

(Company No : 680889-W)

SUNZEN BIOTECH BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT AS AT 30 JUNE 2008

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2008**

	Current Quarter Ended 30.06.2008 RM'000	Comparative Quarter Ended 30.06.2007 RM'000	Cumulative Year To Date 30.06.2008 RM'000	Cumulative Year To Date 30.06.2007 RM'000
Revenue	6,886	N/A	13,039	N/A
Cost of sales	(4,782)	N/A	(8,492)	N/A
Gross profit	2,104	N/A	4,547	N/A
Operating expenses	(1,323)	N/A	(2,674)	N/A
Other operating income	7	N/A	54	N/A
Finance cost	(104)	N/A	(188)	N/A
Profit before taxation	684	N/A	1,739	N/A
Taxation	(95)	N/A	(218)	N/A
Profit for the period	589	N/A	1,521	N/A
Attributable to:				
Equity holders of the parent	589	N/A	1,521	N/A
Earning per share :				
- Basic (sen)	1.16	N/A	3.01	N/A
- Diluted (sen)	-	N/A	-	N/A

A) The condensed consolidated income statement should be read in conjunction with the audited proforma consolidated financial information and the accountants' report for the financial period ended 31 March 2008 as disclosed in the Prospectus dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial reports.

B) This is the first interim financial report on the consolidated results for the financial period ended 30 June 2008 announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market and in conjunction with the admission of the Company to the MESDAQ Market of Bursa Securities. As this is the first financial report being drawn up, there are no comparative figures for the preceding year's corresponding quarter.

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SUNZEN BIOTECH BERHAD
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CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2008

	UNAUDITED 30.06.2008 RM'000	AUDITED 31.12.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,090	N/A
Product development expenditure	928	N/A
Quoted investment, at cost	4	N/A
	<u>10,022</u>	<u>N/A</u>
Current assets		
Inventories	11,055	N/A
Trade receivables	7,768	N/A
Other receivables, deposits and prepayments	1,166	N/A
Tax refundable	829	N/A
Fixed deposits with licensed banks	2,126	N/A
Cash and bank balances	2,116	N/A
	<u>25,060</u>	<u>N/A</u>
TOTAL ASSETS	<u>35,082</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
Share capital	12,439	N/A
Retained profits	13,574	N/A
Merger deficit	(8,397)	N/A
Total equity	<u>17,616</u>	<u>N/A</u>
Non-current liabilities		
Deferred taxation	239	N/A
Hire purchase payables	33	N/A
Term loans	4,580	N/A
	<u>4,852</u>	<u>N/A</u>
Current liabilities		
Trade payables	5,636	N/A
Other payables and accruals	1,089	N/A
Amount owing to directors	40	N/A
Dividend payable	2,795	N/A
Hire purchase payables	25	N/A
Short term borrowings	3,029	N/A
	<u>12,614</u>	<u>N/A</u>
Total liabilities	<u>17,466</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>35,082</u>	<u>N/A</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.14	N/A

The condensed consolidated balance sheet should be read in conjunction with the audited proforma consolidated financial information and the accountants' report for the financial period ended 31 March 2008 as disclosed in the Prospectus dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial reports.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2008

	Attributable to Equity Holders of the Company			
	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.1.2008 (n1)	**	-	3,124	3,124
Effect arising from merger (n2)	12,439	(8,397)	8,929	12,971
As Restated	12,439	(8,397)	12,053	16,095
Profit for the period	-	-	1,521	1,521
Balance at 30.06.2008	12,439	(8,397)	13,574	17,616

(n1) Denotes RM20

(n2) The Group has adopted merger method of accounting in respect of acquisition of subsidiary under common control, acquisition of which was completed on 18 April 2008. The Group's consolidated results for the six-month ended 30 June 2008 comprise the results of Sunzen Biotech Berhad and its subsidiaries as if the merger had been effected throughout the current and previous financial periods.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited proforma consolidated financial information and the accountants' report for the financial period ended 31 March 2008 as disclosed in the Prospectus of the Company dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial reports.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	Current Year To Date Ended 30.06.2008 RM'000	Preceding Year To Date Ended 31.12.2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,739	N/A
Adjustments for non -cash flow :		
Depreciation	110	N/A
Non-cash items	156	N/A
Operating profit before working capital changes	2,005	N/A
Changes in working capital	(1,325)	N/A
	680	N/A
Interest paid	(178)	N/A
Interest received	36	N/A
Tax paid	(293)	N/A
Net cash flows from operating activities	245	N/A
Investing activities		
Payment for product development expenditure	(145)	N/A
Purchase of property, plant and equipment	(251)	N/A
	(396)	N/A
Financing activities		
Drawdown of term loan	123	N/A
Repayment of term loan	(173)	N/A
Hire purchase liabilities repayment	(12)	N/A
Repayment to directors	(3)	N/A
	(65)	N/A
Net change in cash and cash equivalents	(216)	N/A
Cash and cash equivalents at beginning of the period/ year	4,458	N/A
Cash and cash equivalents at end of the period/year	4,242	N/A

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited proforma consolidated financial information and the accountants' report for the financial period ended 31 March 2008 as disclosed in the Prospectus dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial reports.