

(Company No : 680889-W)

SUNZEN BIOTECH BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2008

The figures have not been audited.

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

	Current Quarter Ended 30.09.2008 RM'000	Comparative Quarter Ended 30.09.2007 RM'000	Cumulative Year To Date 30.09.2008 RM'000	Cumulative Year To Date 30.09.2007 RM'000
Revenue	6,578	N/A	19,618	N/A
Operating profit	1,797	N/A	6,398	N/A
Operating expenses	(1,239)	N/A	(3,914)	N/A
Finance costs	(126)	N/A	(314)	N/A
Profit before taxation	432	N/A	2,170	N/A
Tax expenses	(47)	N/A	(265)	N/A
Profit after taxation	385	N/A	1,905	N/A
Attributable to:				
Ordinary equity holders of the parent	385	N/A	1,905	N/A
Earning per share (sen)				
Basic	0.51	N/A	2.51	N/A
Diluted	-	N/A	-	N/A

Notes:-

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 of the Company dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial report.

There are no comparative figures for the preceeding year's corresponding quarter and year-to-date as the Company was only listed on 8 October 2008.

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2008

	UNAUDITED 30.09.2008 RM'000	AUDITED 31.12.2007 RM'000
ASSETS		
Non - current assets		
Property, plant and equipment	9,053	N/A
Product development expenditure	991	N/A
Quoted investment, at cost	7	N/A
	10,051	N/A
Current assets		
Inventories	10,722	N/A
Trade receivables	7,440	N/A
Other receivables, deposits and prepayments	9,427	N/A
Tax refundable	928	N/A
Fixed deposits with licensed banks	2,142	N/A
Cash and bank balances	1,310	N/A
	31,969	N/A
TOTAL ASSETS	42,020	N/A
EQUITY AND LIABILITIES		
Equity		
Share capital	14,939	N/A
Share Premium	5,500	N/A
Retained profits	13,958	N/A
Merger deficit	(8,397)	N/A
	26,000	N/A
Non-current liabilities		
Deferred taxation	239	N/A
Hire purchase payables	27	N/A
Term loans	4,298	N/A
	4,564	N/A
Current Liabilities		
Trade payables	3,801	N/A
Other payables and accruals	3,713	N/A
Amount owing to directors	17	N/A
Hire purchase payables	26	N/A
Short term borrowings	3,899	N/A
	11,456	N/A
TOTAL LIABILITIES	16,020	N/A
TOTAL EQUITY AND LIABILITIES	42,020	N/A
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.17	N/A

Notes:-

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 of the Company dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial report.

Public issue of 25,000,000 new ordinary shares of RM0.10 each at issue price of RM0.32 each, was allotted on 26th September 2008 and the proceed from Public issue of RM8,000,000 was received on 8 October 2008.

The net assets per share attributable to ordinary equity holders is calculated based on net assets values and enlarged paid up capital of 149,390,500 shares.

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

		Attributable to Equity Holders of the Company				
		Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Merger Deficit RM'000	Total Equity RM'000
Balance at 1 January 2008	(N1)	**		3,124	-	3,124
Effect arising from merger As restated	(N2)	12,439		8,929	(8,397)	12,971
		12,439		12,053	(8,397)	16,095
Pursuance of Public Issue Profit for the period	(N3)	2,500	5,500	1,905		8,000
						1,905
Balance at 30 September 2008		14,939	5,500	13,958	(8,397)	26,000

Notes:-

(N1) ** Denotes RM20.

(N2) The Group has adopted merger method of accounting in respect of acquisition of a subsidiary under common control, acquisition of which was completed on 18 April 2008. The Group's consolidated results for the nine-months ended 30 September 2008 comprise the results of Sunzen Biotech and its subsidiaries as if the merger had been effected throughout the current financial period.

(N3) Public issue of 25,000,000 new ordinary shares of RM0.10 each at issue price of RM0.32 each, was allotted on 26th September 2008 and the proceed from Public issue of RM8,000,000 was received on 8 October 2008.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited pro-forma 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 report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

	Current Year To Date Ended 30.09.2008 RM'000	Corresponding Year To Date Ended 31.12.2007 RM'000
Cash flows from operating activities		
Profit before tax	2,170	N/A
Adjustments for non-cash flow:-		
Depreciation	172	N/A
Non-cash items	268	N/A
Operating profit before working capital changes	<u>2,610</u>	N/A
Changes in working capital	<u>(2,222)</u>	N/A
	388	N/A
Tax paid	(440)	N/A
Interest received	52	N/A
Interest paid	(300)	N/A
Net cash flows from operating activities	<u>(300)</u>	N/A
Investing activities		
Payment for product development expenditure	(214)	N/A
Purchase of property, plants and equipment	(278)	N/A
Purchase of quoted shares	(2)	N/A
	<u>(494)</u>	N/A
Financing activities		
Drawdown of term loan	123	N/A
Repayment of term loan	(285)	N/A
Repayment to directors	(32)	N/A
Repayment of hire purchase liabilities	(18)	N/A
	<u>(212)</u>	N/A
Net decrease in cash and cash equivalents	<u>(1,006)</u>	N/A
Cash and cash equivalents at the beginning of the period/year	<u>4,458</u>	N/A
Cash and cash equivalents at the end of the period/year	<u>3,452</u>	N/A
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	2,142	N/A
Cash and bank balances	1,310	N/A
	<u>3,452</u>	N/A

Notes:-

The condensed consolidated cash flow 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 of the Company dated 12 September 2008 and the accompanying explanatory notes attached to the interim financial report.

Public issue of 25,000,000 new ordinary shares of RM0.10 each at issue price of RM0.32 each, was allotted on 26th September 2008 and the proceed from Public issue of RM8,000,000 was received on 8 October 2008.