

SUNZEN BIOTECH BERHAD

(Incorporated in Malaysia)

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

		Current Quarter Ended 30.09.2023 (Unaudited) RM'000	Corresponding Quarter Ended 30.09.2022 (Unaudited) RM'000	Current Year-To-Date Ended 30.09.2023 (Unaudited) RM'000	Corresponding Year-To-Date Ended 30.09.2022 (Unaudited) RM'000
Revenue	A8	25,982	23,893	68,792	80,067
Operating profit		7,312	6,369	19,869	20,265
Operating expenses		(4,033)	(4,601)	(12,681)	(14,385)
Share of loss of an associate		(40)	-	(79)	-
Finance costs		(61)	(59)	(187)	(169)
Profit before tax	B2, B3	3,178	1,709	6,922	5,711
Income tax expense	B7	(1,054)	(689)	(2,516)	(2,246)
Profit from continuing operations		2,124	1,020	4,406	3,465
Loss from discontinued operations		(19)	-	(19)	-
		2,105	1,020	4,387	3,465
Other comprehensive income/(expense), net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		5	3	39	(3)
		5	3	39	(3)
Total comprehensive income		2,110	1,023	4,426	3,462
Profit attributable to:					
Equity holders of the company		1,693	951	3,688	2,495
Non-controlling interests		412	69	699	970
		2,105	1,020	4,387	3,465
Total comprehensive income attributable to:					
Equity holders of the company		1,697	953	3,716	2,492
Non-controlling interests		413	70	710	970
		2,110	1,023	4,426	3,462
Earnings per ordinary share (sen)	B14				
-Basic		0.24	0.14	0.52	0.36
-Diluted		0.23	0.13	0.51	0.34

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 SEPTEMBER 2023**

	As At Financial Period Ended 30.09.2023 (Unaudited)	As At Financial Year Ended 31.12.2022 (Audited)
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,297	46,459
Right-of-use assets	141	347
Investment property	500	500
Trade receivables	52,145	55,390
Intangible asset	2,853	2,853
Investment in an associate	901	-
	101,837	105,549
Current assets		
Inventories	11,153	11,329
Trade receivables	13,620	20,405
Other receivables, deposits and prepayments	1,958	1,088
Tax recoverable	343	348
Fixed and short term deposits with licensed banks	4,285	3,277
Cash and bank balances with licensed banks and other financial institution	17,776	8,961
	49,135	45,408
Total current assets	49,135	45,408
TOTAL ASSETS	150,972	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)	3,803	(271)
Revaluation reserve	15,647	15,647
Merger deficit	(8,397)	(8,397)
Currency translation reserve	182	154
Total equity attributable to equity holders of the Company	125,631	121,881
Non-controlling interests	8,788	7,828
TOTAL EQUITY	134,419	129,709
LIABILITIES		
Non-current liabilities		
Lease Liabilities	447	263
Deferred tax liabilities	3,598	3,569
Loans and borrowings	4,398	4,492
Other payables	57	51
	8,500	8,375
Current liabilities		
Trade payables	3,951	9,205
Other payables	3,141	3,036
Lease Liabilities	183	260
Loans and borrowings	129	129
Tax payable	649	243
	8,053	12,873
TOTAL LIABILITIES	16,553	21,248
TOTAL EQUITY AND LIABILITIES	150,972	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 September 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	-	-	-	-	-	-	-	3,688	3,688	699	4,387
Other comprehensive income, net of tax for the financial period:											
- Foreign currency translation	-	-	-	-	-	-	28	-	28	11	39
Total comprehensive income for the financial period	-	-	-	-	-	-	28	3,688	3,716	710	4,426
Issuance of shares pursuant to share options exercised	64	-	-	(26)	-	-	-	-	38	-	38
Share options lapsed	-	-	-	(390)	-	-	-	386	(4)	-	(4)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	250	250
Balance at 30 September 2023	110,285	(2,956)	-	7,067	15,647	(8,397)	182	3,803	125,631	8,788	134,419
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
Subscription of shares of a subsidiary by non-controlling interest	-	-	-	-	-	-	-	-	-	40	40
Purchase of own shares	-	(800)	-	-	-	-	-	-	(800)	-	(800)
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

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 SEPTEMBER 2023

	Current Year To Date Ended 30.09.2023 (Unaudited) RM'000	Corresponding Year To Date Ended 30.09.2022 (Unaudited) RM'000
Cash flows from operating activities		
Profit/(Loss) before tax		
- continuing operations	6,922	5,711
- discontinued operations	(19)	-
Adjustments for:-		
Amortisation of intangible assets	-	28
Bad debt written off	341	351
Depreciation of:		
- property, plant and equipment	1,611	1,654
- right-of-use assets	183	230
Dividend income	(12)	(14)
Employee benefit expenses-Share Issuance Scheme	-	652
Interest income	(24)	(29)
Interest expense	177	155
Inventories written down	812	773
Inventories written off	231	296
Reversal of impairment loss on receivables	(437)	(368)
Gain on disposal of property, plant and equipment	(36)	(116)
Loss on disposal of a subsidiary	19	-
Property, plant and equipment written off	10	3
Reversal of inventories written down	(457)	(1,014)
Share of loss of an associate	79	-
Unrealised gain on foreign exchange	(82)	(116)
Operating profit before working capital changes	9,318	8,196
(Increase)/Decrease in inventories	(402)	482
Decrease/(Increase) in trade and other receivables	9,511	(34,227)
(Decrease)/Increase in trade and other payables	(5,130)	5,224
Cash from/(for) operations	13,297	(20,325)
Income tax paid	(2,138)	(1,793)
Income tax refunded	63	344
Interest paid	(169)	(146)
Net cash from/(for) operating activities	11,053	(21,920)
Cash flows from/(for) investing activities		
Dividend received	12	14
Disposal of a subsidiary	(35)	-
Interest received	24	29
Investment in an associate	(980)	-
Proceeds from disposal of property, plant and equipment	177	820
Purchase of property, plant and equipment	(237)	(1,411)
Net cash for investing activities	(1,039)	(548)
Cash flows from/(for) financing activities		
Dividend payment to non-controlling interest	-	(600)
Proceeds from issuance of shares to non-controlling interest	-	40
Proceeds from issuance of shares pursuant to share options exercised	38	1,157
Purchase of own shares	-	(800)
Repayment of term loans	(94)	(96)
Repayment of lease liabilities	(243)	(238)
Net cash for financing activities	(299)	(537)
Net increase/(decrease) in cash and cash equivalents	9,715	(23,005)
Cash and cash equivalents at beginning of the financial period	12,238	47,223
Foreign exchange difference	108	104
Cash and cash equivalents at end of the financial period	22,061	24,322
Cash and cash equivalents comprise:		
Fixed and short term deposits with licensed banks	4,285	9,948
Cash and bank balances with licensed banks and other financial institution	17,776	14,374
	22,061	24,322

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 SEPTEMBER 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
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* 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 subject to 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 2023, the total number of ordinary shares in issue remains unchanged as 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 September 2023 RM'000	Corresponding Quarter Ended 30 September 2022 RM'000	Current Year-To-Date Ended 30 September 2023 RM'000	Corresponding Year-To-Date Ended 30 September 2022 RM'000
Revenue				
Manufacturing and trading of animal health products ("AH")	1,376	1,788	3,093	4,078
Traditional Chinese medicine, herbal health foods and beverages, edible bird's nest ("TCM")	21,335	19,493	56,060	69,171
Loan financing	3,271	2,612	9,639	6,818
Total	25,982	23,893	68,792	80,067

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 September 2023 RM'000	30 September 2022 RM'000
Acquisition of property, plant and equipment	213	278

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

During the current quarter ended 30 September 2023, Sunzen Biotech disposed of its 51% equity in Sunzen International Sdn Bhd to Dato' Tan Chee Hong (NRIC No. 691123-08-5039). The disposal has no significant impact to the net assets and financial performance of the Group.

A14. Contingent Liabilities

	30 September 2023 RM'000	30 September 2022 RM'000
Unsecured Corporate Guarantee to financial institutions for banking facilities granted to subsidiaries	4,527	4,651

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 2023 RM'000	Corresponding Quarter Ended 30 September 2022 RM'000	Current Year-To-Date Ended 30 September 2023 RM'000	Corresponding Year-To-Date Ended 30 September 2022 RM'000
Revenue	25,982	23,893	68,792	80,067
Profit before tax	3,178	1,709	6,922	5,711

For the current quarter, the Group's revenue reported an increase of 8.75% to RM25.98 million from RM23.89 million previously, attributed the increase to the improved export sales of edible bird's nest and herbal health foods and beverages and also the increase in loan financing for secured loans. However, year-to-date, the Group's revenue for the current year reported comparatively lower of 14.08% or 68.79 million compared to RM80.07 million in the corresponding year mainly due to softer market in overseas as evident in the first half of the current year particularly.

The Group reported 85.96% growth in pre-tax profit of RM3.18 million in the current quarter as compared to RM1.71 million in the corresponding quarter, mainly attributed to

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

the improved profit contribution on higher revenue achieved and lower operating expenses incurred in the current quarter. Year-to-date, despite the Group achieved a lower operating profit for the current year, the pre-tax profit improved by 21.20% to RM6.92 million from RM5.71 million previously, mainly attributed to lower operating expenses in the current year.

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 2023 RM'000	Corresponding Quarter Ended 30 September 2022 RM'000	Current Year-To-Date Ended 30 September 2023 RM'000	Corresponding Year-To-Date Ended 30 September 2022 RM'000
Revenue				
Manufacturing and trading of animal health products ("AH")	1,376	1,788	3,093	4,078
Traditional Chinese medicines, herbal health foods and beverages, edible bird's nest ("TCM")	21,335	19,493	56,060	69,171
Loan financing	3,271	2,612	9,639	6,818
Total revenue	25,982	23,893	68,792	80,067
Results				
Manufacturing and trading of animal health products	(1,223)	(803)	(4,334)	(3,670)
Traditional Chinese medicines, herbal health foods and beverages, edible bird's nest	1,430	385	2,448	3,831
Loan financing	2,971	2,127	8,808	5,550
Profit before tax	3,178	1,709	6,922	5,711

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

Achieved a lower revenue of RM1.38 million in the current quarter compared to RM1.79 million in the corresponding quarter, mainly due to the decrease in export sales in the current quarter. Year-to-date's revenue for the current year recorded 24.26% lower or RM3.09 million compared to RM4.08 million in the corresponding year mainly due to the impacts of high feed cost and competitive products pricing on the sales of animal health products to both local and overseas markets.

Posted a higher pre-tax loss of RM1.22 million in the current quarter compared to pre-tax loss of RM0.80 million in the corresponding quarter as a result of lower export sales recorded in the current quarter. Year-to-date, recorded a pre-tax loss of RM4.33 million for the current year relative to RM3.67 million pre-tax loss in the preceding year mainly due to higher operational costs as a result of lower revenue contribution and lower reversal of other receivables in the current year.

TCM segment

Recorded 9.49% higher in revenue of RM21.34 million for the current quarter relative to RM19.49 million in the corresponding quarter, mainly due to the increase in export sales in the current quarter. However, year-to-date's revenue still reported 18.95% lower or RM56.06 million for the current year compared to RM69.17 million in the preceding year.

Registered a higher pre-tax profit of RM1.43 million in the current quarter relative to RM0.39 million in the corresponding quarter, mainly attributed to higher profit contribution on the back of higher revenue recorded, higher other incomes as well as lower operating expenses recognised in the current quarter. However, year-to-date's pre-tax profit was still 36.03% lower or RM2.45 million for the current year in comparison with RM3.83 million a year ago, primarily due to lower profit contribution resulted from softer demand in overseas market as evident in the first half of the current year particularly.

Loan financing segment

Achieved a revenue of RM3.27 million or 25.29% growth in the current quarter compared to RM2.61 million in the corresponding quarter, mainly underpinned by the increase in loan financing and loan size compared to the corresponding quarter. Year-to-date's revenue for the current year increased by 41.35% to RM9.64 million from RM6.82 million in the corresponding year.

Registered 39.44% higher in pre-tax profit of RM2.97 million for the current quarter compared to RM2.13 million for the corresponding quarter, mainly attributed to higher profit contribution on higher revenue achieved. Year-to-date's pre-tax profit for the current year increased by 58.74% to RM8.81 million from RM5.55 million in the preceding year.

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B3. Profit before tax

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

	Current Quarter Ended 30 September 2023 RM'000	Corresponding Quarter Ended 30 September 2022 RM'000	Current Year-To-Date Ended 30 September 2023 RM'000	Corresponding Year-To-Date Ended 30 September 2022 RM'000
Interest income	6	11	24	29
Dividend income	2	3	12	14
Interest expense	(54)	(55)	(177)	(155)
Depreciation of:				
- property, plant and equipment	(542)	(565)	(1,611)	(1,654)
- right-of-use assets	(54)	(99)	(183)	(230)
Amortisation of intangible assets	(9)	(10)	-	(28)
Bad debt written off	-	(216)	(341)	(351)
Inventories:				
- written off	(134)	(175)	(231)	(296)
- written down	(211)	(263)	(812)	(773)
(Allowance for)/Reversal of impairment loss on receivables	(4)	385	437	368
Gain/(Loss) on disposal of property, plant and equipment	95	40	36	116
Property, plant and equipment written off	-	-	(10)	(3)
Reversal of inventories written down	274	369	457	1,014
Share of loss of associate	(40)	-	(79)	-
Loss on disposal of a subsidiary	(19)	-	(19)	-
Employee benefit expenses under Share Issuance Scheme	-	-	-	(652)
Gain from foreign exchange:				
- realised	22	28	79	271
- unrealised	-	49	82	116

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

	Current Quarter Ended 30 September 2023 RM'000	Preceding Quarter Ended 30 June 2023 RM'000	Variance	
			RM'000	%
Revenue	25,982	19,775	6,207	31.39
Profit before tax	3,178	1,708	1,470	86.07

For the current quarter ended 30 September 2023, the Group reported RM25.98 million in revenue compared to RM19.78 million in the preceding quarter ended 30 June 2023, attributed the increase to higher revenue contribution from export sales of edible bird's nest and herbal health foods and beverages in particular.

The Group registered a higher pre-tax profit of RM3.18 million in the current quarter compared to RM1.71 million in the preceding quarter, mainly due to higher operating profit contributed on higher revenue achieved and lower operating expenses incurred in the current quarter under review.

B5. Prospects

Animal health team will continue to focus on its biosecurity programs especially the dairy segment with the support and strong technical expertise from the biosecurity product manufacturer. Besides, efforts on the development of medium chain triglycerides products are expected to continue in meeting local and oversea markets' needs towards improving animal health performance.

TCM segment is expected to deliver a better set of results in the coming quarter in view of its tradition peak season and the increased number of sales orders for contract manufacturing in conjunction with the coming Chinese New Year. General Administration of Customs China (GACC) has granted an approval for the export permit of bottled bird's nest drink to People's Republic of China, with validity period from 6 October 2023 to 6 October 2028, which is expected to boost the revenue for TCM segment moving forward.

Loan Financing business is expected to grow moderately in view of the current number of loan applications in processing for approval.

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 September 2023 RM'000	Corresponding Quarter Ended 30 September 2022 RM'000	Current Year-To-Date Ended 30 September 2023 RM'000	Corresponding Year-To-Date Ended 30 September 2022 RM'000
<u>Income tax expense:</u>				
Current financial year	937	625	2,441	2,251
Over-provision in the previous year	46	-	46	(1)
	983	625	2,487	2,250
<u>Deferred tax expense:</u>				
Current financial year	71	64	29	(4)
	71	64	29	(4)
Total	1,054	689	2,516	2,246

B8. Status of Corporate Proposal

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

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	182	59	178
		Total	79,819	4,182	259	75,378

75,378,000 units are exercisable, while 20,887,200 units are non-exercisable subject to performance criteria to be fulfilled by employees over the option tenure, giving a total of 96,265,200 outstanding units.

B9. Loans and borrowings

Under Term loan 1 package, RM5 million is repayable in 310 months commencing from September 2019. Effective 4 July 2023, the monthly instalment has been revised to RM28,001 at the effective interest rate of 4.65% per annum (base lending rate is 6.85% per annum minus cost of fund 2.20%).

	30 September 2023 RM'000	30 September 2022 RM'000
<u>Term loans:</u>		
Current liabilities	129	127
Non-current liabilities	4,398	4,431
Total	4,527	4,558

An additional loan secured under Term loan 2 of RM2 million, repayable in 240 months commencing from 4 December 2023 with monthly instalment of RM12,492 at the effective interest rate of 4.35% per annum (base lending rate is 6.85% per annum minus cost of fund 2.50%).

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 September 2023	Corresponding Quarter Ended 30 September 2022	Current Year-To-Date Ended 30 September 2023	Corresponding Year-To-Date Ended 30 September 2022
Profit attributable to equity holders of the Company (RM'000)	1,693	951	3,688	2,495
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	704,865	689,806	704,865	689,806
Basic earnings per ordinary share (sen)	0.24	0.14	0.52	0.36
Weighted average number of ordinary shares in issue excluding treasury shares after adjusting for the effects all dilutive potential ordinary shares ('000)	728,637	723,515	728,637	723,515
Diluted earnings per ordinary share (sen)	0.23	0.13	0.51	0.34

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 2023 has been reviewed and approved by the Board of Directors of Sunzen Biotech Berhad for release to Bursa Securities.

Date: 29 November 2023