

(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 31 MARCH 2019**

	Current Quarter Ended 31.03.2019 (Unaudited) RM'000	Corresponding Quarter Ended 31.03.2018 (Unaudited) RM'000	Current Year-To-Date Ended 31.03.2019 (Unaudited) RM'000	Corresponding Year-To-Date Ended 31.03.2018 (Unaudited) RM'000
Revenue	66,912	70,932	66,912	70,932
Operating profit	4,320	1,713	4,320	1,713
Operating expenses	(5,257)	(2,140)	(5,257)	(2,140)
Finance expenses	(133)	(22)	(133)	(22)
Loss before tax	(1,070)	(449)	(1,070)	(449)
Income tax credit/(expense)	127	(20)	127	(20)
Loss after tax	(943)	(469)	(943)	(469)
Other comprehensive income net of tax <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	358	3	358	3
	358	3	358	3
Total comprehensive expense	(585)	(466)	(585)	(466)
(Loss)/Profit after tax attributable to:				
Equity holders of the company	(961)	(409)	(961)	(409)
Non-controlling interests	18	(60)	18	(60)
	(943)	(469)	(943)	(469)
Total comprehensive (expense)/income attributable to:				
Equity holders of the company	(746)	(406)	(746)	(406)
Non-controlling interests	161	(60)	161	(60)
	(585)	(466)	(585)	(466)
Loss per ordinary share (sen) attributable to equity holders of the company				
- Basic	(0.19)	(0.09)	(0.19)	(0.09)
- Diluted	(0.18)	(0.08)	(0.18)	(0.08)

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

(Company No : 680889-II)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	As At Financial Year End 31.03.2019 (Unaudited) RM'000	As At Financial Year End 31.12.2018 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	61,582	61,530
Investment property	1,860	1,860
Deferred tax assets	-	580
Product development expenditure	-	-
Intangible asset	131	141
	<u>63,573</u>	<u>64,111</u>
<b>Current assets</b>		
Inventories	13,632	14,452
Trade receivables	21,607	21,416
Other receivables, deposits and prepayments	4,827	3,725
Tax recoverable	1,685	2,357
Fixed and short term deposits with licensed banks	14,618	15,499
Cash and bank balances with licensed banks and other financial institution	21,990	26,014
	<u>78,359</u>	<u>83,463</u>
<b>TOTAL ASSETS</b>	<u>141,932</u>	<u>147,574</u>
<b>EQUITY</b>		
Share capital	75,889	75,547
Treasury shares	(368)	(336)
Warrants Reserve	10,909	10,909
Retained profits	12,783	13,744
Revaluation reserve	15,790	15,790
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(102)	(317)
<b>Total equity attributable to equity holders of the Company</b>	<u>106,504</u>	<u>106,940</u>
Non-controlling interests	7,862	7,701
<b>TOTAL EQUITY</b>	<u>114,366</u>	<u>114,641</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,682	3,451
Hire purchase payables	964	934
Term loans	3,416	3,550
	<u>7,062</u>	<u>7,935</u>
<b>Current liabilities</b>		
Trade payables	10,720	12,637
Other payables and accruals	6,698	9,196
Hire purchase payables	380	420
Term loans	527	521
Bank overdraft	1,561	1,410
Tax payable	618	814
	<u>20,504</u>	<u>24,998</u>
<b>TOTAL LIABILITIES</b>	<u>27,566</u>	<u>32,933</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>141,932</u>	<u>147,574</u>
<b>Net assets per ordinary share (RM) attributable to equity holders of the Company</b>	<u>0.20</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

The net assets per share attributable to equity holders 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 527,330,545 (2018: 524,097,917) 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 PERIOD ENDED 31 MARCH 2019**

	Attributable to equity holders of the Company										
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<b>Quarter ended 31 March 2019</b> (Unaudited)											
Balance at 1 January 2019	75,547	-	(336)	10,909	15,790	(8,397)	(317)	13,744	106,940	7,701	114,641
Loss after tax for the financial period	-	-	-	-	-	-	-	(961)	(961)	18	(943)
Other comprehensive income, net of tax for the financial period:											
- Foreign currency translation	-	-	-	-	-	-	215	-	215	143	358
Total comprehensive income/(expense) for the financial period	-	-	(32)	-	-	-	215	(961)	(746)	161	(585)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(32)	-	(32)
Issuance of shares	342	-	-	-	-	-	-	-	342	-	342
<b>Balance at 31 March 2019</b>	<b>75,889</b>	<b>-</b>	<b>(368)</b>	<b>10,909</b>	<b>15,790</b>	<b>(8,397)</b>	<b>(102)</b>	<b>12,783</b>	<b>106,504</b>	<b>7,862</b>	<b>114,366</b>
<b>Quarter ended 31 March 2018</b> (Unaudited)											
Balance at 1 January 2018	63,286	-	(242)	10,909	13,369	(8,397)	(134)	20,663	99,454	266	99,720
Loss after tax for the financial period	-	-	-	-	-	-	-	(409)	(409)	(60)	(469)
Other comprehensive income, net of tax for the financial period:											
- Foreign currency translation	-	-	-	-	-	-	3	-	3	-	3
Total comprehensive income/(expense) for the financial period	-	-	-	-	-	-	3	(409)	(406)	(60)	(466)
Issuance of shares	14	-	-	-	-	-	-	-	14	-	14
<b>Balance at 31 March 2018</b>	<b>63,300</b>	<b>-</b>	<b>(242)</b>	<b>10,909</b>	<b>13,369</b>	<b>(8,397)</b>	<b>(131)</b>	<b>20,254</b>	<b>99,062</b>	<b>206</b>	<b>99,268</b>

Note:

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 2018 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 31 MARCH 2019**

	Current Year To Date Ended 31.03.2019 (Unaudited) RM'000	Corresponding Year To Date Ended 31.03.2018 (Unaudited) RM'000
<b>Cash flows from/(for) operating activities</b>		
Loss before tax	(1,070)	(449)
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	797	259
Amortisation of intangible assets	9	-
Interest expense	89	19
Inventories written off	43	-
(Write back)/Write down of inventories	(137)	112
Reversal of allowance for impairment on trade receivables	(229)	-
Gain on disposal of property, plant and equipment	(43)	(30)
Interest income	(99)	(189)
Unrealised loss on derivative financial instrument	56	-
Unrealised loss on foreign exchange	7	62
Operating loss before working capital changes	(577)	(216)
Decrease/(Increase) in inventories	914	(68)
(Increase)/Decrease in trade and other receivables	(1,115)	9,444
Decrease in trade and other payables	(4,416)	(3,907)
<b>Cash (for)/from operations</b>	(5,194)	5,253
Tax paid	(616)	(232)
Tax refunded	1,030	-
Interest paid	(90)	(19)
<b>Net cash (for)/from operating activities</b>	(4,870)	5,002
<b>Cash flows (for)/from investing activities</b>		
Interest received	99	189
Proceeds from disposal of property, plant and equipment	-	30
Purchase of property, plant and equipment	(705)	(494)
<b>Net cash for investing activities</b>	(606)	(275)
<b>Cash flows (for)/from financing activities</b>		
Repayment of term loans	(128)	(91)
Repayment of hire purchase obligations	(109)	(15)
Purchase of treasury shares	(32)	-
Proceeds from issuance of shares	342	14
<b>Net cash from/(for) financing activities</b>	73	(92)
Net (decrease)/increase in cash and cash equivalents	(5,403)	4,635
Cash and cash equivalents at beginning of the financial period	40,103	47,400
Foreign exchange difference	347	(60)
<b>Cash and cash equivalents at end of the financial period</b>	<b>35,047</b>	<b>51,975</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed and short term deposits with licensed banks	14,618	14,577
Cash and bank balances with licensed banks and other financial institution	20,429	37,398
	<b>35,047</b>	<b>51,975</b>

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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## NOTES TO THE INTERIM STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

### 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 (“MFRS”) 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 2018.

The following MFRS and Interpretation 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 2019**

- MFRS 16 Leases
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 9 Financial Instruments (2014) - Prepayment Features with Negative Compensation
- Amendments to MFRS 128 Investments in Associates and Joint Ventures - Long-term Interest in Associates and Joint Ventures
- Amendments to MFRS 3 Business Combinations - Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)
- Amendments to MFRS 11 Joint Arrangements - Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)
- Amendments to MFRS 112 Income Taxes - Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements 2015-2017 Cycle)
- Amendments to MFRS 123 Borrowing Costs - Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)
- Amendments to MFRS 119 Employee Benefits - Plan Amendment, Curtailment or Settlement

#### **Amendments effective for financial periods beginning on or after 1 January 2020**

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 Business Combination - Definition of a Business
- Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

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

**Amendments effective for financial periods beginning on or after 1 January 2020  
(Cont'd)**

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

The audited financial statements of the Company and its subsidiaries for the FYE 31 December 2018 were not subjected to any qualification.

**A3. Seasonal or cyclical factors**

Trading of crude palm oil and related products segment in the current quarter was impacted by price fluctuation and external market conditions.

**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.

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

A total of 3,417,628 warrants 2014/2019 were exercised in the current quarter, the total number of ordinary shares in issue as at 31 March 2019 has increased to 528,688,545. In addition, 185,000 ordinary shares were repurchased from the open market, the total number of treasury shares has increased to 1,358,000 as at 31 March 2019.

**A7. Dividend paid**

No dividend paid in the current quarter under review.

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**A8. Segmental information**

	<b>Current Quarter Ended 31 March 2019 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2018 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2019 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2018 RM'000</b>
<b>Revenue</b>				
Manufacturing and trading of animal health products	1,897	6,690	1,897	6,690
Trading of crude palm oil and related products ("CPO")	52,108	64,242	52,108	64,242
Traditional Chinese medicine, herbal health foods and beverages ("TCM")	11,205	-	11,205	-
Food ingredients products	1,702	-	1,702	-
<b>Total</b>	<b>66,912</b>	<b>70,932</b>	<b>66,912</b>	<b>70,932</b>

Trading of CPO posted 18.89% decrease in revenue for the current quarter as compared to the corresponding quarter while animal health products revenue reported 71.64% lower in the current quarter in comparison to the corresponding quarter.

**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 2018.

**A10. Capital commitments**

Capital commitment authorised but not provided for in the interim financial statements under review as follows:

	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Approved and contracted for:		
- acquisition of investment properties	1,513	-
- acquisition of plant and equipment	3,618	3,644
- purchase of CPO and raw materials	10,547	-

The outstanding balance as at 31 March 2019 is made up of balance brought forward from the previous years and outstanding purchase orders for trading of CPO and raw materials.

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**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**

Sunzen International Investment Limited deregistered on 18 April 2019.

**A13. Contingent Liabilities**

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured corporate guarantee given to bank for banking facilities extended to subsidiaries	808	1,179
Bank guarantee to vendor for purchase of CPO by a subsidiary	1,000	-
	<u>1,808</u>	<u>1,179</u>



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**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 March 2019 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2018 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2019 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2018 RM'000</b>
Revenue	66,912	70,932	66,912	70,932
Loss before tax	(1,070)	(449)	(1,070)	(449)

In the current quarter under review, the Group recorded a loss before tax of approximately RM1.07 million on the back of RM66.91 million in revenue. Higher loss incurred in the current quarter compared to the previous year mainly due to lower contribution from trading of CPO.

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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**

	Current Quarter Ended 31 March 2019 RM'000	Corresponding Quarter Ended 31 March 2018 RM'000	Current Year-To-Date Ended 31 March 2019 RM'000	Corresponding Year-To-Date Ended 31 March 2018 RM'000
<b><u>Revenue</u></b>				
Manufacturing and trading of animal health products	1,897	6,690	1,897	6,690
Trading of crude palm oil and related products ("CPO")	52,108	64,242	52,108	64,242
Traditional Chinese medicines, herbal foods and beverages ("TCM")	11,205	-	11,205	-
Food ingredients products	1,702	-	1,702	-
Others	-	-	-	-
<b>Total revenue</b>	66,912	70,932	66,912	70,932
<b><u>Results</u></b>				
Manufacturing and trading of animal health products	(413)	(830)	(413)	(830)
Trading of crude palm oil and related products	(276)	179	(276)	179
Traditional Chinese medicines, herbal foods and beverages	(6)	-	(6)	-
Food ingredients products	(172)	-	(172)	-
Others	(203)	202	(203)	202
<b>Loss before tax</b>	(1,070)	(449)	(1,070)	(449)

For the current quarter under review, the Group reported a loss before tax of RM1.07 million. Animal health segment, loss before tax decreased by 50.24% as compared to corresponding quarter mainly due to write back of inventories and reduction in other operating expenses in the current quarter. CPO incurred a loss in the current quarter due to the decrease in sales demand which affected the profit contribution. TCM and Food ingredients products segments, both reported a loss due to higher operating costs.

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**B3. Loss before tax**

Loss before tax is arrived after (charging)/crediting:-

	Current Quarter Ended 31 March 2019 RM'000	Corresponding Quarter Ended 31 March 2018 RM'000	Current Year-To-Date Ended 31 March 2019 RM'000	Corresponding Year-To-Date Ended 31 March 2018 RM'000
Interest income	99	189	99	189
Interest expense	(89)	(19)	(89)	(19)
Depreciation	(797)	(259)	(797)	(259)
Amortisation	(9)	-	(9)	-
Inventories written off	(43)	-	(43)	-
Write back/(Write down) of inventories	137	(112)	137	(112)
Reversal of allowance for impairment loss on trade receivables	229	-	229	-
Gain on disposal of property, plant and equipment	43	30	43	30
Loss on derivative financial instrument:				
- realised	(1)	-	(1)	-
- unrealised	(56)	-	(56)	-
Gain/(Loss) on foreign exchange:				
- realised	(5)	6	(5)	6
- unrealised	(7)	(62)	(7)	(62)

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

	<b>Current Quarter Ended 31 March 2019 RM'000</b>	<b>Preceding Quarter Ended 31 December 2018 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	66,912	76,354	(9,442)	(12.37)
Loss before tax	(1,070)	(7,774)	6,704	(86.24)

Group's revenue for the current quarter decreased by 12.37% compared to preceding quarter mainly due to lower contribution of revenue from trading of CPO.

Group posted a lower loss before tax compared to the preceding quarter mainly attributed to lower operating expenses reported in the current quarter.

**B5. Prospects**

Biosecurity-Nutrition-Health under animal health division, the Company has recently recruited a team comprising nutritionist, veterinarians, pharmacist, regulatory officers, and product development managers. The team will focus on Biosecurity (environment, water and feeds); Nutrition (functional palm oil and other safe and friendly feed ingredients and concentrates); Health (intestinal health, immunity, mycotoxins and therapeutics). The Company is focused on creating values and offer an alternative solution for our customers.

**B6. Profit forecast and profit guarantee**

Amplio Ingredients Sdn. Bhd ("Amplio") has failed to meet its Profit Guarantee for the first year of RM800,000 as follows:

	<b>RM</b>
a. Net profit for the period from 8 May 2018 to 31 December 2018 based on the financial statement of Amplio reported in the Group's results	35,291
b. Net loss approximated for the period from 1 January 2019 to 7 May 2019 based on management accounts of Amplio	(42,920)
c. Net loss	(7,629)

Pursuant to the Sale of Shares Agreement, Sunzen shall withhold the remaining sum of Purchase Price amounted to RM800,000 payable to the Vendors, namely Mr. Low Yuan Heng and Mr. Cheong Wai Loon in view of the non-achievement of Profit Guarantee by Amplio in the first year.

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**B7. Income tax (credit)/expense**

	<b>Current Quarter Ended 31 March 2019 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2018 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2019 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2018 RM'000</b>
<b><u>Income tax expense</u></b>				
Current financial year	62	20	62	20
Under/(Over) provision in prior financial year	-	-	-	-
	<u>62</u>	<u>20</u>	<u>62</u>	<u>20</u>
<b><u>Deferred tax expense</u></b>				
Current financial year	(189)	-	(189)	-
	<u>(189)</u>	<u>-</u>	<u>(189)</u>	<u>-</u>
<b>Total</b>	<u>(127)</u>	<u>20</u>	<u>(127)</u>	<u>20</u>

The Company's wholly-owned subsidiary, Sunzen LifeSciences Sdn. Bhd. is awarded with BioNexus status and granted a 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 spanning 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.

SIS is subject to any adjustments in accordance with the by-laws, the Subscription Price shall be the higher of the following:

- (i) the Five-day volume weight average market price (5D-VWAP) of the Company's Shares immediately preceding the date of offer of the SIS Option, as quoted on Bursa Securities, with discount of not more than 10%; or
- (ii) the par value of the Company's Shares.

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

The total number of respective Warrants exercised and Warrants yet to be exercised as at 30 May 2019 as follows:

Description	Expiry date	Exercise price (RM)	Number of Warrants listed	Number of Warrants exercised	Number of warrants expired*	Number of Warrants to be exercised
Warrants 2014/2019	12.04.2019	0.10	65,092,198	55,294,501	9,797,697	-
Warrants 2016/2021	25.02.2021	0.25	179,423,296	-	-	179,423,296

\* Warrants 2014/2019 had expired on 12 April 2019.

**B9. Group borrowings and debt securities**

The Group's borrowings as at 31 March 2019 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Short-term borrowings</u></b>			
Hire purchases	380	-	380
Term loans	527	-	527
Bank overdraft	1,561	-	1,561
	<u>2,468</u>	<u>-</u>	<u>2,468</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Long-term borrowings</u></b>			
Hire purchases	964	-	964
Term loans	3,416	-	3,416
	<u>4,380</u>	<u>-</u>	<u>4,380</u>
<b>Total</b>	<u>6,848</u>	<u>-</u>	<u>6,848</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.

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

**B11. Dividend declared or recommended**

No dividend was declared for the current quarter under review.

**B12. Disclosure of nature of outstanding derivatives**

There was no outstanding derivatives as at reporting period.

**B13. Disclosure of gains/losses arising from fair value changes of financial liabilities**

There were no gains or losses arising from fair value changes of financial liabilities as at the reporting period.

**B14. Loss per ordinary share**

Basic loss per ordinary share is calculated based on Group's loss after tax attributable to equity holders of the Company for the financial period over the weighted average number of ordinary shares in issue during the financial period excluding treasury shares.

	Current Quarter Ended 31 March 2019	Corresponding Quarter Ended 31 March 2018	Current Year-To-Date Ended 31 March 2019	Corresponding Year-To-Date Ended 31 March 2018
Loss after tax attributable to equity holders of the Company	(961,243)	(408,862)	(961,243)	(408,862)
Weighted average number of ordinary shares in issue excluding treasury shares	516,689,645	480,993,878	516,689,645	480,993,878
Basic loss per ordinary share (sen)	(0.19)	(0.09)	(0.19)	(0.09)

Diluted loss per ordinary share is calculated based on Group's loss after tax attributable to equity holders of the Company for the financial period over the weighted average number of ordinary shares in issue during the financial period and adjustment for assumed exercise of Warrants of 536,599,953 (2018: 509,967,958).

This quarterly report for the financial period ended 31 March 2019 has been reviewed and approved by the Board of Directors of Sunzen Biotech for release to Bursa Securities.

Date: 30 May 2019