Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

SUN BIOMEDICAL LIMITED (Formerly HARRINGTON GROUP LIMITED)

ABN	Quarter ended ("current quarter")
18 001 285 230	**31 DECEMBER 2007**

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (....6...months) $A'000
1.1	Receipts from customers		133	344
1.2	Payments for	(a) staff costs	(306)	(596)
		(b) advertising and marketing	(1)	(86)
		(c) research and development	-	-
		(d) leased assets	-	-
		(e) other working capital	(382)	(965)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		43	57
1.5	Interest and other costs of finance paid		(27)	(27)
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net operating cash flows		(540)	(1,273)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (...6....months) $A'000
1.8	Net operating cash flows (carried forward)	(540)	(1,273)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	(237)
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(2)	(8)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	30
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other -	-	-
	Net investing cash flows	(2)	(215)
1.14	**Total operating and investing cash flows**	(542)	(1,488)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	918	3,363
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	(478)
1.19	Dividends paid	-	-
1.20	Other – Share Issue Costs	(50)	(332)
	Net financing cash flows	868	2,553
	Net increase (decrease) in cash held	326	1,065
1.21	Cash at beginning of quarter/year to date	1189	446
1.22	Exchange rate adjustments to item 1.20	(15)	(11)
1.23	**Cash at end of quarter**	1,500	1,500

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	127
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1.2 (e) Includes repayment of Creditors from 30 June 2007 $416 in YTD.
1.15 Issue of $913,105 of new ordinary shares and conversion of options $4,771
1.24 Payment of Directors remuneration and fees of $127,000 including the MD/CFO of $100,000 for the quarter ending 30 December 2007.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

A promissory note of USD$1,480,000 in favour of the vendors of Sun Biomedical Laboratories acquisition was entered into on 16 August, 2006. The instalment payment requirements of the promissory note will impact future cash flows. The transaction is detailed in Note 19 of the Company's 30 June 2007 Annual Accounts. The next instalment of USD$200,000 (AUD$237,000) was paid on 2 January 2008 with the final instalment of USD$980,000 due July 2008.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	1,500	1,189
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	1,500	1,189

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	Sun Biomedical Laboratories Inc.	-
5.2	Place of incorporation or registration	New Jersey USA	-
5.3	Consideration for acquisition or disposal	USD$1,680,000 (AUD$2,270,000)	-
5.4	Total net assets	USD$101,000 (AUD$136,000)	-
5.5	Nature of business	Investment, Diagnostics, Illicit Drug Testing, R&D and Manufacturer	-

The payment of $237,000 in the year to date identified in 1.9(a) reflects the payment under the perms of the Promissory Note as part of the Sun Biomedical Acquisition, (USD$1,680,000 - see 5.3 above). The balance outstanding is secured by a promissory note payable through instalments. The transaction is detailed in the Company's 30 June 2007 Annual Accounts. The next payment of $237,000 was paid on 2 January 2008 with the final payment due in July 2008.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 30 January 2008
Director

Print name: Andrew J Paice

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.