

(Company No : 680889-W)

**SUNZEN BIOTECH BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

		Current Quarter Ended 31.03.2020 (Unaudited) RM'000	Corresponding Quarter Ended 31.03.2019 (Unaudited) RM'000	Current Year-To-Date Ended 31.03.2020 (Unaudited) RM'000	Corresponding Year-To-Date Ended 31.03.2019 (Unaudited) RM'000
Revenue	A9	<u>21,341</u>	66,912	<u>21,341</u>	66,912
<b>Operating profit</b>		<b>1,278</b>	4,320	<b>1,278</b>	4,320
Operating expenses		<b>(4,271)</b>	(5,257)	<b>(4,271)</b>	(5,257)
Finance expenses		<b>(193)</b>	(133)	<b>(193)</b>	(133)
<b>Loss before tax</b>	B2,B3	<u><b>(3,186)</b></u>	(1,070)	<u><b>(3,186)</b></u>	(1,070)
Income tax credit	B7	<b>181</b>	127	<b>181</b>	127
<b>Loss after tax</b>		<u><b>(3,005)</b></u>	<u><b>(943)</b></u>	<u><b>(3,005)</b></u>	<u><b>(943)</b></u>
<b>Other comprehensive (expense)/income net of tax</b> <i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		<u>22</u>	358	<u>22</u>	358
		<u>22</u>	358	<u>22</u>	358
<b>Total comprehensive expense</b>		<u><b>(2,983)</b></u>	<u><b>(585)</b></u>	<u><b>(2,983)</b></u>	<u><b>(585)</b></u>
(Loss)/Profit after tax attributable to:					
Equity holders of the company		<u><b>(2,568)</b></u>	(961)	<u><b>(2,568)</b></u>	(961)
Non-controlling interests		<u><b>(437)</b></u>	18	<u><b>(437)</b></u>	18
		<u><b>(3,005)</b></u>	<u><b>(943)</b></u>	<u><b>(3,005)</b></u>	<u><b>(943)</b></u>
Total comprehensive (expense)/income attributable to:					
Equity holders of the company		<u><b>(2,601)</b></u>	(746)	<u><b>(2,601)</b></u>	(746)
Non-controlling interests		<u><b>(382)</b></u>	161	<u><b>(382)</b></u>	161
		<u><b>(2,983)</b></u>	<u><b>(585)</b></u>	<u><b>(2,983)</b></u>	<u><b>(585)</b></u>
Loss per ordinary share (sen) attributable to equity holders of the company:	B14				
-Basic		(0.49)	(0.19)	(0.49)	(0.19)
-Diluted		(0.49)	(0.18)	(0.49)	(0.18)

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 2019 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 FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	As At Financial Year End 31.03.2020 (Unaudited) RM'000	As At Financial Year End 31.12.2019 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		61,398	61,850
Investment property		370	370
Right-of-use assets		120	140
Deferred tax assets		235	235
Intangible asset		94	103
		<u>62,217</u>	<u>62,698</u>
<b>Current assets</b>			
Inventories		18,245	12,485
Trade receivables		7,565	14,183
Other receivables, deposits and prepayments		5,342	3,547
Tax recoverable		1,359	1,164
Fixed and short term deposits with licensed banks		15,997	15,877
Cash and bank balances with licensed banks and other financial institution		14,608	16,880
		<u>63,116</u>	<u>64,136</u>
Assets held for sales		1,490	1,490
<b>Total current assets</b>		<u>64,606</u>	<u>65,626</u>
<b>TOTAL ASSETS</b>		<u>126,823</u>	<u>128,324</u>
<b>EQUITY</b>			
Share capital	A6	76,524	76,524
Treasury shares	A6	(956)	(956)
Warrants Reserve		10,909	10,909
Retained profits		(5,039)	(2,471)
Revaluation reserve		15,754	15,754
Merger deficit		(8,397)	(8,397)
Currency translation reserve		(30)	3
<b>Total equity attributable to equity holders of the Company</b>		<u>88,765</u>	<u>91,366</u>
Non-controlling interests		5,430	5,812
<b>TOTAL EQUITY</b>		<u>94,195</u>	<u>97,178</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease Liabilities		43	63
Deferred tax liabilities		2,984	3,174
Hire purchase payables	B9	665	711
Term loans	B9	14,671	14,820
		<u>18,363</u>	<u>18,768</u>
<b>Current liabilities</b>			
Trade payables		9,114	6,377
Other payables and accruals		4,171	4,985
Lease Liabilities		80	80
Hire purchase payables	B9	181	179
Term loans	B9	719	756
Tax payable		-	1
		<u>14,265</u>	<u>12,378</u>
<b>TOTAL LIABILITIES</b>		<u>32,628</u>	<u>31,146</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>126,823</u>	<u>128,324</u>
<b>Net assets per ordinary share (RM) attributable to equity holders of the Company</b>		<u>0.17</u>	<u>0.17</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 2019 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 528,764,688 (2019: 528,764,688) excluding treasury shares held.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Attributable to equity holders of the Company							Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital 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			
<b>Quarter ended 31 March 2020</b> (Unaudited)										
<b>Balance at 1 January 2020</b>	76,524	(956)	10,909	15,754	(8,397)	3	(2,471)	91,366	5,812	97,178
Loss after tax for the financial period	-	-	-	-	-	-	(2,568)	(2,568)	(437)	(3,005)
Other comprehensive(expense)/income, net of tax for the financial period:										
- Foreign currency translation	-	-	-	-	-	(33)	-	(33)	55	22
Total comprehensive expense for the financial period	-	-	-	-	-	(33)	(2,568)	(2,601)	(382)	(2,983)
<b>Balance at 31 March 2020</b>	<b>76,524</b>	<b>(956)</b>	<b>10,909</b>	<b>15,754</b>	<b>(8,397)</b>	<b>(30)</b>	<b>(5,039)</b>	<b>88,765</b>	<b>5,430</b>	<b>94,195</b>
<b>Quarter ended 31 March 2019</b> (Unaudited)										
<b>Balance at 1 January 2019</b>	75,547	(336)	10,909	15,790	(8,397)	(317)	13,744	106,940	7,701	114,641
(Loss)/Profit 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 (expense)/income for the financial period	-	-	-	-	-	215	(961)	(746)	161	(585)
Purchase of treasury shares	-	(32)	-	-	-	-	-	(32)	-	(32)
Issuance of shares	342	-	-	-	-	-	-	342	-	342
<b>Balance at 31 March 2019</b>	<b>75,889</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>

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 2019 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 2020**

	<b>Current Year To Date Ended 31.03.2020 (Unaudited) RM'000</b>	<b>Corresponding Year To Date Ended 31.03.2019 (Unaudited) RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Loss before tax	(3,186)	(1,070)
<b>Adjustments for:-</b>		
Amortisation of intangible assets	29	9
Depreciation of property, plant and equipment	730	797
Allowance for/(Reversal of) Impairment loss on trade receivables	372	(229)
Interest income	(159)	(99)
Interest expense	188	89
Inventories written off	54	43
Loss/(Gain) on disposal of property, plant and equipment	42	(43)
Unrealised (gain)/loss on foreign exchange	(17)	7
Write back of inventories	(46)	(137)
Operating loss before working capital changes	(1,993)	(633)
(Increase)/Decrease in inventories	(5,768)	914
Decrease/(Increase) in trade and other receivables	4,283	(1,059)
Increase/(Decrease) in trade and other payables	2,083	(4,416)
<b>Cash for operations</b>	(1,395)	(5,194)
Tax paid	(204)	(616)
Tax refunded	-	1,030
Interest paid	(189)	(90)
<b>Net cash for operating activities</b>	(1,788)	(4,870)
<b>Cash flows (for)/from investing activities</b>		
Interest received	159	99
Proceeds from disposal of property, plant and equipment	3	-
Purchase of property, plant and equipment	(323)	(705)
<b>Net cash for investing activities</b>	(161)	(606)
<b>Cash flows (for)/from financing activities</b>		
Repayment of term loans	(185)	(128)
Repayment of hire purchase obligations	(44)	(109)
Repayment of lease liabilities	(20)	-
Purchase of treasury shares	-	(32)
Proceeds from issuance of shares	-	342
<b>Net cash (for)/ from financing activities</b>	(249)	73
Net decrease in cash and cash equivalents	(2,198)	(5,403)
Cash and cash equivalents at beginning of the financial year	32,757	40,103
Foreign exchange difference	46	347
<b>Cash and cash equivalents at end of the financial year</b>	<b>30,605</b>	<b>35,047</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed and short term deposits with licensed banks	15,997	14,618
Cash and bank balances with licensed banks and other financial institution	14,608	20,429
	<b>30,605</b>	<b>35,047</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 2019 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 2020

### 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 2019.

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 to MFRSs 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
- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures-Interest Rate Benchmark Reform

#### **Amendments to MFRSs effective date yet to be determined**

- 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 2019 were not subjected to any qualification.

#### A3. Seasonal or cyclical factors

The performance of the trading of crude palm oil and related products segment in the current quarter under review was influenced by the commodity price and external factors.

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**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**

In the current quarter under review, there were no changes to the number of ordinary shares in issue neither were there any repurchases of own shares in the open market. As at the quarter ended, the number of ordinary shares in issue was 535,046,088, of which 6,281,400 were treasury shares.

**A7. Dividend paid**

There was no dividend paid in the current quarter under review.

**A8. Comparative figures**

The year 2019 comparative figures as shown in the Statement of Profit or Loss and Other Comprehensive Income included the financials of Amplio Ingredients Sdn. Bhd. (“Amplio”), as the entire 70% equity in the subsidiary was only disposed-off on 4 July 2019.

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**A9. Segmental information**

	<b>Current Quarter Ended 31 March 2020 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2019 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2020 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2019 RM'000</b>
<b>Revenue</b>				
Manufacturing and trading of animal health products (“AH”)	3,437	1,897	3,437	1,897
Trading of crude palm oil and related products (“CPO”)	11,246	52,108	11,246	52,108
Traditional Chinese medicine, herbal health foods and beverages, bird nest (“TCM”)	6,658	11,205	6,658	11,205
Food ingredients products ^	-	1,702	-	1,702
<b>Total</b>	21,341	66,912	21,341	66,912

^ This business segment had disposed-off on 4 July 2019

**A10. 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 financial year ended 31 December 2019.

**A11. Capital commitments**

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

	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Approved and contracted for:		
- acquisition of plant and equipment	1,864	3,618
- purchase of CPO and raw materials	3,957	10,547

The outstanding balance for acquisition of plant and equipment as at 31 March 2020 is made up of balance brought forward from the previous years.

**A12. Recurrent Related Party Transaction**

In the current quarter under review, there were no recurrent related party transactions.

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**A13. 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.

**A14. Changes in the Composition of the Group**

There were no changes in the corporate structure of the Group up to 31 March 2020 since the previous reporting date.

**A15. Contingent Liabilities**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured corporate guarantee given to bank for banking facilities to subsidiaries	5,464	808
Bank guarantee to vendor for purchase of CPO by a subsidiary	1,000	1,000
	<u>6,464</u>	<u>1,808</u>

**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 2020 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2019 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2020 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2020 RM'000</b>
Revenue	21,341	66,912	21,341	66,912
Loss before tax	(3,186)	(1,070)	(3,186)	(1,070)

Group's revenue in the current quarter under review reported 68.11% lower compared to the corresponding quarter mainly attributed to the decrease in contribution from trading of crude palm oil and also food and beverage segment.

The current quarter's loss before tax had increased, which was mainly impacted by the lower product margin derived from the trading of crude palm oil and also food and beverages contribution. The provision for impairment loss of RM0.330 million on trade receivables was also a contributing factor for the increased loss compared to the corresponding quarter.



**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>Current Quarter Ended 31 March 2020 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2019 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2020 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2019 RM'000</b>
<b><u>Revenue</u></b>				
Manufacturing and trading of animal health products (“AH”)	3,437	1,897	3,437	1,897
Trading of crude palm oil and related products (“CPO”)	11,246	52,108	11,246	52,108
Traditional Chinese medicines, herbal foods and beverages, bird nest (“TCM”)	6,658	11,205	6,658	11,205
Food ingredient products ^	-	1,702	-	1,702
<b>Total revenue</b>	<b>21,341</b>	<b>66,912</b>	<b>21,341</b>	<b>66,912</b>
<b><u>Results</u></b>				
Manufacturing and trading of animal health products	(1,170)	(441)	(1,170)	(441)
Trading of crude palm oil and related products	(680)	(276)	(680)	(276)
Traditional Chinese medicines, herbal foods and beverages, bird nest	(1,336)	34	(1,336)	34
Food ingredient products ^	-	(387)	-	(387)
<b>Loss before tax</b>	<b>(3,186)</b>	<b>(1,070)</b>	<b>(3,186)</b>	<b>(1,070)</b>

^ This business segment had disposed-off on 4 July 2019

AH segment’s revenue showed an increase compared to the corresponding quarter, which was mainly driven by rumen by-pass fat product sales, however, with a higher raw materials price and production costs as well the impacts of movement control order on logistic had resulted in a greater loss in the current quarter.

CPO segment’s revenue decreased by 78.42% in the current quarter compared to the corresponding quarter. The allowance for impairment loss on trade receivables coupled with the lower margin of profit contribution were the contributing factors for the increased loss.

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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)**

TCM segment's revenue in the current quarter dipped by 40.58% relative to the corresponding quarter, which was mainly due to its local and oversea markets being hit by the outbreak of Covid-19 pandemic and the movement control order measure ensued in the current quarter. As a result, the segment reported a higher loss in the current quarter.

**B3. Loss before tax**

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

	<b>Current Quarter Ended 31 March 2020 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2019 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2020 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2019 RM'000</b>
Interest income	159	99	159	99
Interest expense	(188)	(89)	(188)	(89)
Depreciation	(730)	(797)	(730)	(797)
Amortisation	(29)	(9)	(29)	(9)
Inventories written off	(54)	(43)	(54)	(43)
Write back of inventories (Allowance for)/Reversal of	46	137	46	137
impairment loss on trade receivables	(372)	229	(372)	229
(Loss)/Gain on disposal of property, plant and equipment	(42)	43	(42)	43
Gain/(Loss) on foreign exchange:				
- realised	35	(5)	35	(5)
- unrealised	17	(7)	17	(7)

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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 2020 RM’000</b>	<b>Preceding Quarter Ended 31 December 2019 RM’000</b>	<b>Variance</b>	
			<b>RM’000</b>	<b>%</b>
Revenue	21,341	44,302	(22,961)	(51.83)
Loss before tax	(3,186)	(14,804)	11,618	(78.48)

The Group reported a 51.83% decrease in revenue compared to preceding quarter mainly due to the decrease in trading volume of CPO and lower sales of foods and beverages (“TCM”) in the current quarter.

It was reported a lower loss before tax in the current quarter mainly attributed to the recognition of impairment loss on property, plant and equipment, trade and other receivables and the write down of inventories in the preceding quarter.

**B5. Prospects**

The Group’s animal health division’s main focus is on palm based functional products, which are presently introduced to swine and poultry segments to improve the profitability of the division. Biosecurity remains an important issue in livestock production to prevent and reduce disease transmission as well as food safety. The animal health division strives to promote and implement a Total Biosecurity system which covers wider scopes from feed, water and environment to food processing.

The Covid-19 pandemic has caused a severe disruption in the supply chain globally since Jan 2020 that badly impacted the inbound logistics as well as exports market. Since the movement control order (“MCO”) measure implemented by Malaysian government on 18 Mar 2020, the animal health division has changed its strategies to online platforms to promote products, update product technical information and organise webinars. The Group will continue to strengthen digital strategies in ensuring business continuity in adapting to the new norms.

Food and Beverages (“TCM”) division is expecting its sales performance to recover to a normal level in the third quarter since majority of the business has only resumed operation in early June 2020 due to the outbreak of Covid-19 pandemic.

**B6. Profit forecast and profit guarantee**

No profit forecast or profit guarantee has been issued by the Group in the current quarter.

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**B7. Income tax credit**

	<b>Current Quarter Ended 31 March 2020 RM'000</b>	<b>Corresponding Quarter Ended 31 March 2019 RM'000</b>	<b>Current Year-To-Date Ended 31 March 2020 RM'000</b>	<b>Corresponding Year-To-Date Ended 31 March 2019 RM'000</b>
<b><u>Income tax expense</u></b>				
Current financial year	8	62	8	62
	8	75	8	62
<b><u>Deferred tax expense</u></b>				
Current financial year	(189)	(189)	(189)	(189)
<b>Total</b>	<b>(181)</b>	<b>(127)</b>	<b>(181)</b>	<b>(127)</b>

**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.

**Warrants**

The total number of respective Warrants exercised and Warrants yet to be exercised as at 31 March 2020 as follows:

<b>Description</b>	<b>Expiry date</b>	<b>Exercise price (RM)</b>	<b>Number of Warrants listed</b>	<b>Number of Warrants exercised</b>	<b>Number of warrants expired*</b>	<b>Number of Warrants to be exercised</b>
Warrants 2016/2021	25.02.2021	0.25	179,423,296	-	-	179,423,296

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**B9. Group borrowings and debt securities**

The Group's borrowings as at 31 March 2020 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Short-term borrowings</u></b>			
Hire purchases	181	-	181
Term loans	719	-	719
	<u>900</u>	<u>-</u>	<u>900</u>
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Long-term borrowings</u></b>			
Hire purchases	665	-	665
Term loans	14,671	-	14,671
	<u>15,336</u>	<u>-</u>	<u>15,336</u>
<b>Total</b>	<u>16,236</u>	<u>-</u>	<u>16,236</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**

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.

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

**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.

	<b>Current Quarter Ended 31 March 2020</b>	<b>Corresponding Quarter Ended 31 March 2019</b>	<b>Current Year-To-Date Ended 31 March 2020</b>	<b>Corresponding Year-To-Date Ended 31 March 2019</b>
Loss after tax attributable to equity holders of the Company (RM'000)	(2,568)	(961)	(2,568)	(961)
Weighted average number of ordinary shares in issue excluding treasury shares (RM'000)	528,816	516,690	528,816	516,690
Basic loss per ordinary share (sen)	(0.49)	(0.19)	(0.49)	(0.19)

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 528,815,590 (2019: 524,914,385).

This quarterly report for the financial period ended 31 March 2020 has been reviewed and approved by the Board of Directors of Sunzen Biotech for release to Bursa Securities.

Date: 25 June 2020