

SUNZEN BIOTECH BERHAD

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Note	Current Quarter Ended 30.06.2023 (Unaudited) RM'000	Corresponding Quarter Ended 30.06.2022 (Unaudited) RM'000	Current Year-To-Date Ended 30.06.2023 (Unaudited) RM'000	Corresponding Year-To-Date Ended 30.06.2022 (Unaudited) RM'000
Revenue	A8	19,775	27,742	42,810	56,174
Operating profit		6,555	6,960	12,557	13,896
Operating expenses		(4,765)	(5,060)	(8,648)	(9,784)
Share of loss of an associate		(18)	-	(39)	-
Finance costs		(64)	(58)	(126)	(110)
Profit before tax	B2, B3	1,708	1,842	3,744	4,002
Income tax expense	B7	(673)	(720)	(1,462)	(1,557)
Profit for the financial period		1,035	1,122	2,282	2,445
Other comprehensive income/(expense), net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		45	15	34	(6)
		45	15	34	(6)
Total comprehensive income		1,080	1,137	2,316	2,439
Profit attributable to:					
Equity holders of the company		921	803	1,995	1,544
Non-controlling interests		114	319	287	901
		1,035	1,122	2,282	2,445
Total comprehensive income attributable to:					
Equity holders of the company		952	819	2,019	1,539
Non-controlling interests		128	318	297	900
		1,080	1,137	2,316	2,439
Earnings per ordinary share (sen)	B14				
-Basic		0.13	0.12	0.28	0.24
-Diluted		0.13	0.12	0.27	0.22

Note:

1) 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 2022 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 JUNE 2023

	As At Financial Period Ended 30.06.2023 (Unaudited)	As At Financial Year Ended 31.12.2022 (Audited)
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,552	46,459
Right-of-use assets	202	347
Investment property	500	500
Trade receivables	54,348	55,390
Intangible asset	2,853	2,853
Investment in an associate	941	-
	104,396	105,549
Current assets		
Inventories	10,484	11,329
Trade receivables	12,814	20,405
Other receivables, deposits and prepayments	2,493	1,088
Tax recoverable	356	348
Fixed and short term deposits with licensed banks	4,252	3,277
Cash and bank balances with licensed banks and other financial institution	14,292	8,961
	44,691	45,408
Total current assets	44,691	45,408
TOTAL ASSETS	149,087	150,957
EQUITY		
Share capital	A6 110,285	110,221
Treasury shares	A6 (2,956)	(2,956)
Share option reserve	7,067	7,483
Retained earnings/(Accumulated losses)	2,114	(271)
Revaluation reserve	15,647	15,647
Merger deficit	(8,397)	(8,397)
Currency translation reserve	178	154
Total equity attributable to equity holders of the Company	123,938	121,881
Non-controlling interests	8,120	7,828
TOTAL EQUITY	132,058	129,709
LIABILITIES		
Non-current liabilities		
Lease Liabilities	291	263
Deferred tax liabilities	3,527	3,569
Loans and borrowings	4,431	4,492
Other payables	51	51
	8,300	8,375
Current liabilities		
Trade payables	3,560	9,205
Other payables	4,278	3,036
Lease Liabilities	169	260
Loans and borrowings	127	129
Tax payable	595	243
	8,729	12,873
TOTAL LIABILITIES	17,029	21,248
TOTAL EQUITY AND LIABILITIES	149,087	150,957
Net assets per ordinary share (RM) attributable to equity holders of the Company	0.18	0.17

Notes:

1) 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

2) 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 704,862,359 (2022: 704,603,359) excluding treasury shares of 15,937,300 (2022: 15,937,300).

SUNZEN BIOTECH BERHAD

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	← Attributable to equity holders of the Company →										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	Retained earnings/ (Accumulated Losses) RM'000	Total RM'000	Non- Controlling Interests RM'000	
Quarter ended 30 June 2023 (Unaudited)											
Balance at 1 January 2023	110,221	(2,956)	-	7,483	15,647	(8,397)	154	(271)	121,881	7,828	129,709
Profit for the financial period	-	-	-	-	-	-	-	1,995	1,995	287	2,282
Other comprehensive income, net of tax for the financial period:											
- Foreign currency translation	-	-	-	-	-	-	24	-	24	10	34
Total comprehensive income for the financial period	-	-	-	-	-	-	24	1,995	2,019	297	2,316
Issuance of shares pursuant to share options exercised	64	-	-	(26)	-	-	-	-	38	-	38
Share options lapsed	-	-	-	(390)	-	-	-	390	-	(5)	(5)
Balance at 30 June 2023	110,285	(2,956)	-	7,067	15,647	(8,397)	178	2,114	123,938	8,120	132,058
Quarter ended 30 June 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	-	-	-	-	-	-	-	1,544	1,544	901	2,445
Other comprehensive income/(expense), net of tax for the financial period:											
- foreign currency translation	-	-	-	-	-	-	(5)	-	(5)	(1)	(6)
Total comprehensive income/(expense) for the financial period	-	-	-	-	-	-	(5)	1,544	1,539	900	2,439
Issuance of shares pursuant to share options exercised	1,066	-	-	(429)	-	-	-	-	637	-	637
Subscription of shares of a subsidiary by non-controlling interest	-	-	-	-	-	-	-	-	-	40	40
Share option granted under Share Issuance Scheme	-	-	-	200	-	-	-	-	200	-	200
Share options lapsed	-	-	-	(8)	-	-	-	8	-	-	-
Dividend payment to non-controlling interest	-	-	-	-	-	-	-	-	-	(300)	(300)
Balance at 30 June 2022	109,243	(956)	-	7,437	15,683	(8,397)	(11)	(2,525)	120,474	8,010	128,484

Note:

1) 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

SUNZEN BIOTECH BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Current Year To Date Ended 30.06.2023 (Unaudited) RM'000	Corresponding Year To Date Ended 30.06.2022 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	3,744	4,002
Adjustments for:-		
Amortisation of intangible assets	-	19
Bad debt written off	341	135
Depreciation of:		
- property, plant and equipment	1,086	1,112
- right-of-use assets	122	176
Dividend income	(5)	(12)
Employee benefit expenses-Share Issuance Scheme	-	652
Interest income	(18)	(18)
Interest expense	117	101
Inventories written down	601	510
Inventories written off	97	121
(Reversal of)/ Allowance for impairment loss on:		
- receivables	(441)	17
- property, plant and equipment	-	(76)
Loss on disposal of property, plant and equipment	59	-
Property, plant and equipment written off	10	3
Reversal of inventories written down	(183)	(645)
Share of loss of an associate	39	-
Unrealised gain on foreign exchange	(82)	(67)
Operating profit before working capital changes	5,487	6,030
Decrease in inventories	339	1,279
Decrease/(Increase) in trade and other receivables	7,312	(27,495)
(Decrease)/Increase in trade and other payables	(4,389)	3,871
Cash from/(for) operations	8,749	(16,315)
Income tax paid	(1,223)	(433)
Income tax refunded	63	172
Interest paid	(111)	(94)
Net cash from/(for) operating activities	7,478	(16,670)
Cash flows from/(for) investing activities		
Dividend received	5	12
Interest received	18	18
Investment in an associate	(980)	-
Proceeds from disposal of property, plant and equipment	10	778
Purchase of property, plant and equipment	(142)	(1,251)
Net cash for investing activities	(1,089)	(443)
Cash flows from/(for) financing activities		
Dividend payment to non-controlling interest	-	(300)
Proceeds from issuance of shares to non-controlling interest	-	40
Proceeds from issuance of shares pursuant to share options exercised	38	637
Repayment of term loans	(63)	(65)
Repayment of lease liabilities	(161)	(165)
Net cash (for)/from financing activities	(186)	147
Net increase/(decrease) in cash and cash equivalents	6,203	(16,966)
Cash and cash equivalents at beginning of the financial period	12,238	47,223
Foreign exchange difference	103	57
Cash and cash equivalents at end of the financial period	18,544	30,314
Cash and cash equivalents comprise:		
Fixed and short term deposits with licensed banks	4,252	12,890
Cash and bank balances with licensed banks and other financial institution	14,292	17,424
	18,544	30,314

Note:

1) 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

SUNZEN BIOTECH BERHAD

[Registration No. 200501003843 (680889-W)]

(Incorporated in Malaysia)

NOTES TO THE INTERIM STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

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 2022.

The following MFRS and amendments that have been issued by the MASB are not yet effective for adoption by the Group.

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

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts: Initial application of MFRS 17 and MFRS 9 - comparative information
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

MFRSs and Amendments to MFRSs effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of financial statements: Non-current liabilities with covenants

A1. Basis of reporting preparation (Cont'd)

Amendments to MFRSs effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Consolidated financial statements and 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

The initial application of the above standard and amendments is not expected to have any material financial impact to the financial statement of the Group upon its adoption.

A2. Auditors' report on preceding annual financial statements

The audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022 were not subjected to any qualification.

A3. Seasonal or cyclical factors

Sales performance of TCM segment, which involves herbal health 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 June 2023, additional 119,000 ordinary shares were issued pursuant to share options exercised under Share Issuance Scheme, bringing the total number of ordinary shares in issue to 720,799,659, that is inclusive of 15,937,300 treasury shares.

A7. Dividend paid

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

A8. Segmental information

	Current Quarter Ended 30 June 2023 RM'000	Corresponding Quarter Ended 30 June 2022 RM'000	Current Year-To-Date Ended 30 June 2023 RM'000	Corresponding Year-To-Date Ended 30 June 2022 RM'000
Revenue				
Manufacturing and trading of animal health products (“AH”)	1,066	928	1,717	2,290
Traditional Chinese medicine, herbal health foods and beverages, edible bird’s nest (“TCM”)	15,659	24,390	34,725	49,678
Loan financing	3,050	2,424	6,368	4,206
Total	19,775	27,742	42,810	56,174

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 2022.

A10. Capital commitments

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

	30 June 2023 RM'000	30 June 2022 RM'000
Acquisition of property, plant and equipment	-	361

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 June 2023 RM'000	30 June 2022 RM'000
Unsecured Corporate Guarantee to financial institutions for banking facilities granted to subsidiaries	4,558	4,682

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 June 2023 RM'000	Corresponding Quarter Ended 30 June 2022 RM'000	Current Year-To-Date Ended 30 June 2023 RM'000	Corresponding Year-To-Date Ended 30 June 2022 RM'000
Revenue	19,775	27,742	42,810	56,174
Profit before tax	1,708	1,842	3,744	4,002

The Group reported a 28.70% lower in revenue of RM19.78 million for the current quarter ended 30 June 2023, as compared to RM27.74 million in the corresponding quarter mainly due to softer demand from overseas markets for edible bird's nest and herbal health foods and beverages, despite the fact that loan financing achieved a higher revenue for the current quarter. Year-to-date, the Group's revenue for the current quarter ended 30 June 2023 declined by 23.78% to 42.81 million from RM56.17 million a year ago, mainly attributed to softer demand from overseas markets.

The Group registered a pre-tax profit of approximately RM1.71 million in the current quarter, 7.07% decrease from RM1.84 million in the corresponding quarter, mainly due to the reduction in profit contribution on lower revenue achieved resulted from softer overseas demand, even though loan financing showed a better performance in the current quarter.

B1. Review of performance of the Company and its principal subsidiaries for the current quarter and financial year-to-date (Cont'd)

Year-to-date, the Group's pre-tax profit declined by 6.50% to RM3.74 million for the current quarter ended 30 June 2023 from RM4.00 million in the corresponding year, primarily due to lower profit contributed from overseas sales for edible bird's nest and herbal health foods and beverages, it was partly cushioned by loan financing segment's higher earnings for the current year-to-date.

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 June 2023 RM'000	Corresponding Quarter Ended 30 June 2022 RM'000	Current Year-To-Date Ended 30 June 2023 RM'000	Corresponding Year-To-Date Ended 30 June 2022 RM'000
Revenue				
Manufacturing and trading of animal health products ("AH")	1,066	928	1,717	2,290
Traditional Chinese medicines, herbal health foods and beverages, edible bird's nest ("TCM")	15,659	24,390	34,725	49,678
Loan financing	3,050	2,424	6,368	4,206
Total revenue	19,775	27,742	42,810	56,174
Results				
Manufacturing and trading of animal health products	(1,478)	(1,433)	(3,111)	(2,867)
Traditional Chinese medicines, herbal health foods and beverages, edible bird's nest	409	1,245	1,018	3,446
Loan financing	2,777	2,030	5,837	3,423
Profit before tax	1,708	1,842	3,744	4,002

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

Reported a higher revenue of RM1.07 million in the current quarter compared to RM0.93 million in the corresponding quarter, due to the increase in export sales in the current quarter. However, year-to-date's revenue for the current quarter ended 30 June 2023 showed a 24.89% decrease to RM1.72 million from RM2.29 million in the corresponding year, primarily due to the decline in product demand amid ongoing disease challenge, competitive pricing and high feed cost facing the livestock industry locally and overseas.

Posted a pre-tax loss of RM1.48 million in the current quarter compared to RM1.43 million in the corresponding quarter. Year-to-date, pre-tax loss increased by 8.36% to RM3.11 million for the current quarter ended 30 June 2023 relative to RM2.87 million in the preceding year on the back of lower revenue achieved in the current year.

TCM segment

Achieved a lower revenue of RM15.66 million for the current quarter relative to RM24.39 million in the corresponding quarter, mainly due to softer export sales in the current quarter. Year-to-date's revenue recorded 30.09% lower to RM34.73 million for the current quarter ended 30 June 2023 from RM49.68 million in the preceding year.

Registered a lower pre-tax profit of RM0.41 million in the current quarter compared to RM1.25 million previously, mainly attributed to lower profit contribution on lower revenue achieved in the current quarter. Year-to-date's profit declined by 70.43% to RM1.02 million for the current quarter ended 30 June 2023 from RM3.45 million a year ago, primarily due to the reduction in profit contribution on the back of lower revenue achieved amid softer demand from overseas markets.

Loan financing segment

Recorded 26.03% increase in revenue or RM3.05 million in the current quarter compared to RM2.42 million in the corresponding quarter, mainly due to steady growth in loan applications from small medium-sized enterprises in the recovery phase of business activities after the Pandemic. Year-to-date's revenue for the current quarter ended 30 June 2023 rose by 51.31% to RM6.37 million from RM4.21 million in the corresponding year.

Registered a higher pre-tax profit of RM2.78 million for the current quarter in comparison with RM2.03 million for the corresponding quarter, attributable to higher profit contribution in tandem with the increase in loan applications and loan financing. Year-to-date's pre-tax profit for the current quarter ended 30 June 2023 soared to RM5.84 million from RM3.42 million in the preceding year, due to the contributing factor as highlighted above.

B3. Profit before tax

Profit before tax is arrived at after (charging)/crediting, amongst others, the items as follows:

	Current Quarter Ended 30 June 2023 RM'000	Corresponding Quarter Ended 30 June 2022 RM'000	Current Year-To-Date Ended 30 June 2023 RM'000	Corresponding Year-To-Date Ended 30 June 2022 RM'000
Interest income	6	10	18	18
Dividend income	4	3	5	12
Interest expense	(59)	(55)	(117)	(101)
Depreciation of:				
- property, plant and equipment	(541)	(565)	(1,086)	(1,112)
- right-of-use assets	(61)	(99)	(122)	(176)
Amortisation of intangible assets	-	(10)	-	(19)
Bad debt written off	(341)	(135)	(341)	(135)
Inventories:				
- written off	(42)	(64)	(97)	(121)
- written down	(497)	(355)	(601)	(510)
Reversal of/(Allowance for) impairment loss on receivables	273	11	441	(17)
Reversal of impairment loss on property, plant and equipment	-	76	-	76
Loss on disposal of property, plant and equipment	(59)	-	(59)	-
Property, plant and equipment written off	(10)	(3)	(10)	(3)
Reversal of inventories written down	144	451	183	645
Share of loss of associate	(18)	-	(39)	-
Employee benefit expenses under Share Issuance Scheme	-	(452)	-	(652)
Gain from foreign exchange:				
- realised	22	122	57	243
- unrealised	38	54	82	67

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

	Current Quarter Ended 30 June 2023 RM'000	Preceding Quarter Ended 31 March 2023 RM'000	Variance	
			RM'000	%
Revenue	19,775	23,035	(3,260)	(14.15)
Profit before tax	1,708	2,036	(328)	(16.11)

The Group posted a revenue of RM19.78 million for the current quarter ended 30 June 2023, 14.15% lower as compared to RM23.04 million for the preceding quarter ended 31 March 2023, mainly attributed to lower revenue contribution on softer overseas demand for edible bird's nest and herbal health foods and beverages.

The Group registered a lower pre-tax profit of RM1.71 million as compared to RM2.04 million in the preceding quarter, mainly due to higher operating expenses which include, among others, inventories written down and bad debt written off in the current quarter under review.

B5. Prospects

Animal health division is expected to grow its global presence for its products and further strengthen export market after obtaining FAMIQS certification in June 2023. On the other hand, the team will continue to focus on promoting biosecurity programs in all aspects with ongoing disease challenge. Loan financing business is expected to project a steady growth at a normal pace moving forward. TCM segment is expected to maintain the current optimal production capacity in anticipation for demand to pick up in the second half of the year.

B6. Profit forecast and profit guarantee

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

B7. Income tax expense

	Current Quarter Ended 30 June 2023 RM'000	Corresponding Quarter Ended 30 June 2022 RM'000	Current Year-To-Date Ended 30 June 2023 RM'000	Corresponding Year-To-Date Ended 30 June 2022 RM'000
<u>Income tax expense:</u>				
Current financial year	705	770	1,504	1,626
Over-provision in the previous year	-	-	-	(1)
	705	770	1,504	1,625
<u>Deferred tax expense:</u>				
Current financial year	(32)	(50)	(42)	(68)
	(32)	(50)	(42)	(68)
Total	673	720	1,462	1,557

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 proceeds raised from Private Placement have been fully utilised up to 30 June 2023 as summarised below:

	Proceeds RM'000	Utilised RM'000	Unutilised RM'000	Intended timeframe from the listing date*
<u>Proposed utilisation:</u>				
Expansion of money lending business	17,252	17,252	-	within 9 months
Expenses for new animal health products	863	863	-	within 18 months
Working capital	2,465	2,465	-	within 12 months
Estimated expenses	197	197	-	immediate
Total	20,777	20,777	-	

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

B8. Status of Corporate Proposal (Cont'd)

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	Exercisable balance at 1 January 2023 Unit ('000)	Lapsed Unit ('000)	Exercised Unit ('000)	Exercisable balance at the reporting date Unit ('000)
Directors	A	0.1395	77,670	4,000	-	73,670
Employees	A	0.1395	1,730	-	200	1,530
Employees	B	0.1772	419	126	59	234
		Total	79,819	4,126	259	75,434

75,434,000 units are exercisable, while 21,279,200 units are non-exercisable subject to performance criteria to be fulfilled by employees over the option tenure, giving a total of 96,713,200 outstanding units.

B9. Loans and borrowings

The term loan is repayable in 310 monthly instalments of RM24,335 equal monthly instalments, effective from September 2019.

	30 June 2023 RM'000	30 June 2022 RM'000
<u>Term loans:</u>		
Current liabilities	127	138
Non-current liabilities	4,431	4,544
Total	4,558	4,682

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 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 15,937,300 treasury shares (2022: 6,281,400) during the financial period.

	Current Quarter Ended 30 June 2023	Corresponding Quarter Ended 30 June 2022	Current Year-To-Date Ended 30 June 2023	Corresponding Year-To-Date Ended 30 June 2022
Profit attributable to equity holders of the Company (RM'000)	921	803	1,995	1,544
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	706,303	655,462	706,303	655,462
Basic earnings per ordinary share (sen)	<u>0.13</u>	<u>0.12</u>	<u>0.28</u>	<u>0.24</u>
Weighted average number of ordinary shares in issue excluding treasury shares after adjusting for the effects all dilutive potential ordinary shares ('000)	730,776	690,227	730,776	690,227
Diluted earnings per ordinary share (sen)	<u>0.13</u>	<u>0.12</u>	<u>0.27</u>	<u>0.22</u>

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.

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

This quarterly report for the financial period ended 30 June 2023 has been reviewed and approved by the Board of Directors of Sunzen Biotech Berhad for release to Bursa Securities.

Date: 30 August 2023