

(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 2016**

	Current Quarter Ended 31.12.2016 (Unaudited) RM'000	Corresponding Quarter Ended 31.12.2015 (Unaudited) RM'000	Current Year-To-Date Ended 31.12.2016 (Unaudited) RM'000	Corresponding Year-To-Date Ended 31.12.2015 (Audited) RM'000
Revenue	14,043	8,922	40,013	32,222
Operating profit	3,163	1,951	9,229	8,316
Operating expenses	(1,322)	(2,360)	(9,470)	(8,358)
Finance expenses	(53)	(58)	(213)	(245)
Profit/(Loss) before tax	1,788	(467)	(454)	(287)
Income tax credit/(expense)	406	17	394	(86)
Profit/(Loss) after tax	2,194	(450)	(60)	(373)
Other comprehensive income/(expense), net of tax <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	32	(55)	56	(30)
	32	(55)	56	(30)
Total comprehensive income/(expense)	2,226	(505)	(4)	(403)
Profit/(Loss) after tax attributable to owners of:				
- the Company:	2,203	(452)	(129)	(374)
- non-controlling interest:	(9)	2	69	1
	2,194	(450)	(60)	(373)
Total comprehensive income/(expense) attributable to owners of:				
- the Company:	2,235	(507)	(73)	(404)
- non-controlling interest:	(9)	2	69	1
	2,226	(505)	(4)	(403)
Earnings/(Loss) per share (sen) attributable to owners of the Company:				
- Basic	0.49	(0.16)	(0.03)	(0.13)
- Diluted	0.48	(0.15)	(0.03)	(0.13)

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 31 DECEMBER 2016

	As At Financial Year End 31.12.2016 (Unaudited) RM'000	As At Financial Year End 31.12.2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	35,243	33,117
Product development expenditure	-	-
	<u>35,243</u>	<u>33,117</u>
Current assets		
Inventories	9,876	11,470
Goods in transit	1,111	-
Trade receivables	5,793	7,450
Other receivables, deposits and prepayments	2,605	3,564
Tax refundable	1,404	1,193
Fixed and short term deposits with licensed banks	37,381	1,486
Cash and bank balances with licensed banks and other financial institution	13,172	6,609
	<u>71,342</u>	<u>31,772</u>
TOTAL ASSETS	<u>106,585</u>	<u>64,889</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	47,913	29,814
Share premium	25,963	-
Treasury shares	(242)	(201)
Retained profits	18,611	16,482
Revaluation reserves	13,393	15,651
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(4)	(60)
Attributable to owners of the Company	<u>97,237</u>	<u>53,289</u>
Non-controlling interest	100	31
	<u>97,337</u>	<u>53,320</u>
Non-current liabilities		
Deferred taxation	946	1,501
Hire purchase payables	209	99
Term loans	1,270	3,118
	<u>2,425</u>	<u>4,718</u>
Current Liabilities		
Trade payables	1,623	4,610
Bill payable	2,783	-
Other payables and accruals	1,986	1,564
Hire purchase payables	65	64
Term loans	351	607
Amount owing to Directors	-	3
Provision for taxation	15	3
	<u>6,823</u>	<u>6,851</u>
TOTAL LIABILITIES	<u>9,248</u>	<u>11,569</u>
TOTAL EQUITY AND LIABILITIES	<u>106,585</u>	<u>64,889</u>
Net assets per share (RM) attributable to owners of the Company	<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 478,426,141 (2015: 297,638,595) excluding treasury shares held.

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SUNZEN BIOTECH BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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
Quarter ended 31 December 2016										
(Unaudited)										
Balance at 1 January 2016	29,814	-	(201)	15,651	(8,397)	(60)	16,482	53,289	31	53,320
Profit/(Loss) after tax for the financial year	-	-	-	-	-	-	(129)	(129)	69	(60)
Other comprehensive income/(expense) for the financial year, net of tax:										
- Foreign currency translation	-	-	-	-	-	56	-	56	-	56
Total comprehensive income/(expense) for the financial year	-	-	-	-	-	56	(129)	(73)	69	(4)
Issuance of shares	18,099	25,963	-	-	-	-	-	44,062	-	44,062
Purchase of own shares	-	-	(41)	-	-	-	-	(41)	-	(41)
Disposal of property, plant and equipment	-	-	-	(2,240)	-	-	2,240	-	-	-
Amortisation on revaluation reserve	-	-	-	(18)	-	-	18	-	-	-
Balance at 31 December 2016	47,913	25,963	(242)	13,393	(8,397)	(4)	18,611	97,237	100	97,337
Quarter ended 31 December 2015										
(Audited)										
Balance at 1 January 2015	16,577	7,155	(39)	15,651	(8,397)	(30)	19,393	50,310	-	50,310
Profit/(Loss) after tax for the financial year	-	-	-	-	-	-	(374)	(374)	1	(373)
Other comprehensive income/(expense) for the financial year, net of tax:										
- Foreign currency translation	-	-	-	-	-	(30)	-	(30)	-	(30)
Total comprehensive income/(expense) for the financial year	-	-	-	-	-	(30)	(374)	(404)	1	(403)
Issuance of shares	13,237	(7,155)	-	-	-	-	(2,537)	3,545	30	3,575
Purchase of own shares	-	-	(162)	-	-	-	-	(162)	-	(162)
Balance at 31 December 2015	29,814	-	(201)	15,651	(8,397)	(60)	16,482	53,289	31	53,320

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.

(Company No : 680889-W)

SUNZEN BIOTECH BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Current Year To Date Ended 31.12.2016 (Unaudited) RM'000	Corresponding Year To Date Ended 31.12.2015 (Audited) RM'000
Cash flows from/(for) operating activities		
Loss before tax	(454)	(287)
Adjustments for:-		
Depreciation of property, plant and equipment	959	1,051
Interest expense	199	233
Write down/(Write back) of inventories	313	(544)
Inventories written off	174	525
Loss/(Gain) on disposal of property, plant and equipment	383	(94)
Interest income	(900)	(187)
Allowance for doubtful debts	5	-
Recovery of bad debts	-	(4)
Unrealised gain on short term placement	(182)	-
Unrealised gain on foreign exchange	(60)	(105)
Operating profit before working capital changes	<u>437</u>	<u>588</u>
Increase in inventories	(5)	(3,035)
Decrease/(Increase) in trade and other receivables	2,645	(3,490)
Increase in trade and other payables	224	1,361
Cash from/(for) operations	<u>3,301</u>	<u>(4,576)</u>
Net tax paid	(360)	(658)
Interest paid	(201)	(236)
Net cash from/(for) operating activities	<u>2,740</u>	<u>(5,470)</u>
Cash flows (for)/from investing activities		
Interest received	900	187
Proceeds from disposal of property, plant and equipment	3,360	201
Purchase of property, plant and equipment	(6,636)	(4,822)
Net cash for investing activities	<u>(2,376)</u>	<u>(4,434)</u>
Cash flows from/(for) financing activities		
Repayment of term loans	(2,100)	(572)
(Repayment to)/Advances from Directors	(4)	4
Repayment of hire purchase obligations	(80)	(158)
Purchase of own shares	(41)	(162)
Proceeds from issuance of shares	44,062	3,545
Proceeds from issuance of shares to non-controlling interest	-	30
Net cash from financing activities	<u>41,837</u>	<u>2,687</u>
Net increase/(decrease) in cash and cash equivalents	42,201	(7,217)
Cash and cash equivalents at beginning of the financial year	8,095	15,239
Fund's net asset value difference	182	-
Foreign exchange difference	75	73
Cash and cash equivalents at end of the financial year	<u>50,553</u>	<u>8,095</u>
Cash and cash equivalents comprise:		
Fixed and short term deposits with licensed banks	37,381	1,486
Cash and bank balances with licensed banks and other financial institution	<u>13,172</u>	<u>6,609</u>
	<u>50,553</u>	<u>8,095</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.