTRY OVERVIEW (Cont'd)

Tier 1-Manufacturers cum distributors

There are about 15-20 companies in this tier. Local manufacturers in Malaysia comprise companies that manufacture generics and those that manufacture proprietary products. Local manufacturers are defined as companies that import raw materials from foreign manufacturers, carry out basic formulations to reduce its concentration, or blend with their own specialty chemicals. These manufacturers supply to distributors who in turn supply to end-users. However in some instances manufacturers also supply directly to end-users. These companies have a wide product portfolio ranging from local products to branded products from foreign manufacturers that they import from and sell. Some manufacturers are sole distributors of foreign manufacturers such as Sunzen Corporation that distributes products for Pfizer animal health products division, Gladron Chemicals Sdn Bhd that distributes for BASF (M) Sdn Bhd ("BASF") and Pahang Pharmacy Sdn Bhd that distributes for Al Pharma Inc. Some interesting developments have ensued in 2007, with Gladron purchasing BASF's animal nutrition pre-mix business in Malaysia under a newly formed daughter company, Ritamix Sdn Bhd. Gladron continues to be the sole distributor and representative of BASF's Animal Nutrition business in Malaysia, as there is no dominant participant in this tier and all the participants hold a small share of the market. These companies are well known in the market and have a strong distribution network and customer relations. Product quality, brand name, and price are the key competitive factors utilized to gain market share.

The following companies have been highlighted as the major players in the feed additive market namely Gladron (BASF), Behn Meyer Nutri-Vet Sdn Bhd, Sunzen Corporation (Pfizer and proprietary products) and Novus International Inc. Some companies in this tier are involved in R&D to enhance their product portfolios and also to develop proprietary product ranges to meet local needs. These include companies such as Range Pharma Sdn Bhd, which is researching both production efficiency and dosage forms of its products. Range Pharma Sdn Bhd has also recently completed a GMP certified plant for the manufacture of products for the local market. Sunzen Corporation has also been active in developing its own propriety products which have been both researched and developed in-house.

Tier 2 - Distributors

Distributors get their supply from local and foreign manufacturers. This tier comprises many small to medium start-up companies that are solely involved in the process of distribution in that they just import and sell feed additives to end-users. It is very fragmented as it comprises almost 60 of these companies making it very competitive. These companies have a wide range of product portfolio ranging from local products to branded products and low-priced and high-priced products. Due to the fragmented nature of the market, capturing an accurate market share of amongst the many feed additive distributors remains a challenging task. They compete through price and brand to gain market share.

Tier 3 - Subsidiaries

Subsidiaries are actually the sales office of foreign manufacturers. They are different from the distributors in the sense that subsidiaries only sell their parent company products. There are only a handful of these foreign subsidiaries in Malaysia as most foreign companies sell their products through a distributor. These companies may have a broad range of feed additives or focus on one product segment in the market. Companies compete through brand and product quality.

(Source: IMR Report by Frost & Sullivan)

6. INDUSTRY OVERVIEW (*Cont'd*)

6.7 Market Share

Animal Health Market: Estimated Company Market Share by Revenues (Malaysia), 2006

| Company | Market Share (%) |
|---|------------------|
| Gladron Chemicals Sdn Bhd ("Gladron") | 16.8 |
| Age D'Or Sdn Bhd ("Age D'Or") | 8.9 |
| Sunzen Corporation | 8.6 |
| Pacific Vet Group Sdn Bhd ("Pacific Vet") | 7.2 |
| Behn Meyer Nutri-vet Sdn Bhd | 3.4 |
| Range Pharma Sdn Bhd | 2.2 |
| Others (Includes Elanco Animal Health – a division of Eli Lilly Sdn Bhd, Danberg (M) Sdn Bhd, Asia Vet Trading Sdn Bhd, Prima Interchem Sdn Bhd, Yau Enterprise Sdn Bhd and etc.) | 52.9 |
| Total | 100.00 |

Notes:

- (i) *All figures are rounded; the base year is 2006; and*
- (ii) *Revenues utilized to calculate the above market share are based on revenue figures of all companies for the financial year 2006 and are the latest audited financial statements publicly available from the Companies Commission of Malaysia for the respective companies as at May 2008 and Sunzen Corporation's audited financial statements for the FYE 2006.*

(Source: IMR Report by Frost & Sullivan)

The market share analysis highlights company market share performance based on annual revenues of companies involved in the Malaysian animal health market as their core business activities. Revenues utilized to generate market share figures include revenues from antibiotic feed additives and non-antibiotic feed additives sales as well as other animal health products within the respective companies' animal health product portfolios. In 2006, Gladron was identified as having the largest market share in the feed additive market, accounting for an estimated 16.8 percent of the market. Age D'Or holds the second position with an estimated 8.9 percent, respectively. Meanwhile, Sunzen Corporation has 8.6 percent estimated market share by revenues. Frost & Sullivan anticipates that current market participants are striving to increase their current product portfolio to include alternatives to antibiotic feed additives namely organic acid compounds, enzymes, and direct-fed-microbials in an effort to adapt to the changing market scenario. Market participants with diversified product portfolios are expected to gain market share during the forecast period.

However, during the forecast period, Sunzen Corporation is targeting to increase market share in the feed additive market. The primary factor is due to Sunzen Corporation's wide range of quality products along with its commitment and efforts in the area of R&D in developing non-antibiotic feed additives for which there is a growing market potential. In addition to that, the continued strong growth expected from "Orgacids" during the forecast period is also likely to propel Sunzen Corporation to increase market share within this segment. With increasing pressure for farmers to move towards using non-antibiotic growth promoters, Sunzen Corporation is expected to capture an increasing market share through its innovative product "Orgacids" and several other products that are in the pipeline giving it a stronger competitive position in the market.

6. INDUSTRY OVERVIEW (Cont'd)

The organic acid compounds market currently accounts for only 8.83 percent of the feed additive market in Malaysia. However, it represents the most significant portion of the non-antibiotic feed additive segment where it accounts for approximately 29.9 percent of total segment revenues. The growing pressure for livestock producers to shift to safer alternatives to antibiotics for growth promotion has been a strong growth driver for the organic acids compound market. As a pioneer in the local development of organic acid compounds, Sunzen Corporation has developed as a key market participant within the organic acid compounds market in Malaysia. Sunzen Corporation's market share of the organic acid compounds market is estimated at 42.0 percent in 2006. Other companies such as Kemin Industries Sdn Bhd, Yau Enterprise Sdn Bhd which are being distributed by Pacific Vet and etc, are also participants in the organic acid compounds market hold an estimated 58.0 percent of the market. However, as Sunzen Corporation's product "Orgacids" increases its presence in local and export markets, Sunzen Corporation's overall revenues are expected to increase.

Organic Acid Compounds Feed Additive Market: Estimate Company Market Share by Revenues (Malaysia), 2006

| Company | Market Share (%) |
|--------------------------|------------------|
| Sunzen Corporation | 42.0 |
| Pacific Vet | 20.0 |
| Kemin Industries Sdn Bhd | 13.0 |
| Others | 25.0 |
| TOTAL | 100.0 |

Notes:

- (i) All figures are rounded; the base year is 2006; and
- (ii) Revenues utilized to calculate the above market share are based on revenue figures of all companies for the financial year 2006 and are the latest audited financial statements publicly available from the Companies Commission of Malaysia for the respective companies as at May 2008 and Sunzen Corporation's audited financial statements for the FYE 2006.

(Source: IMR Report by Frost & Sullivan)

6.8 Reliance on and vulnerability to imports

The feed additive market is highly dependent on the livestock industry. Livestock are an important aspect of the economy of many countries, and play an important role in poverty alleviation and food security in developing countries. Hence, the demand for feed additives is subjected to the forces of supply and demand for livestock products. In Malaysia, the livestock industry is dominated by the broiler, layer, and swine industry, which make up more than 95.7 percent in revenues of the livestock industry. Occasionally, the industry suffers occasional set backs such as occurrences of disease epidemics. However, these set backs are usually short-term occurrences, and are not expected to affect the feed additive market over the long term. The feed additive market as a whole comprises of both internationally traded feed additive product lines and locally produced product lines. There is little differentiation between products, however as the cost of feed stocks are on the increase, locally manufactured cost effective products would have a market advantage.

(Source: IMR Report by Frost & Sullivan)

6. INDUSTRY OVERVIEW (*Cont'd*)

6.9 Demand and Supply Conditions

The Malaysian livestock production industry is forecast to experience a revival under the 9MP. Livestock production has been ear-marked as a key focus area for development with an allocation of RM519.8 million, an increase of 156 percent over the 8th Malaysia plan. The thrust and focus on developing agriculture as a third engine of economic growth includes an increase in commercial livestock production. Overall livestock production in Malaysia is expected to increase by 25.3 percent over the forecast period. The increased emphasis on commercialized farming is expected to drive demand both for commercial feed and associated products including feed additives. The poultry sector is expected to achieve annual growth rates averaging 5.8 percent while egg production is expected to grow at a modest 6.3 percent. The beef and mutton industries are high growth segments which are forecast to grow 9.6 and 7.6 percent annually.

(Source: IMR Report by Frost & Sullivan)

6.10 Barriers to Entry

The feed additive market comprises manufacturers, distributors, and subsidiaries of foreign manufacturers. For a new company that wants to set up a manufacturing plant or blending plant in Malaysia, the barriers to entry are very high due to the reasons given below. However, distributors and subsidiaries can enter the market rather easily as there are no restrictive regulations in place.

Capital Intensive Operations

Manufacturers have capital-intensive operations with large investments and costs into equipment, R&D, manufacturing facilities, technology transfer costs, and etc. These amounts of investments are needed in order to expand and continue to keep up with the changing trends of the market, for example, toward alternatives to antibiotic growth promoters. The high capital involved in setting up and sustaining the competitiveness as a manufacturer can hinder potential entrants.

(Source: IMR Report by Frost & Sullivan)

Technology Skills and Expertise

The manufacturing of products requires a lot of technical know-how, and understanding of the organic materials that go into making a suitable and efficacious product, as these products are to be used in the feed of farm animals that are eventually for human consumption. R&D as well as plenty of clinical trials are needed, which require a high degree of expertise. This may hinder new entrants from venturing into manufacturing of feed additives in Malaysia.

(Source: IMR Report by Frost & Sullivan)

Increasing Regulatory Framework

The current market regulations governing the importation and marketing of feed additives in Malaysia is currently still in its infancy. However, as of 2007, the National Pharmaceutical Control Bureau has implemented a registration process that encompasses all veterinary products which will increase the monitoring of feed additive products currently entering the market.

(Source: IMR Report by Frost & Sullivan)

6. INDUSTRY OVERVIEW (Cont'd)

6.11 Substitute Products

Each type of additive in the feed additive market segment has a different characteristic, and hence a different function in the animal farm production and it is their particular strengths and a weakness that determines its usefulness to different farm animals. As such, all the products in the feed additive market have a part to play in animal production and are not easily substituted between the classes. Within the feed additive market, there are many product categories in this segment that are being used as alternatives to antibiotic growth promoters. These alternatives such as organic acid compounds, direct-fed-microbials, plant extracts, immune modulators, and enzymes also work to promote growth and increase feed efficiency of farm animals in their own specific way. Due to each of these products having different indications, they do not substitute each other but may be combined to optimize their performance. However, within each category, there are different brands that may compete against each other. There are a number of brands in the organic acid market as such Orgacids (Sunzen Corporation), Luctacid (distributed by Yau Enterprise Sdn Bhd), Acid Lac (distributed by Kemin Industries Sdn Bhd), and Salkil (distributed by Pacific Vet). These brands are all competing with each other as they contain similar ingredients or combination of ingredients and can substitute each other in the market. Frost & Sullivan's findings show that Sunzen Corporation's "Orgacids" is one of the more popular products in its class because of its efficacy and cost competitiveness, as well as proven scientific support.

(Source: IMR Report by Frost & Sullivan)

6.12 Relevant Laws and Regulations

The livestock industry in Malaysia is subject to legislation under the Ministry of Agriculture and Agro-based Industry and the DVS. The following lists the key legislation governing the Malaysian livestock production industry.

- Animal Ordinance 1953
- Control of Slaughter Rules 1975
- Animal Importation Orders 1962
- Food Act and Regulations 1985

In addition to these, the National Pharmaceutical Control Bureau has also implemented registration requirements for veterinary products in 2007. The process costs between RM1,200 and RM3,000 depending on the nature of the product and is expected to streamline the management of animal health products in the market.

(Source: IMR Report by Frost & Sullivan)

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

7.1 Promoters, Directors and Substantial Shareholders

7.1.1 Promoters, Directors and Substantial Shareholders' Shareholdings

Our Promoters, Directors and Substantial Shareholders and their respective shareholdings in our issued share capital before and after the Public Issue are as follows:

| | Nationality | Before the Public Issue | | | | After the Public Issue | | | |
|---|-------------|-------------------------|-------|---------------|---|------------------------|-------|---------------|---|
| | | Direct | | Indirect | | Direct | | Indirect | |
| | | No. of shares | % | No. of shares | % | No. of shares | % | No. of shares | % |
| Dr Tan Kim Sing ^{*1*4*5} | Malaysian | 41,046,510 | 33.00 | - | - | 41,046,510 | 27.48 | - | - |
| Dr Kok Poe Chu ^{*2*4*5} | Malaysian | 21,500,610 | 17.28 | - | - | 21,500,610 | 14.39 | - | - |
| Dr Teo Kim Lai ^{*2*4*5} | Malaysian | 15,636,860 | 12.57 | - | - | 15,636,860 | 10.47 | - | - |
| Dr Fong Chan Seng ^{*2*4*5} | Malaysian | 15,636,860 | 12.57 | - | - | 15,636,860 | 10.47 | - | - |
| Professor Dato' Dr Omar @ S Omar bin Abdul Rahman ^{*3} | Malaysian | - | - | - | - | 80,000# | 0.05 | - | - |
| S Gunaseharan a/l P Subramaniam ^{*3} | Malaysian | - | - | - | - | 80,000# | 0.05 | - | - |
| Dato' Dr Mhd Nordin bin Mohd Nor ^{*3} | Malaysian | - | - | - | - | 80,000# | 0.05 | - | - |
| Heng Teik Teow ^{*4} | Malaysian | 7,818,430 | 6.29 | - | - | 7,818,430 | 5.23 | - | - |
| Tan Choon Shong ^{*4} | Malaysian | 7,818,430 | 6.29 | - | - | 7,818,430 | 5.23 | - | - |

Notes:

Assuming full subscription of their respective Pink Form Allocation.

*1 Chairman/Managing Director

*2 Executive Director

*3 Independent Non-Executive Director

*4 Substantial shareholder

*5 Promoter

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.2 Profile of our Directors**(i) Dr Tan Kim Sing**

Dr Tan Kim Sing, aged 58, is a co-founder and was appointed to the Board as the Chairman/Managing Director of Sunzen Biotech on 25 April 2008. He is also the Managing Director of Sunzen Corporation as well as the Executive Director of Sunzen LifeScience and Sunzen Feedtech. He is responsible for the management of the business operations, finance, human resources and strategic planning of the Group. He obtained his Bachelor of Veterinary Science and Animal Husbandry from Bombay Veterinary College in India in 1975 and Master of Philosophy in Veterinary Science from Massey University, New Zealand in 1979.

Dr Tan has 29 years industry experience, mainly in management, sales, marketing and technical service in the animal health industry. Prior to forming Sunzen Corporation, he spent about 21 years with Pfizer. He gained valuable experience from Pfizer due to their practice of job rotation and training. He started as Technical Manager in 1979 before going on to become Sales Manager, Product Manager, Premix Manager and Division Director. In 1998, Dr Tan together with the existing management of Pfizer in Malaysia, established Sunzen Corporation to undertake a management buy-out of Pfizer's local distribution and marketing operations. Dr Tan was then appointed as the Managing Director of Sunzen Corporation since its inception.

Dr Tan is currently the Vice President of the Malaysian Animal Health & Nutrition Industries Association. In 2007, Dr Tan was awarded the "Excellence Veterinarian Award 2007" by Veterinary Association Malaysia for his outstanding contribution to the veterinary profession.

(ii) Dr Kok Poe Chu

Dr. Kok Poe Chu, aged 47, is a co-founder and was appointed to the Board as an Executive Director of Sunzen Biotech on 25 April 2008. He is also the Director of R&D and Corporate Affairs of Sunzen Corporation as well as the Executive Director of Sunzen LifeSciences and Sunzen Feedtech. He is responsible for the overall R&D activities of the Group, as well as corporate affairs. He obtained his D.V.M. degree from UPM in 1987.

Dr Kok has 20 years industry experience. He has worked for Gold Coin Feedmills (Singapore) Pte Ltd in Singapore and Ciba-Geigy Sdn Bhd dealing in livestock farming and animal nutrition. He was the regional product manager for Pfizer Asean region from 1993 to 1997. He held the position of marketing manager of Pfizer from 1997 to 1998. Dr Kok together with the existing management of Pfizer in Malaysia, established Sunzen Corporation to undertake a management buy-out of Pfizer's local distribution and marketing operations. Dr Kok was then appointed as a Director of Sunzen Corporation since its inception.

Dr Kok was as a member of the Malaysia Veterinary Council from 1997 to 2000. He held the post of Honourary Treasurer for the Veterinary Association of Malaysia in 1998 and was a volunteer veterinary officer of the National Nipah Virus Eradication Campaign for the DVS of the Ministry of Agriculture in 1999.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Dr. Kok is currently an adviser on the Technical Advisory Committee of the Federal Livestock Farmers Association Malaysia, a committee member of the CODEX National Sub Committee of Veterinary Drug Residue for the Ministry of Health, honorary treasurer of World's Poultry Science Association (Malaysian Branch) and a member of the working group on Good Animal Husbandry Practices of Standards and Industrial Research Institute of Malaysia (SIRIM).

Dr Kok was awarded the Cochrane Scholarship by the United States government to study biotechnology developments in the field of food animal production in July 2005. In 2007, Dr Kok was awarded the "Excellence Veterinarian Award 2007" by Veterinary Association Malaysia for his outstanding contribution to the veterinary profession.

(iii) Dr Teo Kim Lai

Dr. Teo Kim Lai, aged 45, is a co-founder and was appointed to the Board as an Executive Director of Sunzen Biotech on 25 April 2008. He is also the Director of Sales & Marketing of Sunzen Corporation as well as the Executive Director of Sunzen LifeSciences and Sunzen Feedtech. He is responsible for sales planning and marketing management of the Group. He obtained his D.V.M. degree from UPM in 1989 and was honored as an overall best student with a distinctive Royal Academic Award.

Dr Teo has 18 years industry experience. Prior to joining Sunzen Corporation, Dr Teo held the positions of field veterinarian in Federal Flourmill Bhd from 1989 to 1990, Operational Manager in Oriental Feedmill, which was under the wings of Robert Kuok's Group, Liaoyang Oriental Special Feed Company Ltd, in Liaoning, China from 1991 to 1992, Poultry Team Leader in Pfizer from 1993 to 1994, General Manager in Mallinckrodt Veterinary Inc of China and Hong Kong in 1995, and General Team Leader and National Sales Manager in Pfizer from 1996 to 1998. Dr Teo together with the existing management of Pfizer in Malaysia, established Sunzen Corporation to undertake a management buy-out of Pfizer's local distribution and marketing operations. Dr Teo was then appointed as a Director of Sunzen Corporation since its inception.

Dr Teo was the Vice President of the Malaysia Association of Food Animal Veterinarian (MAFAV) from 2000 to 2001 and the Vice President of the Veterinary Alumni of UPM from 2003 to 2004. Dr Teo was also a volunteer veterinary officer of the National Nipah Virus Eradication Campaign of the DVS in 1999 and later became an adviser on the Technical Advisory Committee of Federation of Livestock Farmers Association Malaysia in 2000. Dr Teo is also an honorary secretary of the World's Poultry Science Association (Malaysia Branch).

(iv) Dr Fong Chan Seng

Dr. Fong Chan Seng, aged 60, is a co-founder and was appointed to the Board as an Executive Director of Sunzen Biotech on 25 April 2008. He is also the General Manager of International Business of Sunzen Corporation as well as the Executive Director of Sunzen LifeSciences and Sunzen Feedtech. He is responsible for the development of product dossiers, product registration, trade mark registration and other overseas-related activities, apart from sales, marketing and business development functions. In the domestic market, he covers areas of product development, business development and manufacturing. He graduated with a Bachelor of Veterinary Science and Animal Husbandry degree in 1975 from Bombay Veterinary College, India. He had also attended a business management course at the Asian Institute of Management, Manila in 1987.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Dr Fong has 32 years industry experience. He has held several job portfolios during his employment with Phibro and Pfizer. Dr Fong joined Pfizer as Veterinary Promotions Manager in 1981. Throughout seven years of serving the domestic market in Malaysia, he held positions as Product Manager, National Sales Manager and Feed Mill Marketing Manager. Dr Fong was posted to Thailand as the Business Manager of Pfizer Thailand Ltd for three years from 1988 to 1990. His responsibilities included running a premix plant, product formulation, product quality control, and development of product stability. He was promoted to the position of Regional Director of Sales for ASEAN countries in 1991. Dr Fong was also in charge of business development for Pfizer in China, Hong Kong and Sri Lanka. When Pfizer acquired the worldwide animal health business of SmithKline Beecham, he was specifically in charge of acquisition and problem solving activities in the Philippines from 1994 to 1996. Dr Fong together with the existing management of Pfizer in Malaysia, established Sunzen Corporation to undertake a management buy-out of Pfizer's local distribution and marketing operations. Dr Fong was then appointed a Director of Sunzen Corporation. In 2001, Dr Fong left Sunzen Corporation to join Phibro as Managing Director and Regional Director for ASEAN countries. He later rejoined Sunzen Corporation in 2002.

(v) Professor Dato' Dr Omar @ S. Omar bin Abdul Rahman

Professor Dato' Dr Omar @ S. Omar bin Abdul Rahman, aged 61, was appointed to the Board as the Independent Non-Executive Director of Sunzen Biotech on 25 April 2008. He is also a Biotechnology Adviser of the Group. He graduated with a Bachelor in Veterinary Science from University of Queensland, Brisbane, Australia. He also holds a Master Degree in Veterinary Science from University of Saskatchewan, Saskatoon, Canada. In 1977, he became a Member of Royal College of Veterinary Surgeons (MRCVS), London.

Upon graduation, Professor Dato' Dr Omar joined UPM as a lecturer from 1974 to 1981. In 1981, he was promoted to the position of Associate Professor and later, the position of Professor in 1993. In 2001, he retired as professor and dean of the Faculty Veterinary Medicine, UPM. Prof. Dato' Dr Omar was an independent non-executive director of Guan Chong Berhad from 1 January 2006 to 1 April 2008. Presently, he is a lecturing professor and freelance speaker. He is a director of Al Amoudi Middle East Alliance Sdn Bhd, a company providing education and tourism services. He is also the Chairman of People Renovation Alliance Sdn Bhd and Soar Consultings Sdn Bhd.

Among his current positions are President of the Malaysian Association of Professional Speakers, Fellow of the Academy Sciences Malaysia and Fellow of Malaysian Scientific Association.

(vi) S. Gunaseharan a/l P Subramaniam

S. Gunaseharan a/l P Subramaniam, aged 51, was appointed to the Board as the Independent Non-Executive Director of Sunzen Biotech on 25 April 2008. He obtained a professional qualification in accounting from the Malaysian Institute of Certified Public Accountants in 1984. He started his career as a qualified assistant in PricewaterhouseCoopers in 1977 and later left to join Ericsson Telecommunications Sdn Bhd in 1985 as an accountant. He moved to a subsidiary company in 1988 as a manager cum company secretary and later moved to India to join Ericsson Telecommunications Ltd as a general manager in finance and accounting in 1993. He joined Perwira Ericsson Sdn Bhd in 1995 as a finance and accounts manager and later moved to join Ericsson Academy (M) Sdn Bhd as Financial Controller cum company secretary in 1996. He joined Ericsson Business Support Centre Sdn Bhd as Regional Business Controller from 2000 to 2002. He is a Fellow of the Malaysian Institute of Taxation, a member of the Malaysian Institute of Accountants and a member of Certified Financial Planners.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

(vii) Dato' Dr Mhd Nordin Bin Mohd Nor

Dato' Dr Mhd Nordin Bin Mohd Nor, aged 61, was appointed to the Board as the Independent Non-Executive Director of Sunzen Biotech on 25 April 2008. He graduated with a Bachelor in Veterinary Science from University of Queensland, Australia.

Upon graduation, Dato' Mhd Nordin joined the Department of Agriculture in Adelaide, South Australia as a veterinary officer from 1971 to 1972. He later joined the DVS in Malaysia in 1972 where he started as a veterinary officer and retired as the Director General of DVS in 2002. Presently, he is an adviser to Prima Agri-Products Sdn Bhd. He is also a director of Felda Farm Products Sdn Bhd, Malaysian Veterinary Pharmaceuticals Sdn Bhd and Dutch Lady Milk Industries Bhd and a chairman of Mediharta Sdn Bhd.

Among his current positions are Chairman of the Malaysian National Animal Welfare Foundation, Patron of the Malaysia Feline Society and a member of the Veterinary Association Malaysia and Malaysian Equine Veterinary Association.

7.1.3 Promoters, Directors and Substantial Shareholders' Directorships and Substantial Shareholdings in Other Public Corporations for the Past Two (2) Years

Save as disclosed below, none of our Promoters, Directors and substantial shareholders have any directorships or substantial shareholdings in other public corporations for the past two (2) years up to 15 August 2008, being the latest practicable date prior to the printing of this Prospectus:

| Name | Directorship | | | | Substantial shareholdings as at 15 August 2008 | | | |
|---|-----------------------------------|--|---------------------|---------------------|--|---|--------------------|---|
| | Company | Position | Date of appointment | Date of resignation | Direct | | Indirect | |
| | | | | | No. of shares held | % | No. of shares held | % |
| Professor Dato' Dr Omar@ S. Omar bin Abdul Rahman | Guan Chong Berhad | Independent Non-Executive Director | 1 January 2006 | 1 April 2008 | * | * | - | - |
| Dato' Dr Mhd Nordin bin Mohd Nor | Dutch Lady Milk Industries Berhad | Non-Independent Non-Executive Director | 1 August 2003 | - | - | - | - | - |

Note:

* Held shares in Guan Chong Berhad but not deemed as a substantial shareholder.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.4 Changes in our Promoters and Substantial Shareholders' Shareholdings

The changes in the registered substantial shareholders' shareholdings in our Company since incorporation are as follows:

| | Existing | | | | After the Acquisition | | | | After the Assumption and Settlement of Advances | | | |
|-------------------|---------------|-------|---------------|---|-----------------------|-------|---------------|---|---|-------|---------------|---|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Tan Siew Sim | 100 | 50.00 | - | - | - | - | - | - | - | - | - | - |
| Tee Thiam Huat | 100 | 50.00 | - | - | - | - | - | - | - | - | - | - |
| Dr Tan Kim Sing | - | - | - | - | 34,310,030 | 33.00 | - | - | 41,046,510 | 33.00 | - | - |
| Dr Kok Poe Chu | - | - | - | - | 17,971,950 | 17.28 | - | - | 21,500,610 | 17.28 | - | - |
| Dr Teo Kim Lai | - | - | - | - | 13,070,550 | 12.57 | - | - | 15,636,860 | 12.57 | - | - |
| Dr Fong Chan Seng | - | - | - | - | 13,070,550 | 12.57 | - | - | 15,636,860 | 12.57 | - | - |
| Heng Teik Teow | - | - | - | - | 6,535,280 | 6.29 | - | - | 7,818,430 | 6.29 | - | - |
| Tan Choon Shong | - | - | - | - | 6,535,280 | 6.29 | - | - | 7,818,430 | 6.29 | - | - |

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

7.1.5 Directors' Remuneration and Benefits

The remuneration and material benefits-in-kind paid and proposed to be paid to all our Directors for services rendered to us in all capacities to our Group was approximately RM0.65 million and RM0.71 million for the FYE 2006 and FYE 2007, respectively, and forecasted at approximately RM0.78 million for the FYE 2008.

The range of aggregate remuneration and material benefits-in-kind paid or estimated and forecasted to be paid to our Directors for services rendered in all capacities to our Group is as follows:

| Range RM | Number of Directors FYE 2006 | Number of Directors FYE 2007 | Number of Directors FYE 2008 |
|-------------------|------------------------------|------------------------------|------------------------------|
| Less than 150,000 | - | - | 3 |
| 150,000-200,000 | - | - | - |
| 200,001-250,000 | 3 | 2 | 3 |
| 250,001-300,000 | - | 1 | 1 |

7.1.6 Term of Office

According to our Articles of Association ("Articles"), one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office, and an election of Directors shall take place provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

The Directors shall have power, at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors so as the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

7.2 Audit, Remuneration and Nomination Committee

7.2.1 Audit Committee

The details of our Audit Committee, which comprises Board members, are as follows:

| Name | Designation | Designation |
|--|-------------|------------------------------------|
| S Gunaseharan a/l P Subramaniam | Chairman | Independent Non-Executive Director |
| Professor Dato' Dr Omar @ S. Omar bin Abdul Rahman | Member | Independent Non-Executive Director |
| Dato' Dr Mhd Nordin bin Mohd Nor | Member | Independent Non-Executive Director |

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

The summary of the terms of reference of the Audit Committee is as follows:

- (i) to review the adequacy of the scope, functions, competency, resources and set the standards of the internal audit function;
- (ii) to provide assurance to the Board on the effectiveness of the system of internal control and risk management practices of the Group;
- (iii) to monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (iv) to review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board and compliance with accounting standards and other legal requirements; and
- (v) to consider the appointment and/or re-appointment of the internal auditors and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors.

7.2.2 Remuneration Committee

The composition of our Remuneration Committee is as follows:

| Name | Designation | Designation |
|--|-------------|------------------------------------|
| Professor Dato' Dr Omar @ S. Omar bin Abdul Rahman | Chairman | Independent Non-Executive Director |
| Dr Kok Poe Chu | Member | Executive Director |
| S Gunaseharan a/l P Subramaniam | Member | Independent Non-Executive Director |

The summary of the terms of reference of the Remuneration Committee is as follows:

- (i) to recommend and advise our Board the remuneration and terms of conditions (and where appropriate, severance payments) of the Executive Directors (including Managing Director); and
- (ii) to establish a formal and transparent procedure for developing policy on remuneration packages of individual directors, taking into consideration the following:
 - In case of executive directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance; and
 - In the case of non-executive directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the non-executive concerned.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.2.3 Nomination Committee

The composition of our Nomination Committee is as follows:

| Name | Designation | Designation |
|--|--------------------|------------------------------------|
| Dato' Dr Mhd Nordin bin Mohd Nor | Chairman | Independent Non-Executive Director |
| Professor Dato' Dr Omar @ S. Omar bin Abdul Rahman | Member | Independent Non-Executive Director |

The summary of the terms of reference of the Nomination Committee are as follows:

- (i) to recommend to the Board, candidates for directorships;
- (ii) to recommend the Directors to sit on respective Board committees;
- (iii) to administer the annual assessment of Directors, including a review of the skill, qualification and competencies of the Board as a whole; and
- (iv) to ensure that all Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.3 Key Management and Key Technical Personnel

7.3.1 Key Management's and Key Technical Personnel's Shareholdings

The direct and indirect interests of our key management and key technical personnel in our issued and paid-up share capital before and after the Public Issue are as follows:

| Name | Designation | Before the Public Issue | | | After the Public Issue | | |
|-----------------|------------------------------------|-------------------------|---|---------------|------------------------|---------------|----------|
| | | Direct | | Indirect | Direct | | Indirect |
| | | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Yeoh Yoke Seen | R&D and Technical Manager | - | - | - | 100,000* | 0.07 | - |
| Chang Ying Kang | R&D and Technical Manager | - | - | - | 300,000* | 0.20 | - |
| Ang Seong Kian | R&D and Technical Manager | - | - | - | 100,000* | 0.07 | - |
| Phang Tong Eng | Finance and Administration Manager | - | - | - | 50,000* | 0.03 | - |

Note:

* Assuming full subscription of their respective Pink Form Allocation.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.3.2 Profile of our Key Management and Key Technical Personnel**(i) Yeoh Yoke Seen**

Yeoh Yoke Seen, aged 40, is the R&D and Technical Manager of our Group. She is responsible for assisting the Director of R&D, conducting R&D activities, monitoring field efficacy trials, providing technical assistance to customers and attending to product registrations matters. She graduated with a Bachelor of Veterinary Medicine degree from the National Taiwan University in 1992.

Yeoh Yoke Seen has 15 years experience in the animal health industry and started her career in animal health as a veterinarian in Agribiz Corporation in Taiwan in 1992. She later joined the sales team of Pfizer as an Accounts Executive in 1993 and subsequently left to join Summit Co-Veterinary Division Malaysia as a Sales and Technical Executive in 1995. In 1997, she rejoined Pfizer as a Biological Product Manager. She joined Sunzen Corporation in 1999.

(ii) Chang Ying Kang

Chang Ying Kang, aged 44, is the R&D and Technical Manager of our Group. He is responsible for assisting the Director of R&D, conducting R&D activities, monitoring field efficacy trials and providing technical assistance to customers. He graduated with a Bachelor of Veterinary Medicine degree from the National Taiwan University in 1988.

Chang Ying Kang has 19 years experience, mainly in the animal health industry. He started his career as a technical adviser in Pharmvet (M) Sdn Bhd as a technical executive in 1991 and later left to join Juhaim Biotech (M) Sdn Bhd in 1994. He was appointed the technical manager of Pfizer in 1995 and later joined Sunzen Corporation as technical manager in January 1999. He later left Sunzen Corporation and joined Zinpro in July 2000 and Phibro Corporation Sdn Bhd in 2001. He rejoined Sunzen Corporation in September 2002. He has published numerous research papers relating to animal health.

(iii) Ang Seong Kian

Ang Seong Kian, aged 52, is the R&D and Technical Manager of our Group. He is responsible for assisting the Director of R&D, conducting R&D activities, monitoring field efficacy trials and providing technical assistance to customers. He graduated with a D.V.M. degree from Pingtung Institute of Agriculture Taiwan in 1984.

Ang Seong Kian has 23 years experience, mainly in the animal health industry and has previously worked in Taiwan as a technician and teaching assistant. He returned to Malaysia in 1986 where he was appointed the laboratory chief of Dinding Contract Farming Sdn Bhd's broiler breeder farm. He later became the field veterinarian for Federal Flour Feedmill Berhad in 1989 and subsequently left a year later to join KFC Food Processing Sdn Bhd providing sales and technical services. He joined Dinding Contract Farming Sdn Bhd as a field veterinarian in 1993 and later joined Pfizer as poultry team technical manager in July 1994. He has published numerous research papers relating to animal health.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(iv) Phang Tong Eng

Phang Tong Eng, aged 44, is the Finance and Administration Manager of our Group. He reports directly to the Managing Director on all financial and administration aspects of the Group. He obtained a professional qualification in accounting from the Chartered Institute of Management Accountants in 1994. He is currently a registered member of the Malaysian Institute of Accountants.

Phang Tong Eng has 15 years of working experience in accounting and finance. He joined Resintech Plastics Sdn Bhd, a manufacturing company in 1995 as an Accounts Manager. He later left Resintech Plastics Sdn Bhd to joined Jets Express Services Sdn Bhd, an international freight forwarding company in 1997 as a Finance Manager for a period of 10 years till 2007. He joined Sunzen Corporation in March 2008 as the Finance and Administration Manager.

7.4 Declaration from our Promoters, Directors, Key Management and Key Technical Personnel

None of our Promoters, Directors, key management and key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (ii) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

7.5 Relationships

As at 15 August 2008, being the latest practicable date prior to the printing of this Prospectus, there is no family relationship (as defined in Section 122A of the Act) or association between our substantial shareholders, Promoters, Directors, key management and key technical personnel.

7.6 Service Agreements

As at 15 August 2008, there are no existing or proposed service agreements between our Group and Directors or key management, excluding contracts expiring or determinable by our Company without payments or compensation (other than statutory compensation), which are not terminable by notice without payment or compensation (other than statutory notice).

7.7 Involvement of Executive Directors and Key Management in other Business/Corporation

None of our Executive Directors and key management are involved in other businesses/corporations.

8. APPROVALS AND CONDITIONS

8.1 Conditions on Approvals for the Flotation Exercise

In conjunction with and as an integral part of the listing and quotation for our entire issued and paid-up share capital on the MESDAQ Market, we undertook the Flotation Exercise as set out in Section 5 of this Prospectus, which was approved by the SC, FIC (through SC) and MITI on dates as set out below:

- (i) SC vide its letters dated 31 March 2008 and 31 July 2008;
- (ii) FIC (through SC), vide the SC's letters dated 31 March 2008 and 31 July 2008; and
- (iii) MITI vide its letters dated 12 May 2008 and 30 July 2008.

The conditions imposed by the SC, FIC and MITI in its approval and the status of compliance are set out as follows:

| Authority | Conditions | Status of compliance |
|---|---|--|
| SC and FIC vide the SC's letter dated 31 March 2008 | <p>(i) Sunzen Biotech to disclose in its public issue prospectus, the following:</p> <p>(a) A detailed Management Discussion and Analysis of the factors and trends that are anticipated to have a material effect on the Sunzen Biotech Group's financial condition and operating results in future periods, taking into consideration the following:</p> <ul style="list-style-type: none"> • The nature and conditions of the business that the Sunzen Biotech is operating in; • The risk factors faced by the Sunzen Biotech Group and its business operations; • The prospects and outlook of the industry in which the Sunzen Biotech Group is operating; • The prevailing economic situation; and • The future plans and strategies of the Sunzen Biotech Group; <p>and</p> <p>(b) The extent of Sunzen Biotech Group's dependence on Pfizer, salient terms of its distribution agreement with Pfizer, the likelihood of the distribution agreement being terminated or adversely modified and the impact thereof, as well as factors mitigating the dependency on Pfizer;</p> <p>(ii) Sunzen Corporation to renew its distributorship agreement with Pfizer, prior to issuance of Sunzen's public issue prospectus;</p> | <p>Complied. Please refer to Sections 11.6.2 and 11.6.8 of this Prospectus for further information.</p> <p>Complied. Refer to Section 5.6 of this Prospectus.</p> <p>Complied. The agreement was renewed on 10 April 2008. Please refer to Section 5.6 of this Prospectus for further information.</p> |

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8. APPROVALS AND CONDITIONS (Cont'd)

| Authority | Conditions | Status of compliance | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|---|--|--|-----------|---------------|---|-----------------|------------|------|----------------|------------|------|----------------|------------|-----|-------------------|------------|-----|--------------|-------------------|-------------|--|
| SC and FIC vide the SC's letter dated 31 March 2008 (cont'd) | (iii) Sunzen Biotech to meet the 30% Bumiputera equity requirement within one (1) year after it has achieved the profit record for companies seeking listing on the Second Board of Bursa Securities or within five (5) years after admission to the MESDAQ Market, whichever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by the MITI; | To be complied. | | | | | | | | | | | | | | | | | | | | | | |
| | (iv) Sunzen Biotech to submit a preliminary proposal to SC on how it proposes to meet the Bumiputera equity condition, six (6) months before the expiry date of the compliance; | To be complied. | | | | | | | | | | | | | | | | | | | | | | |
| | (v) Pursuant to paragraph 3.16.1 of the SC's Guidelines for Initial Public Offerings and Listings on the MESDAQ Market, which requires that shares held by promoters amounting to 45% of the applicant's issued and paid-up share capital at admission be placed under moratorium, the moratorium on the shareholdings of Sunzen Biotech's promoters is as follows: | Please refer to SC's letter dated 31 July 2008 for the status of compliance. | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th data-bbox="564 958 790 1019"></th> <th colspan="2" data-bbox="790 958 1152 1019">Sunzen Biotech Shares under moratorium</th> </tr> <tr> <th data-bbox="564 1019 790 1137">Promoters</th> <th data-bbox="790 1019 965 1137">No. of Shares</th> <th data-bbox="965 1019 1152 1137">% of enlarged issued and paid-up share capital*</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 1137 790 1176">Dr Tan Kim Sing</td> <td data-bbox="790 1137 965 1176">31,530,579</td> <td data-bbox="965 1137 1152 1176">19.2</td> </tr> <tr> <td data-bbox="564 1176 790 1214">Dr Kok Poe Chu</td> <td data-bbox="790 1176 965 1214">17,045,406</td> <td data-bbox="965 1176 1152 1214">10.4</td> </tr> <tr> <td data-bbox="564 1214 790 1252">Dr Teo Kim Lai</td> <td data-bbox="790 1214 965 1252">12,699,870</td> <td data-bbox="965 1214 1152 1252">7.7</td> </tr> <tr> <td data-bbox="564 1252 790 1290">Dr Fong Chan Seng</td> <td data-bbox="790 1252 965 1290">12,699,870</td> <td data-bbox="965 1252 1152 1290">7.7</td> </tr> <tr> <td data-bbox="564 1290 790 1328">Total</td> <td data-bbox="790 1290 965 1328">73,975,725</td> <td data-bbox="965 1290 1152 1328">45.0</td> </tr> </tbody> </table> | | | Sunzen Biotech Shares under moratorium | | Promoters | No. of Shares | % of enlarged issued and paid-up share capital* | Dr Tan Kim Sing | 31,530,579 | 19.2 | Dr Kok Poe Chu | 17,045,406 | 10.4 | Dr Teo Kim Lai | 12,699,870 | 7.7 | Dr Fong Chan Seng | 12,699,870 | 7.7 | Total | 73,975,725 | 45.0 | |
| | | Sunzen Biotech Shares under moratorium | | | | | | | | | | | | | | | | | | | | | | |
| | Promoters | No. of Shares | % of enlarged issued and paid-up share capital* | | | | | | | | | | | | | | | | | | | | | |
| | Dr Tan Kim Sing | 31,530,579 | 19.2 | | | | | | | | | | | | | | | | | | | | | |
| Dr Kok Poe Chu | 17,045,406 | 10.4 | | | | | | | | | | | | | | | | | | | | | | |
| Dr Teo Kim Lai | 12,699,870 | 7.7 | | | | | | | | | | | | | | | | | | | | | | |
| Dr Fong Chan Seng | 12,699,870 | 7.7 | | | | | | | | | | | | | | | | | | | | | | |
| Total | 73,975,725 | 45.0 | | | | | | | | | | | | | | | | | | | | | | |
| * Based on the enlarged issued and paid-up share capital of 164,390,500 Sunzen Shares upon admission to the MESDAQ Market. | | | | | | | | | | | | | | | | | | | | | | | | |
| (vi) Approvals to be obtained from other relevant authorities, if any; and | Complied. The MITI's approval was obtained vide its letters dated 12 May 2008 and 30 July 2008. | | | | | | | | | | | | | | | | | | | | | | | |
| (vii) PIVB/Sunzen Biotech to inform the SC when the proposed flotation on MESDAQ Market is completed. | To be complied. | | | | | | | | | | | | | | | | | | | | | | | |

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8. APPROVALS AND CONDITIONS (Cont'd)

| Authority | Conditions | Status of compliance | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|--|---------------|--|-----------------|------------|------|----------------|------------|------|----------------|------------|-----|-------------------|------------|-----|--------------|-------------------|-------------|---|
| SC and FIC vide the SC's letter dated 31 July 2008 | <p>The Public Issue was revised from 40,000,000 new Shares to 25,000,000 new Shares. Based on the SC's approval letter, the terms are listed below. All other conditions of the SC's previous letter dated 31 March 2008 remain unchanged.</p> <p>(i) Public Issue is allocated as follows:-</p> <p>(a) 3,000,000 new Sunzen Shares available for application by the Malaysian citizens, companies, societies, co-operatives and institutions;</p> <p>(b) 4,000,000 new Sunzen Shares available for application by eligible directors, employees and/or person who have contributed to the success of Sunzen and its subsidiaries; and</p> <p>(c) 18,000,000 new Sunzen Shares available by way of private placement to selected investors.</p> <p>(ii) The number of Sunzen Biotech Shares held by the Promoters to be placed under moratorium, amounting to 45% of the enlarged issued and paid-up share capital of Sunzen Biotech will change as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Promoters</th> <th colspan="2">Sunzen Biotech Shares under revised moratorium</th> </tr> <tr> <th>No. of Shares</th> <th>% of enlarged issued and paid-up share capital</th> </tr> </thead> <tbody> <tr> <td>Dr Tan Kim Sing</td> <td>29,411,178</td> <td>19.7</td> </tr> <tr> <td>Dr Kok Poe Chu</td> <td>15,405,895</td> <td>10.3</td> </tr> <tr> <td>Dr Teo Kim Lai</td> <td>11,204,326</td> <td>7.5</td> </tr> <tr> <td>Dr Fong Chan Seng</td> <td>11,204,326</td> <td>7.5</td> </tr> <tr> <td>Total</td> <td>67,225,725</td> <td>45.0</td> </tr> </tbody> </table> | Promoters | Sunzen Biotech Shares under revised moratorium | | No. of Shares | % of enlarged issued and paid-up share capital | Dr Tan Kim Sing | 29,411,178 | 19.7 | Dr Kok Poe Chu | 15,405,895 | 10.3 | Dr Teo Kim Lai | 11,204,326 | 7.5 | Dr Fong Chan Seng | 11,204,326 | 7.5 | Total | 67,225,725 | 45.0 | <p>To be complied.</p> <p>To be complied.</p> |
| Promoters | Sunzen Biotech Shares under revised moratorium | | | | | | | | | | | | | | | | | | | | | |
| | No. of Shares | % of enlarged issued and paid-up share capital | | | | | | | | | | | | | | | | | | | | |
| Dr Tan Kim Sing | 29,411,178 | 19.7 | | | | | | | | | | | | | | | | | | | | |
| Dr Kok Poe Chu | 15,405,895 | 10.3 | | | | | | | | | | | | | | | | | | | | |
| Dr Teo Kim Lai | 11,204,326 | 7.5 | | | | | | | | | | | | | | | | | | | | |
| Dr Fong Chan Seng | 11,204,326 | 7.5 | | | | | | | | | | | | | | | | | | | | |
| Total | 67,225,725 | 45.0 | | | | | | | | | | | | | | | | | | | | |
| MITI vide its letter dated 12 May 2008 | <p>(i) Approvals to be obtained from the SC and to comply with the FIC Guideline; and</p> <p>(ii) For observation purposes, the Company is required to inform MITI after the completion of the Flotation Exercise.</p> | <p>Complied. The SC and FIC's approvals were obtained vide the SC's letters dated 31 March 2008 and 31 July 2008.</p> <p>To be complied.</p> | | | | | | | | | | | | | | | | | | | | |
| MITI vide its letter dated 30 July 2008 | <p>(i) MITI had approved the revision to the listing proposal of Sunzen Biotech on the MESDAQ Market for a reduction in the total share capital from 164,390,500 Shares to 149,390,500 Shares subject to approval being obtained from the SC and compliance with the FIC Guideline.</p> <p>(ii) Other decisions stated in the MITI letter dated 12 May 2008 remain unchanged.</p> | <p>Complied.</p> <p>Noted.</p> | | | | | | | | | | | | | | | | | | | | |

8. APPROVALS AND CONDITIONS (Cont'd)

| Authority | Conditions | Status of compliance |
|---|---|----------------------|
| MITI vide its letter dated 30 July 2008 (cont'd) | (iii) For monitoring purposes, Sunzen Biotech is to inform MITI once all proposals have been carried out. | To be complied. |

The SC had also vide its letter dated 3 September 2008, granted its approval for the extension of time of up to 31 December 2008 for Sunzen Biotech to complete the implementation of the Flotation Exercise.

8.2 Moratorium on Shares

The SC, in approving our Listing, had, imposed a moratorium on the disposal of 67,225,725 Shares held by our Promoters.

Accordingly, our Promoters with their shareholdings listed below, will not be allowed to sell, transfer or assign their shareholdings of 67,225,725 Shares representing 45.00% of our enlarged issued and paid-up share capital upon listing within one (1) year from the date of our admission on the MESDAQ Market. Thereafter, the Promoters will be allowed to sell, transfer or assign only up to a maximum of one third of their shareholdings per annum on a straight line basis of their respective shareholdings under moratorium.

| Shareholders | After the Public Issue | | | |
|-------------------|-----------------------------------|------------------------------|--|------------------------------|
| | No. of Sunzen Biotech Shares held | % of enlarged share capital* | No. of Sunzen Biotech Shares to be held under moratorium | % of enlarged share capital* |
| Dr Tan Kim Sing | 41,046,510 | 27.48 | 29,411,178 | 19.69 |
| Dr Kok Poe Chu | 21,500,610 | 14.39 | 15,405,895 | 10.31 |
| Dr Teo Kim Lai | 15,636,860 | 10.47 | 11,204,326 | 7.50 |
| Dr Fong Chan Seng | 15,636,860 | 10.47 | 11,204,326 | 7.50 |
| Total | 93,820,840 | 62.81 | 67,225,725 | 45.00 |

Note:

* Based on 149,390,500 Sunzen Biotech Shares.

The restrictions, which are fully accepted by the shareholders, are specifically endorsed on the share certificates representing the shareholding of each shareholder which is under moratorium to ensure that our share registrars do not register any transfer not in compliance with the restriction imposed by the SC.

The Promoters have provided undertakings that they shall comply with the abovementioned terms relating to the sale of their Shares under moratorium as outlined above.

9. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

9.1 Existing and Proposed Related Party Transactions

For the past three (3) FYEs 2007 and the three (3) months FPE 31 March 2008, our Group:

- (i) has not entered into any non-recurrent transactions with our related parties; and
- (ii) does not have any other existing and/or proposed recurrent related party transactions that are of revenue or trading in nature entered into between our Group and our related parties, which involve the interests, direct or indirect, of our Directors, substantial shareholders, key management personnel and/or persons connected to them ("Recurrent Transactions").

Related parties mean Directors, substantial shareholders and/or persons connected with such Director or substantial shareholder as defined in the Listing Requirements.

In our ordinary course of business, we may enter into Recurrent Transactions with persons which are considered as related party as defined in the Listing Requirements. Our Directors understand that the Recurrent Transactions should be conducted on arm's length basis and on terms which are not more favorable to the related parties than those available to the public and which will not be detrimental to our minority shareholders. The Audit Committee will supervise the terms of the related party transactions, and our Directors will report any related party transaction, if any, annually in our Company's annual report.

We will, after our Listing, procure a mandate from our shareholders, if necessary, for all our Recurrent Transactions. Further, the interested persons shall abstain from voting on the resolution (s) approving other related party transactions.

9.2 Loans Made to Related Parties

There are no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of related parties during the past three (3) FYEs 2007 and the three (3) months FPE 31 March 2008 immediately preceding the date of this Prospectus.

9.3 Transactions that are Unusual in their Nature or Condition

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we or our subsidiary was a party during the past three (3) FYEs 2007 and the three (3) months FPE 31 March 2008 immediately preceding the date of this Prospectus.

9.4 Promotion of Assets

Save for the Acquisition, of which details are set out in Section 5 of this Prospectus, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets which have, within the past three (3) FYEs 2007 and the three (3) months FPE 31 March 2008 immediately preceding the date of this Prospectus, been acquired or disposed of by or leased to our Group, or are proposed to be acquired or disposed of by or leased to our Group.

9.5 Interest in Similar Business

To the best knowledge and belief of our Directors and substantial shareholders, none of our Directors and/or substantial shareholders and/or key management has any interest, direct or indirect, in any other businesses and corporation carrying on a similar trade as that of our Group.

9. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

9.6 Declaration

9.6.1 Declaration by PIVB

PIVB has given the confirmation that there is no existing or potential conflict of interest in its capacity as the Adviser, Sponsor, Managing Underwriter, Underwriter and Placement Agent in respect of the IPO.

9.6.2 Declaration by Messrs. Horwath

Messrs. Horwath has given the confirmation that there is no existing or potential conflict of interest in their capacity as Auditors and Reporting Accountants in respect of the IPO.

9.6.3 Declaration by Messrs. Chooi & Company

Messrs. Chooi & Company has given the confirmation that there is no existing or potential conflict of interest in their capacity as solicitors in respect of the IPO.

9.6.4 Declaration by Messrs. Frost & Sullivan

Messrs. Frost & Sullivan has given the confirmation that there is no existing or potential conflict of interest in their capacity as Independent Market Researcher in respect of the IPO.

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10. OTHER INFORMATION CONCERNING OUR GROUP

10.1 Land and Buildings

10.1.1 Landed Properties Owned by Our Group

The summary of the information on landed properties owned by our Group as at 15 August 2008 (being the latest practicable date prior to printing of this Prospectus) are set out below:

We operate in two locations in Kota Kemuning. Our 47,000 sq. ft. premise in Kota Kemuning houses our corporate office, manufacturing, quality control, laboratory, R&D and warehouse facility whereas our 15,839 sq. ft. premise is dedicated to manufacturing of organic acids.

| Registered Owner | Address | Location/ Title | Description of property/ existing use | Tenure | Approximate age of building (Years) | Approximate land area / built-up area (sq.ft) | Restriction of Use/Interest | Encumbrances/ Registered Owner | Audited NBV as at 31 March 2008 RM |
|--------------------|--|--|--|----------|-------------------------------------|---|--|--|------------------------------------|
| Sunzen Corporation | No. 11, Jalan Anggerik Mokara (31/47), Section 31 Kota Kemuning, 40460 Shah Alam, Selangor | Title No. GRN 99074, Lot No. 69288, Mukim and District of Klang, State of Selangor | Factory complex comprising a three storey office building, a single storey factory annex, a refuse chamber and a guardhouse/Corporate office, laboratory, R&D, manufacturing of vitamin mineral premixes, feed additives and soluble products, warehouse | Freehold | 1 year | 47,000/30,830 | Land must be used only for industrial purposes | Charges registered on 19 June 2002 and 08 June 2006 in favour of Hong Leong Bank Berhad to secure repayment of principal sum | 4,854,826 |
| Sunzen Corporation | No. 16, Jalan Anggerik Mokara (31/61), Kota Kemuning, 40460 Shah Alam, Selangor | Title No.HS(D) 55014, Lot No. PT 56433, Mukim and District of Klang, State of Selangor | One and a half storey semi-detached factory/ Manufacturing of organic acids | Freehold | 8 years | 15,839/5,120 | Land must be used only for industrial purposes | Charge to guarantee repayment of principal sum in favour of Hong Leong Bank Berhad, registered on 16 December 2005 | 1,337,547 |
| Sunzen Corporation | No. 13, Jalan Anggerik Mokara (31/47), Kota Kemuning, 40460 Shah Alam, Selangor | Title No. GRN 99077, Lot No. 69289, Mukim and District of Klang, State of Selangor | Vacant land | Freehold | - | 46,000 | Land must be used only for industrial purposes | Charge to guarantee repayment of principal sum in favour of Hong Leong Bank Berhad, registered on 22 June 2006 | 2,058,661 |

10. OTHER INFORMATION CONCERNING OUR GROUP

The buildings above have been issued with certificates of fitness. For details on the date of issuances of certificates of fitness, refer to Section 5.4.18 of this Prospectus.

None of the existing use of the land in the above properties breaches the land-use conditions or permissible land use.

10.2 Acquisitions of Properties During Two (2) Years Preceding the Date of this Prospectus

Our Group has not acquired any properties during the past two (2) years preceding the date of this Prospectus.

10.3 Plant and Equipment

Our Group's material plant and equipment comprise the following:

| Type of Machine | Description/Purpose | No. of Units | Audited NBV as at 31 March 2008 (RM) |
|--|--------------------------------------|--------------|--------------------------------------|
| 2-ton horizontal mixer | Blending of mixture until uniformity | 1 | 52,470 |
| 1-ton horizontal mixer | Blending of mixture until uniformity | 1 | 75,350 |
| Auto packer and newlong sewing machine | Packaging | 1 | 54,800 |

Save for the above, all other plant and equipment of our Group are individually immaterial to be disclosed separately. Our Board is of the opinion that our Group has sufficient capacity to carry out our operations, the details of which are set out in Section 5.4.5 of this Prospectus.

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11. FINANCIAL INFORMATION

11.1 Proforma Consolidated Income Statements

The following is a summary of our proforma consolidated income statements for the past three (3) FYE 2007 and for the three (3) months FPE 31 March 2007 and 2008 which have been prepared based on the assumption that current structure of our Group had been in existence throughout the period under review. The proforma consolidated income statements are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in Section 11.4 of this Prospectus.

| | < ----- FYE ----- > | | | Three (3) months FPE 31 March | |
|--|---------------------|----------------|----------------|----------------------------------|----------------|
| | 2005 RM'000 | 2006 RM'000 | 2007 RM'000 | 2007* RM'000 | 2008 RM'000 |
| Revenue | 26,170 | 27,225 | 23,141 | 5,771 | 6,153 |
| GP | 8,916 | 9,186 | 8,291 | 2,085 | 2,443 |
| EBIDTA | 4,623 | 5,202 | 3,959 | 1,211 | 1,175 |
| Amortisation | (55) | (390) | (243) | (49) | (7) |
| Depreciation | (201) | (216) | (251) | (53) | (53) |
| Interest expense | (85) | (171) | (289) | (35) | (77) |
| Interest income | 91 | 89 | 69 | 15 | 17 |
| PBT | 4,373 | 4,514 | 3,245 | 1,089 | 1,055 |
| Taxation | (1,192) | (400) | (450) | - | (123) |
| PAT | 3,181 | 4,114 | 2,795 | 1,089 | 932 |
| Attributable to: | | | | | |
| Ordinary equity holders of the parent | 3,181 | 4,114 | 2,795 | 1,089 | 932 |
| Assumed number of Sunzen Biotech Shares in issue ('000) ⁽¹⁾ | 124,390 | 124,390 | 124,390 | 124,390 | 124,390 |
| GP Margin (%) | 34.07 | 33.74 | 35.83 | 36.13 | 39.70 |
| Gross EPS (sen) ⁽²⁾ | 3.52 | 3.63 | 2.61 | 3.50^ | 3.39^ |
| Net EPS (sen) ⁽²⁾ | 2.56 | 3.31 | 2.25 | 3.50^ | 3.00^ |

Notes:

* Based on unaudited management accounts for the three (3) months FPE 31 March 2007.

^ Annualised.

(1) Based on the number of Shares assumed in issue after the Acquisition and Assumption and Settlement of Advances but before the Public Issue.

(2) The gross and net EPS have been calculated based on the PBT and PAT, respectively, by the number of Shares assumed in issue.

(3) Basis of preparation:-

Our proforma consolidated income statements for the past three (3) FYEs 2007 and the three (3) months FPE 31 March 2008 are provided for illustrative purpose only and have been prepared:

(i) based on the audited financial statements of Sunzen Biotech for the financial period ended 31 December 2005, FYE 2006, FYE 2007, the three (3) months FPE 31 March 2008 and the unaudited management accounts for the three (3) months FPE 31 March 2007; and Sunzen Corporation for the past three (3) FYEs 2007, three (3) months FPE 31 March 2008 and the unaudited management accounts for the three (3) months FPE 31 March 2007 after making appropriate adjustments for the purpose of preparing the proforma consolidated income statements on the assumption that the Acquisition had been effected throughout the financial years and periods under review;

(ii) in accordance with the applicable approved accounting standards issued by the MASB; and

(iii) based on the basis and assumptions consistent with those accounting policies adopted by our Company and our subsidiary companies.

There was no minority interest, associated companies or joint ventures, exceptional or extraordinary items in the financial years under review. The auditors' reports for our Company and our subsidiary companies for the financial years under review were reported without any audit qualification.

11. FINANCIAL INFORMATION (Cont'd)

11.2 Proforma Consolidated Balance Sheets

Our proforma consolidated balance sheets as set out below have been prepared for illustrative purposes only to show the effects on our audited balance sheets as at 31 March 2008 had the Flotation Exercise been completed on that date and that our Group had been in existence throughout the period under review. The proforma consolidated balance sheets below should be read in conjunction with the accompanying notes included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in Section 11.4 of this Prospectus.

| | Audited as at 31 March 2008 RM'000 | Proforma I RM'000 | Proforma II RM'000 | Proforma III RM'000 |
|---|--|-------------------------|--------------------------|---------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 79 | 8,922 | 8,922 | 8,922 |
| Product development expenditure | - | 866 | 866 | 866 |
| Quoted investment, at cost | - | 4 | 4 | 4 |
| | 79 | 9,792 | 9,792 | 9,792 |
| CURRENT ASSETS | | | | |
| Inventories | 2,276 | 9,888 | 9,888 | 9,888 |
| Trade receivables | 22,057 | 6,783 | 6,783 | 6,783 |
| Other receivables, deposits and prepayments | 586 | 818 | 818 | 818 |
| Amount owing by directors | - | - | 2 | 2 |
| Tax refundable | 472 | 777 | 777 | 777 |
| Fixed deposits with licensed banks | - | 2,110 | 2,110 | 2,110 |
| Cash and balances banks | 277 | 2,883 | 2,883 | 9,083 |
| | 25,668 | 23,259 | 23,261 | 29,461 |
| TOTAL ASSETS | 25,747 | 33,051 | 33,053 | 39,253 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Share capital | * | 10,397 | 12,439 | 14,939 |
| Share premium | - | - | - | 3,700 |
| Retained profits | 3,897 | 13,075 | 13,075 | 13,075 |
| Merger deficit | - | (8,397) | (8,397) | (8,397) |
| SHAREHOLDERS' EQUITY | 3,897 | 15,075 | 17,117 | 23,317 |
| NON-CURRENT LIABILITIES | | | | |
| Deferred taxation | 13 | 239 | 239 | 239 |
| Hire purchase payables | - | 40 | 40 | 40 |
| Term loans | - | 4,557 | 4,557 | 4,557 |
| | 13 | 4,836 | 4,836 | 4,836 |
| CURRENT LIABILITIES | | | | |
| Trade payables | 1,117 | 4,668 | 4,668 | 4,668 |
| Other payables and accruals | 18,659 | 1,150 | 772 | 772 |
| Amount owing to directors | - | 1,662 | - | - |
| Dividend payable | 2,061 | 2,795 | 2,795 | 2,795 |
| Hire purchase payables | - | 25 | 25 | 25 |
| Short-term borrowings | - | 2,840 | 2,840 | 2,840 |
| | 21,837 | 13,140 | 11,100 | 11,100 |
| TOTAL LIABILITIES | 21,850 | 17,976 | 15,936 | 15,936 |
| TOTAL EQUITY AND LIABILITIES | 25,747 | 33,051 | 33,053 | 39,253 |
| No of ordinary shares of RM0.10 each ('000) | ** | 103,975 | 124,390 | 149,390 |
| NA per ordinary share (RM) | 19,485 | 0.14 | 0.14 | 0.16 |

Notes:

- * : RM20
** : 200 ordinary shares of RM0.10 each
Proforma I : After the Acquisition
Proforma II : After Proforma I and the Assumption and Settlement of Advances
Proforma III : After Proforma I, Proforma II, the Public Issue and the proposed utilisation of proceeds arising from the Public Issue

11. FINANCIAL INFORMATION (Cont'd)

(1) *Basis of preparation:-*

- (i) *The proforma consolidated balance sheets have been prepared based on the audited financial statements of Sunzen Biotech and Sunzen Corporation as at 31 March 2008, and using the merger method of accounting for our Group.*
- (ii) *The proforma consolidated balance sheets together with notes thereon, have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited financial statements of our Group to illustrate the consolidated balance sheets of our Group assuming that all the transactions mentioned had taken place on 31 March 2008.*

11.3 Proforma Consolidated Cash Flow Statements

The following is our proforma Group cash flow statements for the three (3) months FPE 31 March 2007 and 2008 which have been prepared on the assumption that our Group had been in existence throughout the period under review. The proforma consolidated cash flow statements are prepared for illustrative purposes only and should be read in conjunction with the Reporting Accountant's Letter on the Proforma Consolidated Financial Information set out in Section 11.4 of this Prospectus.

| | Unaudited Three (3) Months FPE 31 March 2007 RM'000 | Audited Three (3) Months FPE 31 March 2008 RM'000 |
|---|--|--|
| CASHFLOW FROM OPERATING ACTIVITIES | | |
| PBT | 1,089 | 1,055 |
| Adjustments for: | | |
| Amortisation of product development expenditure | 49 | 7 |
| Depreciation of property, plant and equipment | 53 | 53 |
| Interest expense | 35 | 77 |
| Interest income | (15) | (17) |
| Income from unit trust | (3) | (1) |
| Operating profit before working capital changes | 1,208 | 1,174 |
| Increase in Inventories | (252) | (1,154) |
| Decrease/(Increase) in trade and other receivables | 725 | (895) |
| (Decrease)/Increase in trade and other payables | (841) | 1,316 |
| Cash from operations | 840 | 441 |
| Interest paid | (35) | (77) |
| (Tax paid)/Tax refunded | (321) | 374 |
| Net cash from operating activities | 484 | 738 |
| CASHFLOW FOR INVESTING ACTIVITIES | | |
| Fixed deposit interest received | 15 | 17 |
| Income received from unit trust | 3 | 1 |
| Payment for product development expenditure | (109) | (76) |
| Purchase of property, plant and equipment | (252) | (28) |
| Net cash used for investing activities | (343) | (86) |
| CASHFLOW FOR FINANCING ACTIVITIES | | |
| Repayment of hire purchase obligations | (6) | (6) |
| Repayment of term loans | (77) | (73) |
| Repayment to directors | (10) | (38) |
| Net cash used for financing activities | (93) | (117) |
| Net increase/(decrease) in cash and equivalents | 48 | 535 |
| Cash and equivalents at beginning of the financial period | 4,855 | 4,458 |
| Cash and equivalents at end of the financial period | 4,903 | 4,993 |

Note:

The Proforma Consolidated Cash Flow Statements of our Group has been prepared before taking into account the proceeds from the Public Issue and proposed utilisation of proceeds.

11. FINANCIAL INFORMATION (Cont'd)

11.4 Reporting Accountants' Letter on the Proforma Consolidated Financial Information



Date: 20 August 2008

The Board of Directors
Sunzen Biotech Berhad
10th Floor, Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur

Dear Sirs,

SUNZEN BIOTECH BERHAD ("SUNZEN BIOTECH") PROFORMA CONSOLIDATED FINANCIAL INFORMATION

We have reviewed the proforma consolidated financial information of Sunzen Biotech and its subsidiaries ("Sunzen Biotech Group" or "the Group") for the financial years ended 31 December ("FYE") 2005 to 2007 and financial period ended ("FPE") 31 March 2008, together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for illustrative purposes for inclusion in this Prospectus.

In our opinion,

- (a) the proforma consolidated financial information has been properly prepared on the bases set out in the accompanying notes to the proforma financial information and such bases are consistent with the accounting policies of Sunzen Biotech Group unless otherwise stated;
- (b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with applicable approved accounting standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

We understand that this letter will be used solely for the purposes stated above. As such, this letter should not be used for any other purposes without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

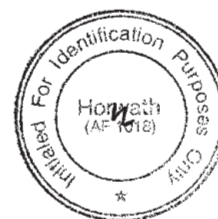
Horwath
Firm No : AF 1018
Chartered Accountants

Onn Kien Hoe
Approval No : 1772/11/08(J/PH)
Partner

Horwath Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Penang

11. FINANCIAL INFORMATION (Cont'd)


SUNZEN BIOTECH BERHAD (“SUNZEN BIOTECH”) AND ITS SUBSIDIARIES (“SUNZEN BIOTECH GROUP”)
PROFORMA CONSOLIDATED FINANCIAL INFORMATION
1. PROFORMA GROUP AND BASIS OF PREPARATION

The proforma consolidated financial information had been prepared for inclusion in this Prospectus with the listing of and quotation for the entire enlarged issued and paid-up share capital of Sunzen Biotech on the MESDAQ Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The details of the listing scheme are shown below:-

(a) Acquisition

Acquisition by Sunzen Biotech of the entire issued and paid-up share capital of Sunzen Corporation Sdn Bhd (“Sunzen Corporation”) comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM10,397,548, to be satisfied through the issuance of 103,975,480 new ordinary shares of RM0.10 each in Sunzen Biotech (“Sunzen Biotech Shares” or “Shares”) at par (“Acquisition”)

(b) Assumption and Settlement of Advances

Assumption and settlement of advances amounting to RM2,041,482 owed by Sunzen Corporation to its directors and shareholders by Sunzen Biotech through the issuance of 20,414,820 Shares at par (“Assumption and Settlement of Advances”)

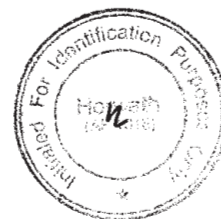
(c) Public Issue

Public issue of 25,000,000 new Shares (“Public Issue Shares”) at an indicative issue price of RM0.32 per Share, which will be allotted in the following manners:-

- (i) 3,000,000 Public Issue Shares, representing 2.01% of the enlarged issued and paid-up share capital of Sunzen Biotech will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions;
- (ii) 4,000,000 Public Issue Shares, representing 2.68% of the enlarged issued and paid-up share capital of Sunzen Biotech will be made available for eligible Directors, employees and persons who have contributed to the success of the Sunzen Biotech Group; and
- (iii) 18,000,000 Public Issue Shares, representing 12.05% of the enlarged issued and paid-up share capital of Sunzen Biotech will be made available for application by way of private placement to selected investors.

The above are collectively referred to as “Public Issue” hereinafter; and

11. FINANCIAL INFORMATION (Cont'd)


SUNZEN BIOTECH BERHAD (“SUNZEN BIOTECH”) AND ITS SUBSIDIARIES (“SUNZEN BIOTECH GROUP”)
PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)
(d) Listing and Quotation on the MESDAQ Market of Bursa Securities

Listing of and quotation for its enlarged issued and paid-up share capital comprising 149,390,500 Shares on the MESDAQ Market of Bursa Securities (“Listing and quotation on the MESDAQ Market of Bursa Securities”).

1.1 Proforma Group

The proforma consolidated financial information of Sunzen Biotech Group are presented for the purpose of illustration only.

The relevant financial period for the purpose of this report (“Relevant Financial Period”) is as follows:-

| Company | Relevant Financial Period |
|-------------------------------|---|
| Sunzen Biotech | FYE 2005, FYE 2006, FYE 2007 and FPE 31 March 2008. |
| Sunzen Corporation | FYE 2005, FYE 2006, FYE 2007 and FPE 31 March 2008. |
| Sunzen LifeSciences Sdn. Bhd. | Financial period from 3 January 2007 (date of incorporation) to 31 December 2007 and FPE 31 March 2008. |
| Sunzen Feedtech Sdn. Bhd. | Financial period from 31 July 2007 (date of incorporation) to 31 December 2007 and FPE 31 March 2008. |

The proforma consolidated financial information of Sunzen Biotech Group comprises the following:-

- Section 2 - Proforma Consolidated Income Statements for the Relevant Financial Period. This proforma has been prepared on the assumption that the Group had been in existence throughout the FYE 2005, FYE 2006, FYE 2007 and FPE 31 March 2008. Further details on the basis of preparation are set out in Note 1.2 below.
- Section 3 - Proforma Consolidated Balance Sheets as at 31 March 2008. The basis of preparation of this proforma is set out in Section 3; and
- Section 4 - Proforma Consolidated Cash Flow Statement for the FPE 31 March 2008. This proforma has been prepared on the assumption that the Group had been in existence throughout FPE 31 March 2008.

11. FINANCIAL INFORMATION (Cont'd)



SUNZEN BIOTECH BERHAD ("SUNZEN BIOTECH") AND ITS SUBSIDIARIES ("SUNZEN BIOTECH GROUP")

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation

The proforma consolidated financial information is prepared using the audited financial statements of Sunzen Biotech and Sunzen Corporation for the Relevant Financial Period, unless otherwise stated.

The proforma consolidated financial information has been prepared in accordance with applicable approved accounting standards in Malaysia consistent with those previously adopted in the preparation of the audited financial statements of the Group for the relevant financial period, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

The proforma consolidated financial statements have been prepared using the merger method for consolidating Sunzen Biotech and Sunzen Corporation. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is taken to the merger deficit.

The proforma consolidated financial information for the Relevant Financial Period was not subject to any audit qualification.

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11. FINANCIAL INFORMATION (Cont'd)



SUNZEN BIOTECH BERHAD ("SUNZEN BIOTECH") AND ITS SUBSIDIARIES ("SUNZEN BIOTECH GROUP")

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF SUNZEN BIOTECH GROUP

| | Proforma FYE 2005 RM'000 | Proforma FYE 2006 RM'000 | Proforma FYE 2007 RM'000 | Proforma FPE 31 March 2008 RM'000 |
|--|--------------------------------|--------------------------------|--------------------------------|--|
| Revenue | 26,170 | 27,225 | 23,141 | 6,153 |
| Cost of sales | (17,254) | (18,039) | (14,850) | (3,710) |
| Gross profit ("GP") | 8,916 | 9,186 | 8,291 | 2,443 |
| Other operating income | 94 | 182 | 78 | 47 |
| | 9,010 | 9,368 | 8,369 | 2,490 |
| Marketing and distribution expenses | (2,648) | (2,690) | (2,761) | (793) |
| Administrative expenses | (1,296) | (1,178) | (1,310) | (363) |
| Other expenses | (508) | (735) | (748) | (195) |
| Profit from operations | 4,558 | 4,765 | 3,550 | 1,139 |
| Finance costs | (185) | (251) | (305) | (84) |
| Profit before taxation ("PBT") | 4,373 | 4,514 | 3,245 | 1,055 |
| Amortisation | 55 | 390 | 243 | 7 |
| Depreciation | 201 | 216 | 251 | 53 |
| Interest expense | 85 | 171 | 289 | 77 |
| Interest income | (91) | (89) | (69) | (17) |
| Earnings before interest, amortisation, depreciation and taxation | 4,623 | 5,202 | 3,959 | 1,175 |
| Amortisation | (55) | (390) | (243) | (7) |
| Depreciation | (201) | (216) | (251) | (53) |
| Interest expense | (85) | (171) | (289) | (77) |
| Interest income | 91 | 89 | 69 | 17 |
| PBT | 4,373 | 4,514 | 3,245 | 1,055 |
| Taxation | (1,192) | (400) | (450) | (123) |
| Profit after taxation ("PAT") | 3,181 | 4,114 | 2,795 | 932 |
| Attributable to: | | | | |
| Equity holders of the parent | 3,181 | 4,114 | 2,795 | 932 |
| GP margin (%) | 34.07 | 33.74 | 35.83 | 39.70 |
| PBT margin (%) | 16.71 | 16.58 | 14.02 | 17.15 |
| PAT margin (%) | 12.16 | 15.11 | 12.08 | 15.15 |
| Effective tax rate (%) | 27.25 | 8.86 | 13.87 | 11.66 |
| Gross earnings per share ("EPS") (sen)* | 3.52 | 3.63 | 2.61 | 3.39 [^] |
| Net EPS (sen)* | 2.56 | 3.31 | 2.25 | 3.00 [^] |

Notes:-

- * - Assumed weighted average number of ordinary shares in issue after the Acquisition and Assumption and Settlement of Advances but before the Public Issue.
- [^] - Annualised.