

SUNZEN BIOTECH BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Note	Current Quarter Ended 30.09.2022 (Unaudited) RM'000	Corresponding Quarter Ended 30.09.2021 (Unaudited) RM'000	Current Year-To-Date Ended 30.09.2022 (Unaudited) RM'000	Corresponding Year-To-Date Ended 30.09.2021 (Unaudited) RM'000
Revenue	A8	23,893	17,445	80,067	61,449
Operating profit		6,369	5,494	20,265	15,575
Operating expenses		(4,601)	(4,923)	(14,385)	(13,714)
Finance costs		(59)	(51)	(169)	(226)
Profit before tax	B2, B3	1,709	520	5,711	1,635
Income tax expense	B7	(689)	(362)	(2,246)	(827)
Profit for the financial period		1,020	158	3,465	808
Other comprehensive income/(expense), net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		3	6	(3)	56
		3	6	(3)	56
Total comprehensive income		1,023	164	3,462	864
Profit attributable to:					
Equity holders of the company		951	71	2,495	31
Non-controlling interests		69	87	970	777
		1,020	158	3,465	808
Total comprehensive income attributable to:					
Equity holders of the company		953	75	2,492	85
Non-controlling interests		70	89	970	779
		1,023	164	3,462	864
Earnings per ordinary share (sen)					
-Basic	B14	0.14	0.01	0.36	0.01
-Diluted		0.12	0.01	0.32	0.005

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	As At Financial Period Ended 30.09.2022 (Unaudited) RM'000	As At Financial Year Ended 31.12.2021 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	49,643	47,095
Right-of-use assets	218	725
Trade receivables	42,401	21,782
Goodwill	2,853	2,853
Intangible asset	-	28
	95,115	72,483
Current assets		
Inventories	13,516	13,976
Trade receivables	22,342	12,518
Other receivables, deposits and prepayments	1,879	1,403
Tax recoverable	434	612
Fixed and short term deposits with licensed banks	9,948	3,752
Cash and bank balances with licensed banks and other financial institution	14,374	43,471
	62,493	75,732
Assets classified as held for sales	493	493
Total current assets	62,986	76,225
TOTAL ASSETS	158,101	148,708
EQUITY		
Share capital	A6 110,112	108,177
Treasury shares	A6 (1,756)	(956)
Share option reserve	7,540	7,674
Accumulated losses	(1,574)	(4,077)
Revaluation reserve	15,683	15,683
Merger deficit	(8,397)	(8,397)
Currency translation reserve	(9)	(6)
Total equity attributable to equity holders of the Company	121,599	118,098
Non-controlling interests	7,780	7,370
TOTAL EQUITY	129,379	125,468
LIABILITIES		
Non-current liabilities		
Lease Liabilities	291	468
Deferred tax liabilities	3,542	3,546
Term loans	4,520	4,614
	8,353	8,628
Current liabilities		
Trade payables	15,551	9,578
Other payables and accruals	3,338	4,041
Lease Liabilities	238	373
Term loans	131	133
Tax payable	1,111	487
	20,369	14,612
TOTAL LIABILITIES	28,722	23,240
TOTAL EQUITY AND LIABILITIES	158,101	148,708
Net assets per ordinary share (RM) attributable to equity holders of the Company	0.17	0.17

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 709,613,559 (2021: 705,817,459) after excluding treasury shares of 10,457,100 (2021: 6,281,400).

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	← Attributable to equity holders of the Company →										
	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	(Accumulated Losses) RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Quarter ended 30 September 2022 (Unaudited)											
Balance at 1 January 2022	108,177	(956)	-	7,674	15,683	(8,397)	(6)	(4,077)	118,098	7,370	125,468
Profit for the financial period	-	-	-	-	-	-	-	2,495	2,495	970	3,465
Other comprehensive income/(expense), net of tax for the financial period:											
- Foreign currency translation	-	-	-	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive income/(expense) for the financial period	-	-	-	-	-	-	(3)	2,495	2,492	970	3,462
Issuance of shares pursuant to share options exercised	1,935	-	-	(778)	-	-	-	-	1,157	-	1,157
Share options lapsed	-	-	-	(8)	-	-	-	8	-	-	-
Share option granted under Share Issuance Scheme	-	-	-	652	-	-	-	-	652	-	652
Purchase of own shares	-	(800)	-	-	-	-	-	-	(800)	-	(800)
Subscription of shares in a subsidiary by non-controlling interest	-	-	-	-	-	-	-	-	-	40	40
Dividend payment to non-controlling interest	-	-	-	-	-	-	-	-	-	(600)	(600)
Balance at 30 September 2022	110,112	(1,756)	-	7,540	15,683	(8,397)	(9)	(1,574)	121,599	7,780	129,379
Quarter ended 30 September 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
Profit for the financial period	-	-	-	-	-	-	-	31	31	777	808
Other comprehensive income/(expense), net of tax for the financial period:											
- foreign currency translation	-	-	-	-	-	-	54	-	54	2	56
Total comprehensive income for the financial period	-	-	-	-	-	-	54	31	85	779	864
Transfer of warrants reserve to accumulated losses upon expiry	-	-	(10,908)	-	-	-	-	10,908	-	-	-
Issuance of shares pursuant to :											
- acquisition of a subsidiary through shares exchange	6,800	-	-	-	-	-	-	-	6,800	-	6,800
- Warrant exercised	2	-	(1)	-	-	-	-	-	1	-	1
- Share option	813	-	-	(326)	-	-	-	-	487	-	487
Issuance of shares to non-controlling interest	-	-	-	-	-	-	-	-	-	49	49
Balance at 30 September 2021	84,139	(956)	-	9,089	15,719	(8,397)	(24)	(4,725)	94,845	6,840	101,685

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 30 SEPTEMBER 2022**

	Current Year To Date Ended 30.09.2022 (Unaudited) RM'000	Corresponding Year To Date Ended 30.09.2021 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	5,711	1,635
Adjustments for:-		
Amortisation of intangible assets	28	28
Bad debts written off	351	-
Depreciation of:		
- property, plant and equipment	1,654	1,747
- right-of-use assets	230	57
Gain on disposal of property, plant and equipment	(116)	(952)
Reversal of impairment loss of:		
- trade and other receivables	(368)	(2,270)
- property, plant and equipment	-	731
Property, plant and equipment written off	3	-
Reversal of inventories written down	(1,014)	(1,750)
Share Issuance Scheme - employee benefit expenses	652	-
Interest income	(29)	(57)
Dividend income	(14)	(114)
Interest expense	155	212
Inventories written off	296	341
Inventories written down	773	808
Unrealised gain on foreign exchange	(116)	(2)
Operating profit before working capital changes	<u>8,196</u>	<u>414</u>
Decrease/(Increase) in inventories	482	(3,462)
Increase in trade and other receivables	(34,227)	(12,270)
Increase/(Decrease) in trade and other payables	<u>5,224</u>	<u>(2,296)</u>
Cash for operations	<u>(20,325)</u>	<u>(17,614)</u>
Income tax paid	(1,793)	(502)
Income tax refunded	344	685
Interest paid	<u>(146)</u>	<u>(209)</u>
Net cash for operating activities	<u>(21,920)</u>	<u>(17,640)</u>
Cash flows from/(for) investing activities		
Interest received	29	57
Dividend received	14	114
Proceeds from disposal of:		
- property, plant and equipment	820	13,975
- asset held for sale	-	350
Purchase of property, plant and equipment	(1,411)	(2,599)
Acquisition of a subsidiary	-	2,875
Net cash (for)/from investing activities	<u>(548)</u>	<u>14,772</u>
Cash flows from/(for) financing activities		
Repayment of term loans	(96)	(9,974)
Payment of lease liabilities	(238)	(271)
Purchase of own shares	(800)	-
Proceeds from issuance of shares to non-controlling interest	40	49
Proceeds from issuance of shares pursuant to:		
- exercise of warrants	-	1
- share options	1,157	487
Dividend payment to non-controlling interest	(600)	-
Net cash for financing activities	<u>(537)</u>	<u>(9,708)</u>
Net decrease in cash and cash equivalents	<u>(23,005)</u>	<u>(12,576)</u>
Cash and cash equivalents at beginning of the financial period	47,223	38,931
Foreign exchange difference	104	80
Cash and cash equivalents at end of the financial period	<u>24,322</u>	<u>26,435</u>
Cash and cash equivalents comprise:		
Fixed and short term deposits with licensed banks	9,948	5,731
Cash and bank balances with licensed banks and other financial institution	<u>14,374</u>	<u>20,704</u>
	<u>24,322</u>	<u>26,435</u>

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NOTES TO THE INTERIM STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 impacted 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 30 September 2022, a total of 3,652,300 shares option were exercised, bringing the total number of ordinary shares in issue to 720,070,659, which is inclusive of 10,457,100 treasury shares. The Company has repurchased own shares of 4,175,700 at an average cost of RM0.19158 per share, during the current quarter under review.

A7. Dividend paid

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

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A8. Segmental information

	Current Quarter Ended 30 September 2022 RM'000	Corresponding Quarter Ended 30 September 2021 RM'000	Current Year-To-Date Ended 30 September 2022 RM'000	Corresponding Year-To-Date Ended 30 September 2021 RM'000
Revenue				
Manufacturing and trading of animal health products (“AH”)	1,788	2,921	4,078	10,291
Trading of crude palm oil products (“CPO”)	-	-	-	432
Traditional Chinese medicine, herbal health foods and beverages, bird’s nest (“TCM”)	19,493	14,083	69,171	50,171
Loan financing	2,612	441	6,818	555*
Total	23,893	17,445	80,067	61,449

* four-month period (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:

	30 September 2022 RM'000	30 September 2021 RM'000
Acquisition of property, plant and equipment	278	1,358

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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

	30 September 2022 RM'000	30 September 2021 RM'000
Unsecured Corporate Guarantee to financial institutions for banking facilities granted to subsidiaries	4,651	4,778

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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 30 September 2022 RM'000	Corresponding Quarter Ended 30 September 2021 RM'000	Current Year-To-Date Ended 30 September 2022 RM'000	Corresponding Year-To-Date Ended 30 September 2021 RM'000
Revenue	23,893	17,445	80,067	61,449
Profit before tax	1,709	520	5,711	1,635

For the current quarter under review, the Group's revenue increased by 36.96% year-on-year to RM23.89 million principally driven by TCM and loan financing segments. Year-to-date, revenue recorded 30.30% higher or RM80.07 million in the current year under review.

The Group posted a higher pre-tax profit of approximately RM1.71 million in the current quarter against RM0.52 million in the corresponding quarter, mainly due to higher earnings from loan financing segment. Year-to-date, the Group delivered a pre-tax profit of RM5.71 million, more than 3-fold increase for the current year compared to the preceding year mainly attributed to higher profit contributed from loan financing and TCM segment.

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 30 September 2022 RM'000	Corresponding Quarter Ended 30 September 2021 RM'000	Current Year-To-Date Ended 30 September 2022 RM'000	Corresponding Year-To-Date Ended 30 September 2021 RM'000
Revenue				
Manufacturing and trading of animal health products ("AH")	1,788	2,921	4,078	10,291
Trading of crude palm oil products ("CPO")	-	-	-	432
Traditional Chinese medicines, herbal foods and beverages, bird's nest ("TCM")	19,493	14,083	69,171	50,171
Loan financing	2,612	441	6,818	555*
Total revenue	23,893	17,445	80,067	61,449
Results				
Manufacturing and trading of animal health products	(803)	(741)	(3,670)	(1,543)
Trading of crude palm oil products	-	-	-	(41)
Traditional Chinese medicines, herbal foods and beverages, bird's nest	385	876	3,831	2,792
Loan financing	2,127	385	5,550	427*
Profit before tax	1,709	520	5,711	1,635

* four-month period (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

Contributed a revenue of approximately RM1.79 million in the current quarter, 38.79% lower compared to the corresponding quarter, mainly attributed to the decrease in product demand from local market. Year-to-date's revenue decreased by 60.37% to approximately RM4.08 million for the current year compared to the same period in the preceding year, mainly due to the same factor as above-mentioned.

The segment posted a pre-tax loss of RM0.80 million for the current quarter, compared to pre-tax loss of RM0.74 previously. Year-to-date posted a higher pre-tax loss of RM3.67 million in the current year compared to RM1.54 million in the preceding year, mainly attributed to the recognition of employee benefit expense-Share Issuance Scheme of RM0.65 million, the reversals of inventory written down and other receivables reported higher in the preceding year.

TCM segment

Recorded 38.42% increase in revenue to RM19.43 million for the current quarter compared to RM14.08 million in the corresponding quarter mainly boosted by the increased sales orders for contract manufacturing as well as increased export sales for edible bird's nest. Year-to-date's revenue increased by 37.87% to RM69.17 million for the current year.

The segment registered a pre-tax profit of approximately RM0.39 million in the current quarter, 56.05% lower compared to the corresponding quarter mainly attributed to lower profit margin and higher marketing and distribution expenses for the current quarter. Year-to-date posted a higher pre-tax profit of RM3.83 million or 37.21% increase compared to the preceding year mainly attributed to higher profit contribution from contract manufacturing and export of edible bird's nest for the current year.

Loan financing segment

Recorded a much higher revenue of approximately RM2.61 million for the current quarter versus RM0.44 million in the corresponding quarter mainly due to higher money lending. Year-to-date's revenue reported RM6.82 million for the current year versus RM0.56 million in the previous year (a four-month period as the business was acquired on 1 June 2021).

The segment registered a higher pre-tax profit of approximately RM2.13 million for the current quarter in comparison to RM0.39 million for the corresponding quarter mainly attributed to higher money lending. Year-to-date posted a higher pre-tax profit of RM5.55 million for the current year compared to RM0.43 million in the corresponding year (a four-month period), mainly attributed to higher earnings contribution on the back of higher revenue.

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B3. Profit before tax

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

	Current Quarter Ended 30 September 2022 RM'000	Corresponding Quarter Ended 30 September 2021 RM'000	Current Year-To-Date Ended 30 September 2022 RM'000	Corresponding Year-To-Date Ended 30 September 2021 RM'000
Interest income	11	16	29	57
Dividend income	2	32	14	114
Interest expense	(54)	(48)	(155)	(212)
Depreciation of:				
- property, plant and equipment	(542)	(674)	(1,654)	(1,747)
- right-of-use assets	(54)	(16)	(230)	(57)
Amortisation of intangible assets	(9)	(9)	(28)	(28)
Bad debt written off	(351)	-	(351)	-
Inventories:				
- written off	(175)	(265)	(296)	(341)
- written down	(263)	(58)	(773)	(808)
Reversal of/(Allowance for) impairment loss of:				
- trade receivable and other receivables	385	962	368	2,270
- Property, plant and equipment	-	(731)	-	(731)
Reversal of inventories written down	369	614	1,014	1,750
Property, plant and equipment written off	-	-	(3)	-
Share Issuance Scheme - employee benefit expenses	-	-	(652)	-
Gain on disposal of property, plant and equipment	40	-	116	952
Gain/(loss) from foreign exchange:				
- realised	28	54	271	107
- unrealised	49	(7)	116	2

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

	Current Quarter Ended 30 September 2022 RM'000	Preceding Quarter Ended 30 June 2022 RM'000	Variance	
			RM'000	%
Revenue	23,893	27,742	(3,849)	(13.87)
Profit before tax	1,709	1,842	(133)	(7.22)

The Group recorded 13.87% lower in revenue for the current quarter compared to RM27.74 million in the preceding quarter, mainly due to lower sales recorded from TCM segment in the current quarter.

The Group registered a lower pre-tax profit of RM1.71 million for the current quarter compared to RM1.84 million in the preceding quarter, mainly due to lower profit contribution on lower sales recorded from TCM segment. Net profit attributable to equity holders of the Company is RM0.95 million for the current quarter compared to RM0.80 million for the preceding quarter.

B5. Prospects

Animal health segment will continue focusing on strengthening its existing distribution networks in overseas market and promoting green products, Orgacids for feed hygiene as an alternative for antibiotic growth promoter (AGP); Optishield is an antiviral and immune enhancer while Mamimune is an essential energy source for young animals. TCM segment expects higher revenue in the fourth quarter in view of current sales orders on hand, which have almost filled up the existing production line. Loan financing business is expected to grow moderately in the coming quarter in view of soft sentiment of the current market.

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.

B7. Income tax expense

	Current Quarter Ended 30 September 2022 RM’000	Corresponding Quarter Ended 30 September 2021 RM’000	Current Year-To-Date Ended 30 September 2022 RM’000	Corresponding Year-To-Date Ended 30 September 2021 RM’000
Income tax expense:				
Current financial year	625	219	2,251	535
Over-provision in the previous year	-	-	(1)	2
	625	219	2,250	537
Deferred tax expense:				
Current financial year	64	143	(4)	290
	64	143	(4)	290
Total	689	362	2,246	827

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B8. Status of Corporate Proposal

There were no corporate proposals which have already announced but not yet completed as at the reporting date.

Utilisation of proceeds raised from Private Placement

The status of the utilisation as at 30 September 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	215	648	within 18 months
Working capital	2,465	2,465	-	within 12 months
Estimated expenses	197	197	-	immediate
Total	20,777	20,129	648	

* Listing date of placement shares on 23/11/2021 and 31/12/2021 for tranche 1 and 2, respectively

Share Issuance Scheme, expiring on 15 April 2026

The details of the total number of share options exercisable, cancelled, exercised and the balance as at the reporting date are as follows.

	Share option	Exercise price RM	No. of share option exercisable '000	No. of share option lapsed '000	No. of share option exercised '000	Balance of share option exercisable '000
Directors	A	0.1395	94,000.0	-	16,330.0	77,670.0
Employees	A	0.1395	11,416.8	550.0	8,666.8	2,200.0
Employees	B	0.1772	1,652.0	60.0	1,173.0	419.0
Total			107,068.8	610.0	26,169.8	80,289.0

A total of 22,281,200 share options are non-exercisable as of the reporting date, subject to performance criteria to be fulfilled by employees over the option tenure, giving a total outstanding number of share option of 102,570,200.

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[Registration No. 200501003843 (680889-W)]
(Incorporated in Malaysia)

B9. Loans and borrowings

The Group's loans and borrowings as at 30 September 2022 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<u>Term loan</u>			
Current portion	131	-	131
Non-current portion	4,520	-	4,520
Total	4,651	-	4,651

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.

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 per ordinary share

Basic earnings per ordinary share is calculated based on consolidated profit for the financial period attributable to equity holders of the Company over the weighted average number of ordinary shares in issue excluding 10,457,100 treasury shares (2021: 6,281,400) during the financial period.

	Current Quarter Ended 30 September 2022	Corresponding Quarter Ended 30 September 2021	Current Year-To-Date Ended 30 September 2022	Corresponding Year-To-Date Ended 30 September 2021
Profit attributable to equity holders of the Company (RM'000)	951	71	2,495	31
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	689,806	544,320	689,806	544,320
Basic earnings per ordinary share (sen)	0.14	0.01	0.36	0.01
Weighted average number of ordinary shares in issue excluding treasury shares after adjusting for the effects all dilutive potential ordinary shares ('000)	770,225	641,026	770,225	641,026
Diluted earnings per ordinary share (sen)	0.12	0.01	0.32	0.005

Diluted earnings 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.

This quarterly report for the financial period ended 30 September 2022 has been reviewed and approved by the Board of Directors of Sunzen Biotech for release to Bursa Securities.

Date: 29 November 2022