

SUNZEN BIOTECH BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

		Current Quarter Ended 31.03.2022 (Unaudited) RM'000	Corresponding Quarter Ended 31.03.2021 (Unaudited) RM'000	Current Year-To-Date Ended 31.03.2022 (Unaudited) RM'000	Corresponding Year-To-Date Ended 31.03.2021 (Unaudited) RM'000
Revenue	A8	28,432	23,650	28,432	23,650
Operating profit		6,936	4,179	6,936	4,179
Operating expenses		(4,724)	(3,719)	(4,724)	(3,719)
Finance costs		(52)	(83)	(52)	(83)
Profit before tax	B2, B3	2,160	377	2,160	377
Income tax expense	B7	(837)	(140)	(837)	(140)
Profit for the financial period		1,323	237	1,323	237
Other comprehensive income/(expense), net of tax <i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		(21)	56	(21)	56
		(21)	56	(21)	56
Total comprehensive income		1,302	293	1,302	293
Profit/(Loss) attributable to:					
Equity holders of the company		741	(218)	741	(218)
Non-controlling interests		582	455	582	455
		1,323	237	1,323	237
Total comprehensive income/(expense) attributable to:					
Equity holders of the company		720	(164)	720	(164)
Non-controlling interests		582	457	582	457
		1,302	293	1,302	293
Earnings/(Loss) per ordinary share (sen)					
-Basic	B14	0.12	(0.04)	0.12	(0.04)
-Diluted		0.11	(0.04)	0.11	(0.04)

Note:

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

SUNZEN BIOTECH BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	As At Financial Period Ended 31.03.2022 (Unaudited) RM'000	As At Financial Year Ended 31.12.2021 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	46,853	47,095
Right-of-use assets	646	725
Trade receivables	36,194	21,782
Goodwill	2,853	2,853
Intangible asset	19	28
	<u>86,565</u>	<u>72,483</u>
Current assets		
Inventories	13,568	13,976
Trade receivables	13,764	12,518
Other receivables, deposits and prepayments	2,733	1,403
Tax recoverable	201	612
Fixed and short term deposits with licensed banks	14,333	3,752
Cash and bank balances with licensed banks and other financial institution	19,151	43,471
	<u>63,750</u>	<u>75,732</u>
Asset classified as held for sales	493	493
Total current assets	<u>64,243</u>	<u>76,225</u>
TOTAL ASSETS	<u>150,808</u>	<u>148,708</u>
EQUITY		
Share capital	A6 108,773	108,177
Treasury shares	A6 (956)	(956)
Share option reserve	7,626	7,674
Accumulated losses	(3,328)	(4,077)
Revaluation reserve	15,683	15,683
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(27)	(6)
Total equity attributable to equity holders of the Company	<u>119,374</u>	<u>118,098</u>
Non-controlling interests	7,992	7,370
TOTAL EQUITY	<u>127,366</u>	<u>125,468</u>
LIABILITIES		
Non-current liabilities		
Lease Liabilities	490	468
Deferred tax liabilities	3,527	3,546
Loans and borrowings	B9 4,579	4,614
	<u>8,596</u>	<u>8,628</u>
Current liabilities		
Trade payables	10,342	9,578
Other payables and accruals	3,197	4,041
Lease Liabilities	308	373
Loans and borrowings	B9 135	133
Tax payable	864	487
	<u>14,846</u>	<u>14,612</u>
TOTAL LIABILITIES	<u>23,442</u>	<u>23,240</u>
TOTAL EQUITY AND LIABILITIES	<u>150,808</u>	<u>148,708</u>
Net assets per ordinary share (RM) attributable to equity holders of the Company	<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 2021 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 708,162,459 (2021: 705,817,459) excluding 6,281,400 treasury shares held.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	←	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	Share Option Reserve RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Currency Translation Reserve RM'000				
Quarter ended 31 March 2022 (Unaudited)												
Balance at 1 January 2022	Note	108,177	(956)	-	7,674	15,683	(8,397)	(6)	(4,077)	118,098	7,370	125,468
Profit for the financial period		-	-	-	-	-	-	-	741	741	582	1,323
Other comprehensive income, net of tax for the financial period:												
- Foreign currency translation		-	-	-	-	-	-	(21)	-	(21)	-	(21)
Total comprehensive income for the financial period		-	-	-	-	-	-	(21)	741	720	582	1,302
Issuance of shares pursuant to share options exercised		596	-	-	(240)	-	-	-	-	356	-	356
Share option lapsed		-	-	-	(8)	-	-	-	8	-	-	-
Share option granted under Share Issuance Scheme		-	-	-	200	-	-	-	-	200	-	200
Subscription of shares in a subsidiary by non-controlling interest		-	-	-	-	-	-	-	-	-	40	40
Balance at 31 March 2022		108,773	(956)	-	7,626	15,683	(8,397)	(27)	(3,328)	119,374	7,992	127,366
Quarter ended 31 March 2021 (Unaudited)												
Balance at 1 January 2021		76,524	(956)	10,909	9,415	15,719	(8,397)	(78)	(15,664)	87,472	6,012	93,484
(Loss)/profit for the financial period		-	-	-	-	-	-	-	(218)	(218)	455	237
Other comprehensive (expense)/income, net of tax for the financial period:												
- foreign currency translation		-	-	-	-	-	-	54	-	54	2	56
Total comprehensive (expense)/income for the financial period		-	-	-	-	-	-	54	(218)	(164)	457	293
Transfer of warrants reserve to accumulated losses upon expiry		-	-	(10,908)	-	-	-	-	10,908	-	-	-
Issuance of shares pursuant to :												
- Warrant exercised		2	-	(1)	-	-	-	-	-	1	-	1
- Share option		449	-	-	(180)	-	-	-	-	269	-	269
Issuance of shares to non-controlling interest		-	-	-	-	-	-	-	-	-	49	49
Balance at 31 March 2021		76,975	(956)	-	9,235	15,719	(8,397)	(24)	(4,974)	87,578	6,518	94,096

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Current Year To Date Ended 31.03.2022 (Unaudited) RM'000	Corresponding Year To Date Ended 31.03.2021 (Unaudited) RM'000
Cash flows from/(for) operating activities		
Profit before tax	2,160	377
Adjustments for:-		
Amortisation of intangible assets	9	9
Depreciation of:		
- property, plant and equipment	547	530
- right-of-use assets	77	21
Gain from disposal of property, plant and equipment	-	(28)
Reversal of impairment loss of:		
- other receivables	-	(755)
- trade receivables	(10)	-
Reversal of inventories written down	(194)	(170)
Share Issuance Scheme - employee benefit expenses	200	-
Impairment loss of trade receivables	38	-
Interest income	(8)	(25)
Dividend income	(9)	(41)
Interest expense	46	74
Inventories written off	57	33
Inventories written down	155	-
Unrealised gain on foreign exchange	(13)	(7)
Operating profit before working capital changes	<u>3,055</u>	<u>18</u>
Decrease/(Increase) in inventories	467	(1,933)
(Increase)/Decrease in trade and other receivables	(17,011)	1,666
(Decrease)/Increase in trade and other payables	<u>(33)</u>	<u>12,724</u>
Cash (for)/from operations	<u>(13,522)</u>	<u>12,475</u>
Income tax paid	(239)	(98)
Income tax refunded	172	-
Interest paid	<u>(46)</u>	<u>(76)</u>
Net cash (for)/from operating activities	<u>(13,635)</u>	<u>12,301</u>
Cash flows from/(for) investing activities		
Interest received	8	25
Dividend received	9	41
Proceeds from disposal of:		
- property, plant and equipment	-	30
- asset held for sale	-	350
Purchase of property, plant and equipment	<u>(430)</u>	<u>(1,222)</u>
Net cash for investing activities	<u>(413)</u>	<u>(776)</u>
Cash flows from/(for) financing activities		
Repayment of term loans	(33)	(9,909)
Payment of lease liabilities	(43)	(50)
Proceeds from issuance of shares to non-controlling interest	40	49
Proceeds from issuance of shares pursuant to:		
- exercise of warrants	-	1
- share option	356	269
Net cash from/(for) financing activities	<u>320</u>	<u>(9,640)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(13,728)</u>	<u>1,885</u>
Cash and cash equivalents at beginning of the financial period	47,222	38,931
Foreign exchange difference	<u>(10)</u>	<u>85</u>
Cash and cash equivalents at end of the financial period	<u>33,484</u>	<u>40,901</u>
Cash and cash equivalents comprise:		
Fixed and short term deposits with licensed banks	14,333	15,600
Cash and bank balances with licensed banks and other financial institution	<u>19,151</u>	<u>25,301</u>
	<u>33,484</u>	<u>40,901</u>

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NOTES TO THE INTERIM STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

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 2021.

The following MFRS, amendments and Interpretations that have been issued by the MASB are not yet effective for adoption by the Group and are not expected to have any material impact on the financial statements of the Group.

MFRSs, Amendments to MFRSs and Interpretations effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

MFRSs, Amendments to MFRSs and Interpretations effective for financial periods beginning on or after 1 January 2023

- MFRS 17* Insurance Contracts
- Amendments to MFRS 17* Insurance Contracts
- Amendments to MFRS 4* Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

A1. Basis of reporting preparation (Cont'd)

Amendments to MFRSs and Interpretations effective date yet to be confirmed

- 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

* Not applicable to the Group's and the Company's operation

A2. Auditors' report on preceding annual financial statements

The audited financial statements of the Company and its subsidiaries for the FYE 31 December 2021 were not subjected to any qualification.

A3. Seasonal or cyclical factors

Sales performance of TCM segment, which involves herbal foods and beverages, traditional Chinese medicines and edible bird's nest, is partly influenced by seasonal factor.

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

For the current quarter ended 31 March 2022, a total of 2,345,000 shares option were exercised, bringing the total number of ordinary shares in issue to 714,443,859, which is including 6,281,400 treasury shares.

A7. Dividend paid

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

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A8. Segmental information

	Current Quarter Ended 31 March 2022 RM'000	Corresponding Quarter Ended 31 March 2021 RM'000	Current Year-To-Date Ended 31 March 2022 RM'000	Corresponding Year-To-Date Ended 31 March 2021 RM'000
Revenue				
Manufacturing and trading of animal health products (“AH”)	1,362	3,414	1,362	3,414
Trading of crude palm oil products (“CPO”)	-	432	-	432
Traditional Chinese medicine, herbal health foods and beverages, bird’s nest (“TCM”)	25,288	19,804	25,288	19,804
Loan financing	1,782	-(a)	1,782	-(a)
Total	28,432	23,650	28,432	23,650

Note:

(a) Acquired on 1 June 2021

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 financial year ended 31 December 2021.

A10. Capital commitments

Capital commitments which have been authorised but not provided for in the interim financial statements under review are as follows:

	31 March 2022 RM'000	31 March 2021 RM'000
Acquisition of property, plant and equipment	332	1,225

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A11. Recurrent Related Party Transaction

There were no recurrent related party transactions in the current quarter under review.

A12. 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.

A13. Changes in the Composition of the Group

There were no changes in the corporate structure of the Group since the previous reporting date.

A14. Contingent Liabilities

	31 March 2022 RM'000	31 March 2021 RM'000
Unsecured Corporate Guarantee to financial institutions for banking facilities granted to subsidiaries	4,714	4,844
Total	<u>4,714</u>	<u>4,844</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

	Current Quarter Ended 31 March 2022 RM'000	Corresponding Quarter Ended 31 March 2021 RM'000	Current Year-To-Date Ended 31 March 2022 RM'000	Corresponding Year-To-Date Ended 31 March 2020 RM'000
Revenue	28,432	23,650	28,432	23,650
Profit before tax	2,160	377	2,160	377

For the current quarter under review, the Group achieved a total revenue of RM28.43 million, a 20.21% increase compared to RM23.65 million in the corresponding quarter, mainly attributed to the 27.69% increase in revenue for TCM products range and the contribution from money lending business of RM1.78 million for the current quarter versus nil in the corresponding quarter as it was only acquired by the Company on 1 June 2021.

The Group registered a pre-tax profit of RM2.160 million in the current quarter, an increase of 472.94% from a pre-tax profit of RM0.377 million in the corresponding quarter mainly bolstered by higher earnings contributions from TCM segment and money lending business in the current 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

	Current Quarter Ended 31 March 2022 RM'000	Corresponding Quarter Ended 31 March 2021 RM'000	Current Year-To-Date Ended 31 March 2022 RM'000	Corresponding Year-To-Date Ended 31 March 2021 RM'000
Revenue				
Manufacturing and trading of animal health products ("AH")	1,362	3,414	1,362	3,414
Trading of crude palm oil products ("CPO")	-	432	-	432
Traditional Chinese medicines, herbal foods and beverages, bird's nest ("TCM")	25,288	19,804	25,288	19,804
Loan financing	1,782	-(a)	1,782	-(a)
Total revenue	28,432	23,650	28,432	23,650
Results				
Manufacturing and trading of animal health products	(1,434)	(757)	(1,434)	(757)
Trading of crude palm oil products	-	1	-	1
Traditional Chinese medicines, herbal foods and beverages, bird's nest	2,201	1,133	2,201	1,133
Loan financing	1,393	-(a)	1,393	-(a)
Profit before tax	2,160	377	2,160	377

Note:

(a) Acquired on 1 June 2021

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)

AH segment, posted a revenue contribution of RM1.36 million in the current quarter compared to RM3.41 million in the corresponding quarter, mainly attributed to the decrease in product demand amid the recent spread of African Swine Fever which has resulted in closure of some of the local farms and also the increase in feed costs. Incurred a pre-tax loss of RM1.43 million for the current quarter compared to RM0.76 million loss in the corresponding quarter mainly due to higher raw materials prices and freight cost impacted the profitability and fewer sales orders from overseas customers.

TCM segment, posted approximately a 27.73% increase in revenue to RM25.29 million for the current quarter versus RM19.80 million in the corresponding quarter mainly attributed to the increase in orders for contract manufacturing services. Registered a pre-tax profit of RM2.20 million, about a 94.69% jump from RM1.13 million in the corresponding quarter underpinned by improved earnings and operational efficiency amid the increase in sales demand.

Loan financing segment, contributed RM1.78 million in revenue for the current quarter with a pre-tax profit of RM1.39 million versus nil in the corresponding quarter as it was only acquired on 1 June 2021.

B3. Profit before tax

Profit before tax is arrived after (charging)/crediting:

	Current Quarter Ended 31 March 2022 RM'000	Corresponding Quarter Ended 31 March 2021 RM'000	Current Year-To-Date Ended 31 March 2022 RM'000	Corresponding Year-To-Date Ended 31 March 2021 RM'000
Interest income	8	25	8	25
Dividend income	9	41	9	41
Interest expense	(46)	(74)	(46)	(74)
Depreciation of:				
- property, plant and equipment	(547)	(530)	(547)	(530)
- right-of-use assets	(77)	(21)	(77)	(21)
Amortisation of intangible assets	(9)	(9)	(9)	(9)
Inventories:				
- written off	(57)	(33)	(57)	(33)
- written down	(155)	-	(155)	-
Impairment loss of trade receivables	(38)	-	(38)	-

B3. Profit before tax (Cont'd)

Profit before tax is arrived after (charging)/crediting (Cont'd):

	Current Quarter Ended 31 December 2021 RM'000	Corresponding Quarter Ended 31 December 2020 RM'000	Current Year-To-Date Ended 31 December 2021 RM'000	Corresponding Year-To-Date Ended 31 December 2020 RM'000
Reversal of inventories written down	194	170	194	170
Reversal of impairment loss of:				
- other receivables	-	755	-	755
- trade receivables	10	-	10	-
Share Issuance Scheme - employee benefit expenses	(200)	-	(200)	-
Gain from disposal of property, plant and equipment	-	28	-	28
Gain/(Loss) from foreign exchange:				
- realised	(1)	12	(1)	12
- unrealised	13	7	13	7

B4. Material changes in the current quarter's results compared to the results of the preceding quarter

	Current Quarter Ended 31 March 2022 RM'000	Preceding Quarter Ended 31 December 2021 RM'000	Variance	
			RM'000	%
Revenue	28,432	28,995	(563)	(1.94)
Profit before tax	2,160	2,095	65	3.10

The Group's revenue for the current quarter was 1.94% lower compared to RM28.99 million in the preceding quarter mainly due to seasonal factor affecting TCM segment to have lesser orders for post festive period ended in the current quarter, that is, a 2.91% lower for TCM's revenue compared to RM26.05 million in the preceding quarter. However, the impact of seasonal factor to the Group's revenue was alleviated partially by the 49.58% increase in income contribution from money lending business to RM1.78 million for the current quarter compared to RM1.19 million in the preceding quarter.

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B4. Material changes in the current quarter's results compared to the results of the preceding quarter (Cont'd)

Group's pre-tax profit posted approximately a 3.10% increase to RM2.16 million in the current quarter from RM2.09 million in the preceding quarter despite a lower earnings contribution from TCM segment for the current quarter amid a lower revenue, mainly attributed to higher earnings contribution from money lending business coupled with a lower loss incurred by animal health business in the current quarter.

B5. Prospects

AH segment, continues to promote existing products as well as a new anti-viral product, Optishield in overseas markets as part of feed viral control programs while focusing on farm Biosecurity products by our local sales and marketing team.

TCM segment, product demand is expected to grow steadily moving forward in view of the current recovery of business activities post Covid-19 and the reopening of Malaysia's international borders on 1 April 2022.

Loan financing business is expected to see a steady growth as most of business activities have started to recover from the pandemic's impacts with the improvements in current economic environment amid the easing of the Covid-19 curbs.

Nevertheless, the Board remains cautious of the impacts of the current inflationary pressure and challenges on global supply chain and committed to improve the values of the stakeholders.

B6. Profit forecast and profit guarantee

In accordance with share sale agreement dated 12 January 2021 between Finsource Credit (M) Sdn Bhd and the Company ("purchaser"), the guarantors have given a guaranteed profit of not less than RM2 million based on audited profit after tax ("PAT") of Finsource for the financial years 2021 and 2022. As security for the performance of the guaranteed profit, the guarantors have placed with the stakeholder an amount of Consideration Shares of value equivalent to the guaranteed profit.

In the event, the aggregate of audited PAT for financial years 2021 and 2022 is lower than the guaranteed profit, the guarantors shall compensate the purchaser of the deficiency. The guarantors and the purchaser agreed that the stakeholder shall be entitled to offset the deficiency by disposing into the open market the equivalent value of the consideration shares held as security, not later than 14 business days from the certified accounts for the financial year 2022.

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B7. Income tax expense

	Current Quarter Ended 31 March 2022 RM'000	Corresponding Quarter Ended 31 March 2021 RM'000	Current Year-To-Date Ended 31 March 2022 RM'000	Corresponding Year-To-Date Ended 31 March 2021 RM'000
Income tax expense:				
Current financial year	856	98	856	98
Over-provision of the previous year	(1)	-	(1)	-
	<u>855</u>	<u>98</u>	<u>855</u>	<u>98</u>
Deferred tax expense:				
Current financial year	(18)	42	(18)	42
	<u>(18)</u>	<u>42</u>	<u>(18)</u>	<u>42</u>
Total	<u>837</u>	<u>140</u>	<u>837</u>	<u>140</u>

B8. Status of Corporate Proposal

Save for the following, there were no corporate proposals which have already announced but not yet completed as at the reporting date.

Proposed Bonus Issue of Warrants

Subject to the approval of shareholders at the forthcoming Extraordinary General Meeting to be held on 22 June 2022 for the Proposed Bonus Issue of Warrants of up to 408,821,729 warrants on the basis of 1 Warrant for every 2 existing ordinary shares held by the entitled shareholders on an entitlement date to be determined and announced later.

Utilisation of proceeds raised from Private Placement

The status of the utilisation as at 31 March 2022 is set out below:

Proposed utilisation	Proceeds RM'000	Utilised RM'000	Unutilised RM'000	Intended timeframe from the listing date (no. of month)
Expansion of money lending business	17,252	17,252	-	Within 9 months
Expenses for new animal health products	863	54	809	Within 18 months
Working capital	2,465	2,465	-	Within 12 months
Estimated expenses	197	197	-	immediate
Total	<u>20,777</u>	<u>19,968</u>	<u>809</u>	

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B8. Status of Corporate Proposal (Cont'd)

Share Issuance Scheme, expiring on 15 April 2026

The details of the total number of share options vested, cancelled, exercised and the outstanding balances as at the reporting date are as follows.

	Share option	Exercise price RM	No. of share option vested '000	No. of share option lapsed '000	No. of share option exercised '000	Balance of share option unexercised '000
Directors	A	0.1395	94,000	-	14,730	79,270
Employees	A	0.1395	6,588	480	5,230	878
Employees	B	0.1772	1,652	-	819	833
Total			102,240	480	20,779	80,981

Total of 28,264,000 share options have yet to vest over the options tenure as of the reporting date, subject to performance criteria to be fulfilled by employees.

B9. Loans and borrowings

The Group's loans and borrowings as at 31 March 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current portion</u>			
Term loans	135	-	135
<u>Non-current portion</u>			
Term loans	4,579	-	4,579
Total	4,714	-	4,714

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, save for the following legal action.

B11. Dividend declared or recommended

No dividend was declared for the current quarter under review.

B12. Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at reporting period.

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(Incorporated in Malaysia)

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. Earnings/(Loss) per ordinary share

Basic earnings/(loss) per ordinary share is calculated based on consolidated profit/(loss) for the financial period attributable to equity holders of the Company over the weighted average number of ordinary shares in issue excluding 6,281,400 treasury shares during the financial period.

	Current Quarter Ended 31 March 2022	Corresponding Quarter Ended 31 March 2021	Current Year-To-Date Ended 31 March 2022	Corresponding Year-To-Date Ended 31 March 2021
Profit/(Loss) attributable to equity holders of the Company (RM'000)	741	(218)	741	(218)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	614,517	529,112	614,517	529,112
Basic earnings/(loss) per ordinary share (sen)	0.12	(0.04)	0.12	(0.04)

Diluted earnings/(loss) per ordinary share is calculated based on consolidated profit for the financial period attributable to equity holders of the Company over the weighted average of ordinary shares in issue excluding treasury shares after adjusting for the effects of all dilutive potential ordinary shares. While for diluted loss per share, it would be the same as basic loss per share due to anti-dilutive effect as diluted loss per share should not be lower than basic loss per share.

This quarterly report for the financial period ended 31 March 2022 has been reviewed and approved by the Board of Directors of Sunzen Biotech for release to Bursa Securities.

Date: 26 May 2022