

(Company No : 680889-W)

SUNZEN BIOTECH BERHAD  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Current Quarter Ended 30.06.2016 (Unaudited) RM'000	Corresponding Quarter Ended 30.06.2015 (Unaudited) RM'000	Current Year-To-Date Ended 30.06.2016 (Unaudited) RM'000	Corresponding Year-To-Date Ended 30.06.2015 (Unaudited) RM'000
Revenue	10,008	9,071	18,067	17,107
<b>Operating profit</b>	<b>2,547</b>	<b>2,274</b>	<b>4,442</b>	<b>4,595</b>
Operating expenses	(2,806)	(2,017)	(5,838)	(3,850)
Finance expenses	(46)	(62)	(119)	(127)
<b>(Loss)/Profit before taxation</b>	<b>(305)</b>	<b>195</b>	<b>(1,515)</b>	<b>618</b>
Income tax expense	(4)	(17)	(8)	(47)
<b>(Loss)/Profit after taxation</b>	<b>(309)</b>	<b>178</b>	<b>(1,523)</b>	<b>571</b>
<b>Other comprehensive (expense)/income, net of tax</b> <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	(56)	12	15	27
	(56)	12	15	27
<b>Total comprehensive (expense)/income</b>	<b>(365)</b>	<b>190</b>	<b>(1,508)</b>	<b>598</b>
(Loss)/Profit after taxation attributable to owners of:				
- the Company:	(361)	178	(1,588)	571
- non-controlling interest:	52	-	65	-
	(309)	178	(1,523)	571
Total comprehensive (expense)/income attributable to:				
- the Company:	(417)	190	(1,573)	598
- non-controlling interest:	52	-	65	-
	(365)	190	(1,508)	598
(Loss)/Earnings per share (sen) attributable to Owners of the Company:				
- Basic	(0.10)	0.07	(0.45)	0.22
- Diluted	(0.10)	0.06	(0.42)	0.20

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 2015 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 30 JUNE 2016**

	As At Financial Year Quarter 30.06.2016 (Unaudited) RM'000	As At Financial Year End 31.12.2015 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,791	33,117
Product development expenditure	-	-
	<u>34,791</u>	<u>33,117</u>
<b>Current assets</b>		
Inventories	9,444	11,470
Trade receivables	6,227	7,450
Other receivables, deposits and prepayments	4,267	3,564
Tax refundable	1,170	1,193
Fixed and short term deposits with licensed banks	36,941	1,486
Cash and bank balances with licensed banks and other financial institution	12,363	6,609
	<u>70,412</u>	<u>31,772</u>
<b>TOTAL ASSETS</b>	<u>105,203</u>	<u>64,889</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	47,912	29,814
Share premium	25,967	-
Treasury shares	(201)	(201)
Retained profits	17,134	16,482
Revaluation reserves	13,411	15,651
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(45)	(60)
<b>Attributable to owners of the Company</b>	<u>95,781</u>	<u>53,289</u>
Non-controlling interest	96	31
	<u>95,877</u>	<u>53,320</u>
<b>Non-current liabilities</b>		
Deferred taxation	1,402	1,501
Hire purchase payables	237	99
Term loans	1,451	3,118
	<u>3,090</u>	<u>4,718</u>
<b>Current Liabilities</b>		
Trade payables	2,091	4,610
Bill payable	23	-
Other payables and accruals	3,699	1,564
Hire purchase payables	81	64
Term loans	339	607
Amount owing to Directors	-	3
Provision for taxation	3	3
	<u>6,236</u>	<u>6,851</u>
<b>TOTAL LIABILITIES</b>	<u>9,326</u>	<u>11,569</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>105,203</u>	<u>64,889</u>
<b>Net assets per share (RM) attributable to owners of the Company</b>	<u>0.20</u>	<u>0.18</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 2015 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 478,626,141 (2015: 297,638,595) excluding treasury shares held.

(Company No. : 680889-H)

**SUNZEN BIOTECH BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Merger Deficit RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Attributable to owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
<b>Quarter ended 30 June 2016</b> (Unaudited)										
<b>Balance at 1 January 2016</b>	29,814	-	(201)	15,651	(8,397)	(60)	16,482	53,289	31	53,320
(Loss)/profit after taxation for the financial period	-	-	-	-	-	-	(1,588)	(1,588)	65	(1,523)
Other comprehensive (expense)/income for the financial period, net of tax:										
- Foreign currency translation	-	-	-	-	-	15	-	15	-	15
Total comprehensive (expense)/income for the financial period	-	-	-	-	-	15	(1,588)	(1,573)	65	(1,508)
Issuance of shares	18,098	25,967	-	-	-	-	-	44,065	-	44,065
Disposal of property, plant and equipment	-	-	-	(2,240)	-	-	2,240	-	-	-
<b>Balance at 30 June 2016</b>	<b>47,912</b>	<b>25,967</b>	<b>(201)</b>	<b>13,411</b>	<b>(8,397)</b>	<b>(45)</b>	<b>17,134</b>	<b>95,781</b>	<b>96</b>	<b>95,877</b>
<b>Quarter ended 30 June 2015</b> (Unaudited)										
<b>Balance at 1 January 2015</b>	16,577	7,155	(39)	15,651	(8,397)	(30)	19,394	50,311	-	50,311
Profit after taxation for the financial period	-	-	-	-	-	-	571	571	-	571
Other comprehensive income for the financial period, net of tax:										
- Foreign currency translation	-	-	-	-	-	27	-	27	-	27
Total comprehensive income for the financial period	-	-	-	-	-	27	571	598	-	598
Issuance of shares	12,087	(7,155)	-	-	-	-	(2,563)	2,369	-	2,369
Purchase of own shares	-	-	(49)	-	-	-	-	(49)	-	(49)
<b>Balance at 30 June 2015</b>	<b>28,664</b>	<b>-</b>	<b>(88)</b>	<b>15,651</b>	<b>(8,397)</b>	<b>(3)</b>	<b>17,402</b>	<b>53,229</b>	<b>-</b>	<b>53,229</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**SUNZEN BIOTECH BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

	<b>Current Year</b> <b>To Date Ended</b> <b>30.06.2016</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>Corresponding Year</b> <b>To Date Ended</b> <b>30.06.2015</b> <b>(Unaudited)</b> <b>RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
(Loss)/Profit before taxation	(1,515)	618
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	434	309
Interest expense	112	120
Write down/(Write back) of inventories	344	(516)
Inventories written off	-	189
Loss/(Gain) on disposal of property, plant and equipment	397	(24)
Interest income	(457)	(111)
Unrealised loss/(gain) on foreign exchange	194	(93)
Operating (loss)/profit before working capital changes	<u>(491)</u>	<u>492</u>
Decrease in inventories	1,682	2,187
Decrease/(Increase) in trade and other receivables	500	(1,945)
Decrease in trade and other payables	(359)	(719)
<b>Cash from operations</b>	<u>1,332</u>	<u>15</u>
Net tax paid	(84)	(334)
Interest paid	(114)	(122)
<b>Net cash from/(for) operating activities</b>	<u>1,134</u>	<u>(441)</u>
<b>Cash flows (for)/from investing activities</b>		
Interest received	457	111
Proceeds from disposal of property, plant and equipment	3,332	130
Purchase of property, plant and equipment	(5,648)	(220)
<b>Net cash (for)/from investing activities</b>	<u>(1,859)</u>	<u>21</u>
<b>Cash flows from/(for) financing activities</b>		
Repayment of term loans	(1,933)	(282)
Repayment to Directors	(3)	-
Repayment of hire purchase obligations	(36)	(117)
Treasury shares	-	(49)
Proceeds from issuance of shares	44,065	2,369
<b>Net cash from financing activities</b>	<u>42,093</u>	<u>1,921</u>
Net increase in cash and cash equivalents	41,368	1,501
Cash and cash equivalents at beginning of the financial period	8,095	15,239
Foreign exchange difference	(159)	89
<b>Cash and cash equivalents at end of the financial period</b>	<u>49,304</u>	<u>16,829</u>
<b>Cash and cash equivalents comprise:</b>		
Fixed and short term deposits with licensed banks	36,941	8,414
Cash and bank balances with licensed banks and other financial institution	<u>12,363</u>	<u>8,415</u>
	<u>49,304</u>	<u>16,829</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

# **SUNZEN BIOTECH BERHAD**

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## **NOTES TO THE INTERIM STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

### **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 2015.

The following revised MFRSs and Amendments to MFRSs issued by the MASB are not yet effective for adoption by the Group and are not expected to have any material impacts on the financial statements of the Group.

#### **Amendments effective for financial periods beginning on or after 1 January 2017**

- Amendment to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- MFRS 15, Revenue from Contracts with Customers
- MFRS 9, Financial Instruments

#### **A2. Auditors’ report on preceding annual financial statements**

The audited financial statements of the Company and its subsidiaries for the FYE 31 December 2015 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**

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There were no material changes in estimates of amounts reported that will have a material effect in the current quarter under review since the first quarter 2016 whereby annual depreciation rate for new plant and machinery has been revised to 7% (2015: 14%).

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

Total of 164,000 Warrants 2014/2019 were exercised in the current quarter, as a result, the total number of ordinary shares in issue increased to 479,124,141 as at 30 June 2016. There was no share buy-back in the current quarter, thus the total number of treasury shares held remains as 498,000 with carrying amount of RM201,290.

**A7. Dividend paid**

No dividend payment made during the current quarter.

**A8. Segmental information**

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

<b>Geographical Market</b>	<b>Current Year-To-Date Ended 30 June 2016 RM'000</b>	<b>Corresponding Year-To-Date Ended 30 June 2015 RM'000</b>
Asia other than Malaysia	3,623	3,573
Total export revenue	3,623	3,573
Malaysia	14,444	13,534
Total export and local revenue	18,067	17,107

Overseas revenue contributed about 20.05% of the Group's revenue in the current quarter under review compared to 20.89% in the corresponding year. Sale of Fat Powder products is classified as local revenue since the sales orders are from local customers.

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

Revaluation of the Group's freehold lands and buildings has been brought forward without any amendments from the financial statement for FYE 31 December 2015.

**A10. Capital commitments**

Capital commitment authorised but not provided for in the interim financial statements.

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	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, Plant and Equipment		
- Contracted	3,063	-

**A11. Material subsequent event after the Reporting Period**

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**

For the current quarter under review, there were no changes in the composition of the Group.

**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 amounting to RM17,131,000 in favour of Maybank Islamic Berhad in relation to Islamic banking facilities granted to Sunzen Corporation Sdn Bhd as follows:

<b>Islamic Banking Facility</b>	<b>Corporate Guarantee RM'000</b>	<b>Facility Limit RM'000</b>	<b>Balance As At 30 June 2016 RM'000</b>
Bank overdraft	500	500	-
Trade line	6,000	6,000	23
Term loans	10,631	6,465	1,790
<hr/>			
Total	17,131	12,965	1,813

**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 30 June 2016 RM'000</b>	<b>Corresponding Quarter Ended 30 June 2015 RM'000</b>	<b>Current Year-To-Date Ended 30 June 2016 RM'000</b>	<b>Corresponding Year-To-Date Ended 30 June 2015 RM'000</b>
Revenue	10,008	9,071	18,067	17,107
(Loss)/Profit before taxation ("PBT")	(305)	195	(1,515)	618

Revenue for the current quarter increased by 10.33 % compared to the corresponding quarter of 2015. Revenue for the current year-to-date showed an increase of 5.61% relative to the same period in 2015.

The Group registered a pre-tax loss of RM305,000 in the current quarter mainly due to the increase in electricity consumption and depreciation of machineries for Fat Powder Plant, write down of inventories for trading products and higher selling and distribution expenses recognised in the current quarter.

Current year-to-date showed a pre-tax loss of about RM1.52 million mainly attributed to the factors explained above and the unrealised loss on foreign exchange as well as the loss on disposal of property in the preceding quarter. In addition, there was a write back of inventories in the previous year.

**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 30 June 2016 RM'000</b>	<b>Corresponding Quarter Ended 30 June 2015 RM'000</b>	<b>Current Year-To-Date Ended 30 June 2016 RM'000</b>	<b>Corresponding Year-To-Date Ended 30 June 2015 RM'000</b>
Trading	2,723	4,170	5,739	8,058
Manufacturing	7,285	4,901	12,328	9,049
<b>Total</b>	<b>10,008</b>	<b>9,071</b>	<b>18,067</b>	<b>17,107</b>



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**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*)**

Revenue from trading products in the current quarter reported a 34.70% decrease compared with the same quarter in 2015, however, manufacturing products showed 48.64% higher. Current year-to-date, trading products showed 28.78% down in revenue whereas manufacturing products posted a 36.24% increase as compared with 2015.

**B3. Profit before taxation**

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

	<b>Current Quarter Ended 30 June 2016 RM'000</b>	<b>Corresponding Quarter Ended 30 June 2015 RM'000</b>	<b>Current Year-To-Date Ended 30 June 2016 RM'000</b>	<b>Corresponding Year-To-Date Ended 30 June 2015 RM'000</b>
Interest income	444	61	457	111
Interest expense	(44)	(59)	(112)	(120)
Depreciation and amortisation	(238)	(171)	(434)	(309)
Inventories written off	-	(100)	-	(189)
(Write down)/Write back of inventories	(217)	141	(344)	516
(Loss)/Gain on disposal of property, plant and equipment	(397)	-	(397)	24
(Loss)/Gain on foreign exchange:				
- realised	116	23	93	71
- unrealised	(22)	27	(194)	93

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

	<b>Current Quarter Ended 30 June 2016 RM'000</b>	<b>Preceding Quarter Ended 31 March 2016 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	10,008	8,059	1,949	24.18
PBT	(305)	(1,210)	905	(74.79)

Revenue for the current quarter posted a 24.18% increase compared to the preceding quarter. Pre-tax loss reported in the current quarter is 74.79% lower as compared with the loss in the preceding quarter mainly due to the recognition of income derived from short term placement and lower unrealised loss on foreign exchange recognised in the current quarter under review. In addition, there was a loss on disposal of property in the preceding quarter.

**B5. Prospects**

The Group will continue to promote animal health products especially non-antibiotic in both local and overseas markets and explore into the distributorship of supplying liquid fertilizer for agricultural crops in local market and related project management.

**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**

	<b>Current Quarter Ended 30 June 2016 RM'000</b>	<b>Corresponding Quarter Ended 30 June 2015 RM'000</b>	<b>Current Year-To-Date Ended 30 June 2016 RM'000</b>	<b>Corresponding Year-To-Date Ended 30 June 2015 RM'000</b>
<b><u>Income tax expense:-</u></b>				
Current financial year	4	29	8	53
	4	29	8	53
<b><u>Deferred tax expense:-</u></b>				
Current financial year	-	(12)	-	(6)
	-	(12)	-	(6)
Tax expense	4	17	8	47

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**B7. Taxation (Cont'd)**

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**

As at announcement date of this report, there were no corporate proposals which were already announced but not completed yet.

**Share Issuance Scheme ("SIS"), with effective date 15 April 2016**

Pursuant to the establishment of SIS of up to 30% of the Company's issued and paid-up capital (excluding treasury shares) for the eligible Directors and employees of Sunzen and its subsidiaries (excluding dormant subsidiaries), the Company has yet to finalise the details of the eligibility and allocation criteria as well as exercise of the SIS.

**Warrants**

As at 30 June 2016, the total number of Warrants exercised for warrants 2014/2019 and warrants 2016/2021 and the total number of unexercised warrants were as follows:

<b>Warrants</b>	<b>Maturity date</b>	<b>Exercise price (RM)</b>	<b>Total number of warrants listed</b>	<b>Total number of warrants exercised</b>	<b>Total number of unexercised warrants</b>
Warrants 2014/2019	14.04.2019	0.10	65,092,198	40,221,232	24,870,966
Warrants 2016/2021	25.02.2021	0.25	179,423,296	-	179,423,296

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

**Utilisation of Proceeds from Rights Issue of 179,423,296 ordinary shares**

As at 30 June 2016, the status of utilisation of the gross proceeds of approximately RM44.85 million raised from the Rights Issue of shares at an exercise price of RM0.25 each is as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe from the listing date* (Months)	Variation		Notes
				RM'000	%	
Purchase of machineries	17,000	8,243	6	-	-	(2)
Upgrade of building	2,800	87	6	-	-	(2)
Working capital	24,405	10,481	12	296	-	
Estimated listing expenses	650	946	0.5	(296)	-	(1)
<b>Total</b>	<b>44,855</b>	<b>19,757</b>				

Notes:

- \* Listing date of Rights Shares on 4 March 2016.
- (1) Shortfall of the listing expenses incurred is adjusted from the working capital.
- (2) On 5 August 2016, the Company announced to extend the deadline of the intended timeframe for the utilisation of the balance proceeds to 4 September 2017 from 4 September 2016.

While pending the proceeds to be fully utilised over the period of time, the fund is placed in short term deposits with financial institution, whereby interest derived from the placement will be used as working capital.

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**B9. Group borrowings and debt securities**

The Group's borrowings as at 30 June 2016 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	23	-	23
Hire purchases	81	-	81
Term loans	339	-	339
	<u>443</u>	<u>-</u>	<u>443</u>
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<u>Long-term borrowings:-</u>			
Hire purchases	237	-	237
Term loans	1,451	-	1,451
	<u>1,688</u>	<u>-</u>	<u>1,688</u>
Total	<u>2,131</u>	<u>-</u>	<u>2,131</u>

**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.

**B11. Dividend declared or recommended**

There was no dividend declared by the Board in the current quarter.

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**B12. (Loss)/Earnings per share**

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit after taxation attributable to owners of the Company for the period over the weighted average number of ordinary shares in issue during the financial period excluding treasury shares.

	<b>Current Quarter Ended 30 June 2016</b>	<b>Corresponding Quarter Ended 30 June 2015</b>	<b>Current Year-To-Date Ended 30 June 2016</b>	<b>Corresponding Year-To-Date Ended 30 June 2015</b>
Group's (loss)/profit after taxation attributable to owners of the Company (RM'000)	(361)	178	(1,588)	571
Weighted average number of ordinary shares in issue excluding treasury shares	355,999,703	262,978,528	355,999,703	262,978,528
Basic (loss)/earnings per share (sen)	(0.10)	0.07	(0.45)	0.22

Diluted (loss)/earnings per share is calculated by dividing the Group's (loss)/profit after taxation attributable to owners of the Company for the period over the weighted average number of ordinary shares in issue during the financial period and adjustment for assumed exercise of Warrants of 379,939,982 (2015: 289,872,827).

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(Company No: 680889-W)

(Incorporated in Malaysia)

**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 30 June 2016 RM'000</b>	<b>Corresponding Year-To-Date Ended 30 June 2015 RM'000</b>
<b>Total retained profits of the Group:-</b>		
- realised	18,573	18,745
- unrealised	(1,439)	(1,343)
Group's retained profits as per consolidated financial statements	17,134	17,402

This quarterly report for the financial period ended 30 June 2016 has been seen and approved by the Board of Directors of Sunzen Biotech for release to Bursa Securities.

Date: 25 August 2016