

(Company No : 680889-W)

**SUNZEN BIOTECH BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Current Quarter Ended 31.12.2014 (Unaudited) RM'000	Corresponding Quarter Ended 31.12.2013 (Unaudited) RM'000	Current Year-To-Date Ended 31.12.2014 (Unaudited) RM'000	Corresponding Year-To-Date Ended 31.12.2013 (Audited) RM'000
Revenue	10,557	11,619	37,339	37,326
<b>Operating profit</b>	<b>3,500</b>	<b>4,199</b>	<b>12,324</b>	<b>13,308</b>
Operating expenses	(2,819)	(2,718)	(10,625)	(8,860)
Finance expenses	(72)	(100)	(307)	(358)
<b>Profit before taxation</b>	<b>609</b>	<b>1,381</b>	<b>1,392</b>	<b>4,090</b>
Tax expense	(60)	(142)	(291)	(582)
<b>Profit after taxation</b>	<b>549</b>	<b>1,239</b>	<b>1,101</b>	<b>3,508</b>
<b>Other comprehensive income, net of tax</b> <i>Items that may be reclassified subsequently to profit or loss</i>				
Surplus on revaluation of property	-	-	12,523	-
Foreign currency translation	25	(79)	67	(63)
	<b>25</b>	<b>(79)</b>	<b>12,590</b>	<b>(63)</b>
<b>Total comprehensive income</b>	<b>574</b>	<b>1,160</b>	<b>13,691</b>	<b>3,445</b>
Profit after taxation attributable to Owners of the Company:	<b>549</b>	<b>1,239</b>	<b>1,101</b>	<b>3,508</b>
Total comprehensive income attributable to Owners of the Company:	<b>574</b>	<b>1,160</b>	<b>13,691</b>	<b>3,445</b>
Earnings per share (sen) attributable to Owners of the Company:				
- Basic	<b>0.33</b>	<b>0.83</b>	<b>0.66</b>	<b>2.35</b>

Note:-

The above condensed consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

(Company No : 680889-W)

**SUNZEN BIOTECH BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	As At Financial Year End 31.12.2014 (Unaudited) RM'000	As At Financial Year End 31.12.2013 (Audited) RM'000
<b>ASSETS</b>		
<b>Non - current assets</b>		
Property, plant and equipment	29,451	16,054
Product development expenditure	-	73
	<u>29,451</u>	<u>16,127</u>
<b>Current assets</b>		
Inventories	8,416	11,973
Trade receivables	6,578	9,238
Other receivables, deposits and prepayments	960	290
Tax refundable	608	157
Fixed and short term deposits with licensed banks	6,305	3,252
Cash and bank balances with licensed banks and other financial institution	8,934	4,709
	<u>31,801</u>	<u>29,619</u>
<b>TOTAL ASSETS</b>	<u>61,252</u>	<u>45,746</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	16,577	14,939
Share premium	7,155	3,520
Treasury shares	(39)	(14)
Retained profits	19,392	19,440
Revaluation reserves	15,654	3,176
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(31)	(98)
	<u>50,311</u>	<u>32,566</u>
<b>Non-current liabilities</b>		
Deferred taxation	1,494	448
Hire purchase payables	221	96
Term loans	3,725	4,294
	<u>5,440</u>	<u>4,838</u>
<b>Current Liabilities</b>		
Trade payables	3,384	3,714
Bill payable	360	2,657
Other payables and accruals	1,083	1,134
Amount owing to directors	-	9
Hire purchase payables	100	79
Term loans	574	555
Provision for taxation	-	194
	<u>5,501</u>	<u>8,342</u>
<b>TOTAL LIABILITIES</b>	<u>10,941</u>	<u>13,180</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>61,252</u>	<u>45,746</u>
<b>Net assets per share (RM) attributable to owners of the Company</b>	<u>0.30</u>	<u>0.22</u>

Note:-

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

The net assets per share attributable to owners of the Company is calculated based on net assets value divided by the number of ordinary shares in issue at the end of the reporting period of 165,618,666 (2013 - 149,320,500).

(Company No : 680889-W)

**SUNZEN BIOTECH BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	← Non-distributable →				Merger Deficit RM'000	Currency Translation Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000				
<b>Quarter ended 31 December 2014</b> (Unaudited)								
<b>Balance at 1 January 2014</b>	14,939	3,520	(14)	3,176	(8,397)	(98)	19,440	32,566
Profit after taxation for the financial year	-	-	-	-	-	-	1,101	1,101
Other comprehensive income for the financial year, net of tax:								
- Surplus on revaluation of property	-	-	-	12,523	-	-	-	12,523
- Foreign currency translation	-	-	-	-	-	67	-	67
Total comprehensive income for the financial year	-	-	-	12,523	-	67	1,101	13,691
Realisation of revaluation reserves	-	-	-	(45)	-	-	45	-
Single-tier interim dividend of RM0.008 per ordinary shares of RM0.10 each in respect of the financial year ended 31 December 2014	-	-	-	-	-	-	(1,194)	(1,194)
Allotment of shares:								
- Exercise of warrants 2014/2019	150	-	-	-	-	-	-	150
- Private placement	1,488	3,869	-	-	-	-	-	5,357
Listing expenses incurred:								
- Issuance of warrants 2014/2019	-	(122)	-	-	-	-	-	(122)
- Private placement	-	(112)	-	-	-	-	-	(112)
Purchase of own shares	-	-	(25)	-	-	-	-	(25)
<b>Balance at 31 December 2014</b>	<b>16,577</b>	<b>7,155</b>	<b>(39)</b>	<b>15,654</b>	<b>(8,397)</b>	<b>(31)</b>	<b>19,392</b>	<b>50,311</b>
<b>Quarter ended 31 December 2013</b> (Audited)								
<b>Balance at 1 January 2013</b>	14,939	3,520	(12)	3,177	(8,397)	(35)	16,826	30,018
Profit after taxation for the financial year	-	-	-	-	-	-	3,508	3,508
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	-	-	-	(63)	-	(63)
Total comprehensive income for the financial year	-	-	-	-	-	(63)	3,508	3,445
Realisation of revaluation reserves	-	-	-	(1)	-	-	1	-
Interim dividend of RM0.008 per ordinary share of RM0.10 each less income tax of 25% in respect of the financial year ended 31 December 2013	-	-	-	-	-	-	(895)	(895)
Purchase of own shares	-	-	(2)	-	-	-	-	(2)
<b>Balance at 31 December 2013</b>	<b>14,939</b>	<b>3,520</b>	<b>(14)</b>	<b>3,176</b>	<b>(8,397)</b>	<b>(98)</b>	<b>19,440</b>	<b>32,566</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**SUNZEN BIOTECH BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Current Year To Date Ended 31.12.2014 (Unaudited) RM'000	Corresponding Year To Date Ended 31.12.2013 (Audited) RM'000
<b>Cash flows from/(for) operating activities</b>		
Profit before taxation	1,392	4,090
<b>Adjustments for:-</b>		
Amortisation of product development expenditure	73	249
Depreciation of property, plant and equipment	657	537
Impairment of goodwill	-	58
Interest expense	290	341
Provision for and write off of inventories	1,080	118
Gain on disposal of plant and equipment	-	(158)
Interest income	(88)	(90)
Provision for and write off of receivables	424	18
Unrealised loss/(gain) on foreign exchange	4	(34)
Operating profit before working capital changes	<u>3,832</u>	<u>5,129</u>
Decrease/(Increase) in inventories	2,477	(2,847)
Decrease/(Increase) in trade and other receivables	1,574	(1,943)
(Decrease)/Increase in trade and other payables	<u>(2,695)</u>	<u>2,425</u>
<b>Cash from operations</b>	<u>5,188</u>	<u>2,764</u>
Net tax paid	(913)	(522)
Interest paid	(291)	(343)
<b>Net cash from operating activities</b>	<u>3,984</u>	<u>1,899</u>
<b>Cash flows (for)/from investing activities</b>		
Interest received	88	90
Proceeds from disposal of plant and equipment	-	159
Purchase of property, plant and equipment	(249)	(190)
<b>Net cash (for)/from investing activities</b>	<u>(161)</u>	<u>59</u>
<b>Cash flows from/(for) financing activities</b>		
Repayment of term loans	(548)	(525)
(Repayment to)/Advances from directors	(9)	7
Repayment of hire purchase obligations	(110)	(136)
Treasury shares	(25)	(2)
Dividend paid	(1,194)	(895)
Listing expenses for issuance of warrants 2014/2019	(122)	-
Listing expenses for private placement	(112)	-
Proceeds from exercise of warrants 2014/2019	150	-
Proceeds from private placement	<u>5,357</u>	<u>-</u>
<b>Net cash from/(for) financing activities</b>	<u>3,387</u>	<u>(1,551)</u>
Net increase in cash and cash equivalents	7,210	407
Cash and cash equivalents at beginning of the financial year	7,961	7,569
Foreign exchange difference	68	(15)
<b>Cash and cash equivalents at end of the financial year</b>	<u>15,239</u>	<u>7,961</u>
<b>Cash and cash equivalents comprise:</b>		
Fixed and short term deposits with licensed banks	6,305	3,252
Cash and bank balances with licensed banks and other financial institution	<u>8,934</u>	<u>4,709</u>
	<u>15,239</u>	<u>7,961</u>

*Note:-*

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

# SUNZEN BIOTECH BERHAD

(Company No: 680889-W)  
(Incorporated in Malaysia)

## NOTES TO THE INTERIM STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

### A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

#### A1. Basis of reporting preparation

The unaudited interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE LR”). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2013.

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2014.

- MFRS 10, Consolidated Financial Statements (Amendments relating to Investment Entities)
- MFRS 12, Disclosure of Interests in Other Entities (Amendments relating to Investment Entities)
- MFRS 127, Separate Financial Statements (2011) (Amendments relating to Investment Entities)
- MFRS 132, Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
- MFRS 136, Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
- MFRS 139, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the above standards and amendments did not have any material impact on the financial statements of the Group.

**A1. Basis of reporting preparation (*Cont'd*)**

The following revised MFRSs and Amendments to MFRSs applicable to the Group, have been issued by the MASB are not yet effective for adoption by the Group.

**Amendments effective for financial periods beginning on or after 1 January 2015**

- Amendment to MFRS 2, Share-based payment: Annual Improvements to MFRSs 2010-2012 Cycle
- Amendment to MFRS 3, Business Combinations: Annual Improvements to MFRSs 2010-2012 Cycle, Annual Improvements to MFRSs 2011-2013 Cycle
- Amendment to MFRS 8, Operating Segments: Annual Improvements to MFRSs 2010-2012 Cycle
- Amendment to MFRS 13, Fair Value Measurement: Annual Improvements to MFRSs 2010-2012 Cycle, Annual Improvements to MFRSs 2011-2013 Cycle
- Amendment to MFRS 116, Property, Plant and Equipment: Annual Improvements to MFRSs 2010-2012 Cycle
- Amendments to MFRS119, Employee Benefits: Defined Benefit Plans
- Amendments to MFRS 124, Related Party Disclosures: Annual Improvements to MFRSs 2010-2012 Cycle
- Amendment to MFRS 138, Intangible Assets: Annual Improvements to MFRSs 2010-2012 Cycle
- Amendment to MFRS 140, Investment Property: Annual Improvements to MFRSs 2011-2013 Cycle

**A2. Auditors' report on preceding annual financial statements**

The audited financial statements of the Company and its subsidiaries for the FYE 31 December 2013 were not subjected to any qualification.

**A3. Seasonal or cyclical factors**

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors during the current quarter under review.

**A4. Items of unusual nature and amount**

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

**A5. Material changes in estimates**

There were no material changes in estimates of amounts reported that will have a material effect in the current quarter under review.

**SUNZEN BIOTECH BERHAD**  
 (Company No: 680889-W)  
 (Incorporated in Malaysia)

**A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities**

For the current quarter ended 31 December 2014, total 1,496,166 ordinary shares of RM0.10 each were issued pursuant to the exercise of warrants 2014/2019 by warrants holders. On private placement, 14,880,000 placement shares at issue price of RM0.36 each were allotted to placees. 28,000 own shares were repurchased from the open market at RM0.375 each. Total treasury shares held by the Company as at 31 December 2014 were 148,000 shares.

**A7. Dividend paid**

No payment of dividend made in the current quarter under review.

**A8. Segmental information**

Segmental revenue on the basis of geographical market is as follows:-

<b>Geographical Market</b>	<b>Current Year-To-Date Ended 31 December 2014 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 December 2013 RM'000</b>
Asia other than Malaysia	9,244	9,590
Middle East	601	523
Africa	-	48
Total export revenue	9,845	10,161
Malaysia	27,494	27,165
Total export and local revenue	37,339	37,326

Export revenue for the current year-to-date declined by 3.11% while local revenue posted 1.21% increase as compared to 2013. Group recorded a marginal growth of 0.03% in its total revenue as compared to a year before.

**A9. Valuation of property, plant and equipment**

The revaluation of the Group's freehold lands and buildings has been brought forward without any amendments from the preceding quarter 2014.

**A10. Capital commitments**

At the end of the reporting date, there were no outstanding capital commitments not provided for in the interim statements under review.

**SUNZEN BIOTECH BERHAD**  
(Company No: 680889-W)  
(Incorporated in Malaysia)

**A11. Material subsequent event**

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements, which are likely to substantially affect the current quarter results.

**A12. Changes in the Composition of the Group**

At the end of the reporting date, two subsidiary companies were incorporated into the Group structure, namely Sunzen Venture Sdn Bhd (formerly known as Sunzen Eservices Sdn Bhd) and Sunzen International Investment Limited with registered office in Hong Kong. Sunzen Biotech has a 100% shareholding in Sunzen Venture Sdn Bhd which in turn owns 100% in shares of Sunzen International Investment Limited.

**A13. Contingent Liabilities**

Save for the following corporate guarantee, neither the Company nor its subsidiaries have any contingent liabilities at the end of the reporting period, which upon becoming enforceable, may have a material effect on the financial position of the Group.

The Company has placed a corporate guarantee in favour of Maybank Islamic Berhad for Islamic banking facilities granted to Sunzen Corporation Sdn Bhd for RM17,131,000 as follows:

<b>Islamic Banking Facility</b>	<b>Corporate Guarantee RM'000</b>	<b>Facility Limit RM'000</b>	<b>Outstanding Balance</b>
			<b>As At 31 December 2014 RM'000</b>
Bank overdraft	500	500	-
Trade line	6,000	6,000	360
Term loans	10,631	6,465	4,299
<hr/>			
Total	17,131	12,965	4,659



**B. ADDITIONAL INFORMATION REQUIRED UNDER THE ACE LR**

**B1. Review of performance of the Company and its principal subsidiaries for the current quarter and financial year-to-date**

	<b>Current Quarter Ended 31 December 2014 RM'000</b>	<b>Corresponding Quarter Ended 31 December 2013 RM'000</b>	<b>Current Year-To-Date Ended 31 December 2014 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 December 2013 RM'000</b>
Revenue	10,557	11,619	37,339	37,326
Profit before taxation ("PBT")	609	1,381	1,392	4,090

Group revenue reported a 9.14% decrease in the current quarter compared to the same period in 2013. For the current year-to-date, revenue posted a marginal growth of 0.03% or RM13,000 compared to 2013.

PBT for the current quarter reduced by 55.90% compared to the corresponding quarter in 2013 mainly due to decrease in product margin which reported 4.97% lower in the current quarter. For the current year-to-date, PBT decreased by 65.97% which was largely attributed to the provision for impairment of and write off of inventories, provision for write off of receivables as well as the reduction in product margin which posted 2.54% lower compared to corresponding year 2013.

**B2. Review of performance of the operating segments of the Company and its principal subsidiaries for the current quarter and financial year-to-date**

<b>Revenue</b>	<b>Current Quarter Ended 31 December 2014 RM'000</b>	<b>Corresponding Quarter Ended 31 December 2013 RM'000</b>	<b>Current Year-To-Date Ended 31 December 2014 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 December 2013 RM'000</b>
Trading	5,304	6,651	18,673	19,278
Manufacturing	5,253	4,968	18,666	18,048
<b>Total</b>	<b>10,557</b>	<b>11,619</b>	<b>37,339</b>	<b>37,326</b>

Trading products revenue in the current quarter reduced by 20.25% compared to the same quarter in 2013, mainly caused by decrease in sales of companion animal products and pharmaceuticals. For the current year-to-date, trading products revenue decreased by 3.14% compared to 2013, largely due to reduction in sales of pharmaceuticals, feed supplements and companion animal products.

**SUNZEN BIOTECH BERHAD**  
 (Company No: 680889-W)  
 (Incorporated in Malaysia)

**B2. Review of performance of the operating segments of the Company and its principal subsidiaries for the current quarter and financial year-to-date (Cont'd)**

Manufacturing products revenue for the current quarter posted a 5.74% increase compared to the corresponding quarter in 2013, which was contributed by sales of feed supplements. For the current year-to-date, manufacturing products revenue increased by 3.42% compared to the same quarter in 2013, mainly attributed to sales of feed supplements and premixes products.

**B3. Profit before taxation**

Profit before taxation is arrived at after crediting/(charging):-

	<b>Current Quarter Ended 31 December 2014 RM'000</b>	<b>Corresponding Quarter Ended 31 December 2013 RM'000</b>	<b>Current Year-To-Date Ended 31 December 2014 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 December 2013 RM'000</b>
Interest income	27	23	88	90
Interest expense	(68)	(97)	(290)	(341)
Depreciation and Amortisation	(236)	(236)	(730)	(786)
Provision for and write off of receivables	(8)	-	(424)	(18)
Provision for and write off of inventories	(138)	(56)	(1,080)	(118)
Gain/(loss) on foreign exchange:				
- Realised	159	8	265	165
- Unrealised	34	(2)	(4)	34

**B4. Material changes in the Current Quarter's results compared to the results of the immediate Preceding Quarter**

	<b>Current Quarter Ended 31 December 2014 RM'000</b>	<b>Preceding Quarter Ended 30 September 2014 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	10,557	8,461	2,096	24.77
PBT	609	85	524	616.47

Group revenue for the current quarter under review reported 24.77% higher compared to the preceding quarter, mainly attributed to year end sales promotion which lasted for 2-month period, and also the increase in sales of Orgacids in export market. PBT for the current quarter performed much better than the preceding quarter, mainly due to higher profit contribution as a consequence of the sales promotion in the current quarter.

**B5. Prospects**

The Board is optimistic that the Company is expected to perform well in 2015 amidst challenges ahead. The Company is in the midst of upgrading the existing pilot plant to commercial capacity for the production of a new product, Powder Fat which is to cater particularly for ruminant animals such as dairy and beef cattle as well as goat and sheep. The Company has recently recruited a General Manager to assist in formulating and executing strategic plans for the achievement of higher revenue and improved profitability and sustainability of business. The business plan also involves recruitment of additional staffs to meet the new mission of the Group.

**B6. Profit forecast and profit guarantee**

No profit forecast or profit guarantee has been issued by the Group for the current quarter under review.

**B7. Taxation**

	Current Quarter Ended 31 December 2014 RM'000	Corresponding Quarter Ended 31 December 2013 RM'000	Current Year-To-Date Ended 31 December 2014 RM'000	Corresponding Year-To-Date Ended 31 December 2013 RM'000
<b><u>Income tax expense:-</u></b>				
Current financial year	63	226	268	684
Overprovision in previous financial year	-	-	-	(18)
	<u>63</u>	<u>226</u>	<u>268</u>	<u>666</u>
<b><u>Deferred tax expense:-</u></b>				
Current financial year	(3)	(84)	23	(84)
	<u>(3)</u>	<u>(84)</u>	<u>23</u>	<u>(84)</u>
Tax expense	<u>60</u>	<u>142</u>	<u>291</u>	<u>582</u>

The Company's wholly-owned subsidiary, Sunzen LifeSciences Sdn. Bhd. was awarded the BioNexus status incentive under the Promotion of Investment Act, 1986 by the Ministry of Finance, with the recommendation made by Malaysian Biotechnology Corporation Sdn. Bhd. on 23 July 2007. Accordingly, the subsidiary is granted 100% tax exemption from the statutory income derived from the production of in-feed anti bacterial products and supplements for animal health products for a period of 10 years commencing from 1 January 2010 to 31 December 2019.

**B8. Status of Corporate Proposal**

**i) Utilisation of IPO proceeds**

The IPO proceeds balance of RM52,000 for research and development purpose, which was brought forward from the preceding quarter, has been fully utilised in the current quarter.

**SUNZEN BIOTECH BERHAD**  
 (Company No: 680889-W)  
 (Incorporated in Malaysia)

**B8. Status of Corporate Proposal (Cont'd)**

**ii) Warrants 2014/2019 with exercise right expiring on 14 April 2019**

As of the announcement date of this report, the number of warrants converted into ordinary shares at RM0.10 each and the balance as follows:

Total warrants listed	Total warrants converted into ordinary shares	Balance of warrants
49,756,260	5,978,437	43,777,823

**iii) Utilisation of Private Placement proceeds**

As of 31 December 2014, the status of utilisation of the gross proceeds of approximately RM5.356 million raised from the private placement as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation from the listing date* (Months)	Deviation		Explanation
				RM'000	%	
Upgrading/purchase of plant and machinery	5,181	680	24	-	-	
Estimated expenses related to Private placement	175	112	0.5	0.063		Note <sup>(1)</sup>
Total	5,356	792				

Notes:

\* Listing of placement shares was on 14 November 2014.

(1) The surplus amount of the listing expenses incurred has been adjusted to the upgrading/purchase of plant and machinery.

**SUNZEN BIOTECH BERHAD**  
 (Company No: 680889-W)  
 (Incorporated in Malaysia)

**B8. Status of Corporate Proposal (Cont'd)**

Sunzen Biotech has submitted a Corporate proposal for additional listing application to Bursa Securities on 30 January 2015 for approval in relation to the following businesses.

- i) Listing of and quotation for up to 109,523,280 new ordinary shares of RM0.10 each in Sunzen Biotech pursuant to the proposed bonus issue of share on the basis of one (1) bonus share for every two (2) existing shares held at an entitlement date to be determined later;
- ii) Proposed increase in the authorised share capital of Sunzen Biotech from RM25 million comprising 250 million shares to RM50 million comprising 500 million shares; and
- iii) Proposed amendment to the Memorandum of Association of Sunzen Biotech to facilitate the proposed increase in the authorised share capital.

**B9. Group borrowings and debt securities**

The Group's borrowings as at 31 December 2014 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<u>Short-term borrowings:-</u>			
Bills payable	360	-	360
Hire purchases	100	-	100
Term loans	574	-	574
	1,034	-	1,034
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<u>Long-term borrowings:-</u>			
Hire purchases	221	-	221
Term loans	3,725	-	3,725
	3,946	-	3,946
Total	4,980	-	4,980

The above borrowings are denominated in Ringgit Malaysia.

**B10. Material Litigation**

As at the date of this announcement, neither the Company nor any of its subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

**SUNZEN BIOTECH BERHAD**  
(Company No: 680889-W)  
(Incorporated in Malaysia)

**B11. Dividend declared or recommended**

For the current quarter under review, there was no dividend payment to be declared.

**B12. Earnings per share**

Basic earnings per share is calculated by dividing the Group's profit after taxation attributable to owners of the Company for the period over the weighted average number of ordinary shares in issue excluding treasury shares during the financial year as follows:

	<b>Current Quarter Ended 31 December 2014</b>	<b>Corresponding Quarter Ended 31 December 2013</b>	<b>Current Year-To-Date Ended 31 December 2014</b>	<b>Corresponding Year-To-Date Ended 31 December 2013</b>
Group's profit after taxation attributable to owners of the Company (RM'000)	549	1,239	1,101	3,508
Weighted average number of ordinary shares in issue excluding treasury shares	165,618,666	149,320,500	165,618,666	149,320,500
Basic earnings per share (sen)	0.33	0.83	0.66	2.35

**B13. Disclosure of Realised and Unrealised Profits or Losses**

The breakdown of the retained profits of the Group at the end of the reporting period is presented in accordance with the directive issued by Bursa Securities and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>Current Year-To-Date Ended 31 December 2014 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 December 2013 RM'000</b>
<b>Total retained profits of the Group:-</b>		
- Realised	20,835	19,833
- Unrealised	(1,443)	(393)
Group's retained profits as per consolidated financial statements	19,392	19,440

**SUNZEN BIOTECH BERHAD**  
(Company No: 680889-W)  
(Incorporated in Malaysia)

This quarterly report for the financial year ended 31 December 2014 has been seen and approved by the Board of Directors of Sunzen Biotech for release to Bursa Securities.

Date: 25 February 2015