

(Company No : 680889-W)

SUNZEN BIOTECH BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	Current Year To Date Ended 30.06.2017 (Unaudited) RM'000	Corresponding Year To Date Ended 30.06.2016 (Unaudited) RM'000
Cash flows from/(for) operating activities		
Profit/(Loss) before tax	2,484	(1,515)
Adjustments for:-		
Depreciation of property, plant and equipment	478	434
Interest expense	53	112
(Write back)/Write down of inventories	(116)	344
Loss on disposal of property, plant and equipment	-	397
Interest income	(307)	(457)
Unrealised loss on foreign exchange	119	194
Operating profit/(loss) before working capital changes	<u>2,711</u>	<u>(491)</u>
(Increase)/Decrease in inventories	(2,242)	1,682
Increase in trade and other receivables	(9,205)	(4,932)
Increase/(Decrease) in trade and other payables	<u>17,089</u>	<u>(382)</u>
Cash from/(for) operations	<u>8,353</u>	<u>(4,123)</u>
Net tax paid	(162)	(84)
Interest paid	(54)	(114)
Net cash from/(for) operating activities	<u>8,137</u>	<u>(4,321)</u>
Cash flows (for)/from investing activities		
Interest received	307	457
Proceeds from disposal of property, plant and equipment	-	3,332
Purchase of property, plant and equipment	(1,809)	(216)
Net cash (for)/from investing activities	<u>(1,502)</u>	<u>3,573</u>
Cash flows (for)/from financing activities		
Repayment of term loans	(173)	(1,933)
(Repayment)/Drawdown of bills payable	(2,783)	23
Repayment to Directors	-	(3)
Repayment of hire purchase obligations	(36)	(36)
Proceeds from issuance of shares	268	44,065
Net cash (for)/from financing activities	<u>(2,724)</u>	<u>42,116</u>
Net increase in cash and cash equivalents	3,911	41,368
Cash and cash equivalents at beginning of the financial period	50,553	8,095
Foreign exchange difference	(97)	(159)
Cash and cash equivalents at end of the financial period	<u>54,367</u>	<u>49,304</u>
Cash and cash equivalents comprise:		
Fixed and short term deposits with licensed banks	31,144	36,941
Cash and bank balances with licensed banks and other financial institution	<u>23,223</u>	<u>12,363</u>
	<u>54,367</u>	<u>49,304</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 2016 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	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 30 June 2017										
(Unaudited)										
Balance at 1 January 2017	47,912	25,963	(242)	13,393	(8,397)	(4)	18,610	97,235	100	97,335
Profit after tax for the financial period	-	-	-	-	-	-	2,491	2,491	87	2,578
Other comprehensive income for the financial period, net of tax:										
- Foreign currency translation	-	-	-	-	-	(20)	-	(20)	-	(20)
Total comprehensive income for the financial period	-	-	-	-	-	(20)	2,491	2,471	87	2,558
Issuance of shares	268	-	-	-	-	-	-	268	-	268
Balance at 30 June 2017	48,180	25,963	(242)	13,393	(8,397)	(24)	21,101	99,974	187	100,161
Quarter ended 30 June 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 period	-	-	-	-	-	-	(1,588)	(1,588)	65	(1,523)
Other comprehensive income/(expense) for the financial period, net of tax:										
- Foreign currency translation	-	-	-	-	-	15	-	15	-	15
Total comprehensive income/(expense) 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	-	-	-
Balance at 30 June 2016	47,912	25,967	(201)	13,411	(8,397)	(45)	17,134	95,781	96	95,877

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 2016 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 2017

	As At Financial Year Quarter 30.06.2017 (Unaudited) RM'000	As At Financial Year End 31.12.2016 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,573	35,243
Product development expenditure	-	-
	<u>36,573</u>	<u>35,243</u>
Current assets		
Inventories	13,345	10,986
Trade receivables	14,269	5,987
Other receivables, deposits and prepayments	2,924	2,043
Tax refundable	1,511	1,403
Fixed and short term deposits with licensed banks	31,144	37,563
Cash and bank balances with licensed banks and other financial institution	23,223	12,990
	<u>86,416</u>	<u>70,972</u>
TOTAL ASSETS	<u>122,989</u>	<u>106,215</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	48,180	47,912
Share premium	25,963	25,963
Treasury shares	(242)	(242)
Retained profits	21,101	18,610
Revaluation reserves	13,393	13,393
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(24)	(4)
Attributable to owners of the Company	<u>99,974</u>	<u>97,235</u>
Non-controlling interest	187	100
	<u>100,161</u>	<u>97,335</u>
Non-current liabilities		
Deferred taxation	760	945
Hire purchase payables	180	209
Term loans	1,088	1,270
	<u>2,028</u>	<u>2,424</u>
Current Liabilities		
Trade payables	17,550	1,859
Bill payable	-	2,783
Other payables and accruals	2,782	1,383
Hire purchase payables	57	65
Term loans	360	351
Provision for taxation	51	15
	<u>20,800</u>	<u>6,456</u>
TOTAL LIABILITIES	<u>22,828</u>	<u>8,880</u>
TOTAL EQUITY AND LIABILITIES	<u>122,989</u>	<u>106,215</u>
Net assets per share (RM) attributable to owners of the Company	<u>0.21</u>	<u>0.20</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 2016 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 481,101,767 (2016: 478,426,141) excluding treasury shares held.

(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 2017

	Current Quarter Ended 30.06.2017 (Unaudited) RM'000	Corresponding Quarter Ended 30.06.2016 (Unaudited) RM'000	Current Year-To-Date Ended 30.06.2017 (Unaudited) RM'000	Corresponding Year-To-Date Ended 30.06.2016 (Unaudited) RM'000
Revenue	75,876	10,008	121,621	18,067
Operating profit	3,865	2,547	6,874	4,442
Operating expenses	(2,413)	(2,806)	(4,330)	(5,838)
Finance expenses	(26)	(46)	(60)	(119)
Profit/(Loss) before tax	1,426	(305)	2,484	(1,515)
Income tax credit/(expense)	101	(4)	94	(8)
Profit/(Loss) after tax	1,527	(309)	2,578	(1,523)
Other comprehensive income, net of tax <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	(24)	(56)	(20)	15
	(24)	(56)	(20)	15
Total comprehensive income/(expense)	1,503	(365)	2,558	(1,508)
Profit/(Loss) after tax attributable to owners of:				
- the Company:	1,472	(361)	2,491	(1,588)
- non-controlling interest:	55	52	87	65
	1,527	(309)	2,578	(1,523)
Total comprehensive income/(expense) attributable to owners of:				
- the Company:	1,448	(417)	2,471	(1,573)
- non-controlling interest:	55	52	87	65
	1,503	(365)	2,558	(1,508)
Earnings/(Loss) per share (sen) attributable to owners of the Company:				
- Basic	0.31	(0.10)	0.52	(0.45)
- Diluted	0.28	(0.10)	0.47	(0.42)

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 2016 and the accompanying explanatory notes attached to the interim financial statements.