

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has conducted a limited review for the Proposal (as defined below) before its issuance and takes no responsibility for the contents of the Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



SUNZEN BIOTECH BERHAD

[Registration No. 200501003843 (680889-W)]

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ALLOCATION OF
OPTIONS PURSUANT TO THE SHARE ISSUANCE SCHEME TO THE DIRECTORS OF
THE COMPANY**

(“PROPOSED ALLOCATION” OR “PROPOSAL”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting ("**EGM**") of the Company will be conducted on a fully virtual basis via Remote Participation and Electronic Voting ("**RPEV**") facilities through live streaming from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 November 2020 at 10.00 a.m. or at any adjournment thereof. The Notice of the EGM and the Form of Proxy for the EGM are enclosed in this Circular, which can be downloaded at <https://sunzen.com.my/investors/agm/> or <http://www.bursamalaysia.com/market/listed-companies/company-announcements>.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and to vote for and on his/her behalf. In such event, you are urged to complete and lodge the Form of Proxy to the Company's Registered Office at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur or via electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> (please refer to Section E of the Administrative Details for details) not later than 48 hours before the time appointed for holding the EGM.

Last day and time for lodging the Form of Proxy : Tuesday, 17 November 2020 at 10.00 a.m.
Date and Time of the EGM : Thursday, 19 November 2020 at 10.00 a.m.

This Circular is dated 4 November 2020.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: The Malaysian Companies Act 2016, including any amendment thereto that may be made from time to time and any re-enactment thereof
“Board”	: The Board of Directors of Sunzen
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“By-Laws”	: The rules, terms and conditions of the SIS (as may be amended, varied or supplemented from time to time)
“Date of Allocation”	A date to be determined by the Option Committee to be the date on which an Employee or Director is deemed eligible to participate in the SIS
“Date of Offer”	: The date on which an Offer (including any subsequent Offers) is made by the Option Committee in writing to any Eligible Person(s) to participate in the SIS
“Director”	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary General Meeting
“Eligible Companies”	: The Company and its Eligible Subsidiaries
“Eligible Person(s)”	: Employee or Director who meets the criteria of eligibility for participation in the SIS
“Eligible Subsidiaries”	: Subsidiaries within the Group which are eligible to participate in the SIS as determined by the Option Committee but excluding the subsidiaries which are dormant
“Employee”	: A natural person who is employed by and on the payroll of any company in Sunzen Group
“Grantee”	: An Eligible Person who has accepted the Offer by the Option Committee
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities
“LPD”	: 23 October 2020, being the latest practicable date prior to the printing of this Circular
“Major Shareholder”	: A person who has an interest or interests in one (1) or more voting shares in a corporation and the number or the aggregate number of those shares, is: (i) ten per centum (10%) or more of the total number of voting shares in the corporation; or

- (ii) five per centum (5%) or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For the purposes of this definition, “interest” has the meaning of “interest in shares” given in Section 8 of the Act.

- “Offer” : An offer made in writing by the Option Committee to an Eligible Person
- “Option(s) or Options” or “SIS” : The right of a Grantee to subscribe for new Shares, as granted under the SIS
- “Option Committee” : The committee appointed by the Board to administer the SIS
- “Option Period” : A period commencing from the Date of Offer by the Option Committee to an Eligible Person until the expiry date and/or termination of the SIS or such date as may be specifically stated in such Offer for an Eligible Person to exercise the SIS Options PROVIDED ALWAYS that no Option Period shall extend beyond the duration of the SIS
- “Option Price” : The price at which the Grantee is entitled to subscribe for the SIS Shares
- “Person connected” : In relation to a director or a major shareholder, means such person who falls under any one of the following categories:
 - (a) a family member of the director or major shareholder;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the director, major shareholder or a family member of the director or major shareholder is the sole beneficiary;
 - (c) a partner of the director, major shareholder or a partner of a person connected with that director or major shareholder;
 - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
 - (e) a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;

- (g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act;
 - (h) a body corporate in which the director, major shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
 - (i) a body corporate which is a related corporation.
- “Proposed Allocation” or “Proposal” : Proposed allocation of Options to subscribe for new Shares under the SIS to the Directors of the Company
- “SIS” : The Share Issuance Scheme for the grant of Options to Eligible Person(s) to subscribe for new Shares in the Company
- “SIS Shares” : New Sunzen Shares to be offered and issued under the SIS
- “Sunzen” or “Company” : Sunzen Biotech Berhad [Registration No. 200501003843 (680889-W)]
- “Sunzen Group” or “Group” : Sunzen Biotech Berhad and its subsidiaries
- “Sunzen Shares” or “Shares” : Fully paid-up ordinary shares of Sunzen

Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to an enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference to the time of day in this Circular is a reference to Malaysian time.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

PROPOSED ALLOCATION

<u>NO.</u>	<u>SUBJECT</u>	<u>PAGE</u>
1.	INTRODUCTION	1
2.	DETAILS OF THE PROPOSED ALLOCATION	2
3.	BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT	3
4.	OPTION PRICE	3
5.	RANKING OF THE SIS SHARES	3
6.	LISTING OF AND QUOTATION FOR THE NEW SUNZEN SHARES	4
7.	RETENTION PERIOD	4
8.	RATIONALE FOR THE PROPOSED ALLOCATION	4
9.	APPROVALS REQUIRED	5
10.	EFFECTS OF THE PROPOSED ALLOCATION	5-6
11.	INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	6
12.	DIRECTORS' RECOMMENDATION	7
13.	OTHER CORPORATE PROPOSALS	7
14.	HISTORICAL SHARE PRICES	7
15.	EGM	8
	APPENDIX I - FURTHER INFORMATION	9
	NOTICE OF EGM	ENCLOSED
	PROXY FORM	ENCLOSED

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



SUNZEN BIOTECH BERHAD

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

Registered Office:

10th Floor, Menara Hap Seng
No. 1&3, Jalan P. Ramlee
50250 Kuala Lumpur

Date: 4 November 2020

Board of Directors

Tan Sri Haji Musa Bin Tan Sri Haji Hassan	(Chairman/ Senior Independent Non-Executive Director)
Teo Yek Ming	(Group Managing Director cum Group Chief Executive Officer)
Ching Chee Pun	(Executive Director)
Lee Yew Weng	(Non-Independent Non-Executive Director)
Khoo Kien Hoe	(Independent Non-Executive Director)
Dr. Fong Chan Seng	(Independent Non-Executive Director)

To: The Shareholders of Sunzen

Dear Sir/Madam,

PROPOSED ALLOCATION

1. INTRODUCTION

On 13 October 2020, the Board announced that the Company intends to seek shareholders' approval for the proposed allocation of Options under the SIS to the Directors of the Company at the forthcoming EGM of the Company.

The purpose of this Circular is to provide the shareholders of the Company with details of the Proposed Allocation together with the recommendation of the Board and to seek the approval of the shareholders for the ordinary resolutions pertaining to the Proposed Allocation to be tabled at the forthcoming EGM of the Company. The notice of the EGM and the Form of Proxy are set out in this Circular.

Shareholders are advised to read and carefully consider the contents of this Circular before voting on the ordinary resolutions in relation to the Proposed Allocation.

2. DETAILS OF THE PROPOSED ALLOCATION

At the EGM held on 24 November 2015, the Company had obtained its shareholders' approval for the establishment and implementation a SIS up to 30% of the total issued shares of the Company (excluding treasury shares) at any point of time for the Eligible Persons.

The SIS was implemented on 15 April 2016 and is in force for a period of 5 years from the date of implementation in accordance with the terms of the By-Laws. As of the LPD, no Options were granted as the Company has yet to finalise the details of eligibility and allocation criteria as well as the exercise of SIS.

On 9 October 2020, the Board announced that the SIS shall be extended for a further period of five (5) years from 16 April 2021 to 15 April 2026. The extension of SIS is not subject to shareholders' approval in accordance with the By-Law 20.1, where the Option Committee has the sole and absolute discretion to extend the duration of the SIS for up to another five (5) years immediately from the expiry of the initial five years, provided that the SIS does not exceed a maximum of ten (10) years in its entirety.

Pursuant to the By-Laws, the Company is allowed to grant Options to Employees and Directors of the Eligible Companies, who meet the criteria of eligibility for participation in the SIS, provided always that the selection of any Director or Employee for participation in the Scheme shall be at the discretion of the Option Committee and the decision of the Option Committee shall be final and binding.

In accordance with the By-Laws, where an Offer, allocation of Options under the SIS and the related allotment of Shares is proposed to be made to any person who is a Director, Major Shareholder (who is also a Director and/or employee) or chief executive of the Company or Persons Connected to any of them, such allocation shall require prior approval from the shareholders of the Company in a general meeting provided always that the foregoing persons and Persons Connected to them shall not vote on the resolutions approving the said Offer, allocation and allotment.

Accordingly, the Board proposes to seek shareholders' approval at the forthcoming EGM for the proposed allocation of Options to the following Directors of Sunzen:-

Name of Director	Designation	Date of Appointment
Teo Yek Ming	Group Managing Director cum Group Chief Executive Officer	16 June 2020
Ching Chee Pun	Executive Director	1 August 2020
Lee Yew Weng	Non-Independent Non-Executive Director	1 August 2020
Dr. Fong Chan Seng	Independent Non-Executive Director	30 May 2019

3. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT

The aggregate number of SIS Shares that may be offered under the SIS Options to the Eligible Persons shall be determined at the sole and absolute discretion of the Option Committee after taking into consideration, amongst others, the position, ranking, performance, seniority and length of service of the Eligible Persons, and such other factors that the Option Committee may in its sole and absolute discretion deem fit, subject to the following:

- (i) the Directors and senior management of our Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their own allocation of SIS Options; and
- (ii) the number of SIS Shares allocated, in aggregate, to the Directors and senior management of our Group (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Shares to be issued at any one time during the duration of the Proposed SIS; and
- (iii) not more than ten percent (10%) of the total number of SIS Options shall be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds twenty percent (20%) or more of the issued and paid-up share capital of our Company (excluding treasury shares),

provided always that it is in accordance with any prevailing guidelines, rules or regulations issued by the Listing Requirements or any other requirements of the relevant authorities as amended from time to time.

The actual number of SIS Shares which may be offered to any Eligible Person shall be at the discretion of the Option Committee and the number of SIS Shares so offered shall not be less than one hundred (100) Shares nor more than the maximum allowable allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.

4. OPTION PRICE

Subject to any adjustments in accordance with the By-Laws, the Option Price of each Share comprised in any Option shall be based on the 5-day weighted average market price of Sunzen Shares as quoted on the ACE Market of Bursa Securities immediately preceding the Date of Offer of the Options, and at the Option Committee's discretion with a discount of not more than 10%.

5. RANKING OF THE SIS SHARES

The SIS Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Sunzen Shares, save and except that the SIS Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution, the entitlement date of which is prior to the date of allotment and issuance of such SIS Shares.

6. LISTING OF AND QUOTATION FOR THE NEW SUNZEN SHARES

Bursa Securities has, via its letter dated 20 October 2015, approved the listing of and quotation for such number of new Sunzen Shares representing up to 30% of the total number of Sunzen Shares (excluding treasury shares) at any one time to be issued pursuant to the SIS on the ACE Market of Bursa Securities.

7. RETENTION PERIOD

Pursuant to Rule 8.20 of the Listing Requirements, an Eligible Person who is a non-executive director must not sell, transfer or assign the new Sunzen Shares obtained through the exercise of the SIS Options offered to him within 1 year from the date of offer of the SIS Options.

8. RATIONALE FOR THE PROPOSED ALLOCATION

The Proposed Allocation is consistent with the overall objectives of the SIS which provide Eligible Persons an opportunity to have equity participation in the Company and facilitate in the achievement of the following objectives:

- (i) to recognise and reward the contributions and services of the Eligible Persons that are considered vital to the operation and continued growth of the Group;
- (ii) to align the Eligible Persons' interests to those of the shareholders of the Company to drive longer term shareholders' value enhancement;
- (iii) to reinforce the Eligible Persons' sense of loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company and thereby provide incentive for the Eligible Persons to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group;
- (iv) to serve as an alternative form of employee remuneration for the Eligible Persons which does not result in cash outflow for the Group but instead allows for fund-raising upon exercise of the Options by the Eligible Persons; and
- (v) to attract and retain high calibre Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

Subject to the By-Laws, there are no performance targets to be achieved by the Eligible Persons or vesting period for the Options, unless otherwise stated in the Offer as determined by the Option Committee from time to time.

The Proposed Allocation is also extended to the eligible non-executive Directors of the Company in recognition of their contributions relating to their oversight responsibilities as non-executive members to the Board as they provide valuable experience, knowledge and opinion to the Board, which are considered vital to the governance of the Group. Furthermore, their participation in the SIS would enable the Company to have an added incentive to attract and retain capable individuals to act as non-executive Directors of the Company.

9. APPROVALS REQUIRED

The Proposed Allocation is subject to the approval of the shareholders at the forthcoming EGM.

10. EFFECTS OF THE PROPOSED ALLOCATION

10.1 Share capital

The Proposed Allocation is not expected to have an immediate effect on the total issued share capital of the Company until such time when new Sunzen Shares are issued upon the exercise of the Options under the SIS. The issued share capital of the Company will increase progressively depending on the number of new Sunzen Shares to be issued upon the exercise of Options under the SIS.

10.2 Net Assets and Gearing

The Proposed Allocation is not expected to have an immediate effect on the net assets and gearing of the Group until such time when new Sunzen Shares are issued upon the exercise of the Options under the SIS. Any potential effect will depend on, amongst others, the number of Options exercised by the Grantee, the Option Price and the number of new Sunzen Shares to be issued, which cannot be determined at this juncture.

10.3 Earnings and Earnings per share (“EPS”)

The Proposed Allocation is not expected to have an immediate effect on the earnings and EPS of the Group. In accordance with the Malaysian Financial Reporting Standard 2 (“**MFRS 2**”) on “share-based payments”, the cost arising from the offering of Options is required to be measured at the date of such offer and recognised as an expense over the vesting period of Sunzen Shares comprised in the Options, which will have an effect on the future earnings of the Group. In accordance with the MFRS 2, such cost is required to be measured based on the fair value of the Options offered and recognised as an expense over the vesting period of the Options.

The potential effects of the Proposed Allocation on the earnings and EPS of the Group in the future, as a consequence of the recognition of the expense, cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Options, which is calculated after taking into consideration factors such as the actual number of Shares comprised in Options offered and the Option Price.

However, it is important to note that the potential cost of offering the Options does not represent a cash outflow as it is only an accounting treatment.

10.4 Substantial Shareholders’ Shareholdings

The Proposed Allocation is not expected to have an immediate effect on the shareholdings of the substantial shareholders until such time when Options are exercised. Any effect on the shareholdings of the substantial shareholders will depend on the number of Options exercised by the Grantees.

10.5 Convertible securities

As at the LPD, save for the 179,423,296 Warrants 2016/2021 of the Company which remain unexercised, the Company does not have any convertible securities.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The following directors of Sunzen are deemed interested in the Proposed Allocation:-

- a. Teo Yek Ming;
- b. Ching Chee Pun;
- c. Lee Yew Weng; and
- d. Dr. Fong Chan Seng

As at the LPD, the shareholdings of the Interested Directors and Interested Major Shareholder of Sunzen and Persons Connected with them in the Company are as follows:

	Direct		Indirect	
	No. of Shares Held	% ⁽¹⁾	No. of Shares Held	% ⁽¹⁾
Interested Directors				
Teo Yek Ming	68,713,750	13.00	126,000 ⁽²⁾	0.024
Dr. Fong Chan Seng	131,290	0.025	-	-
Ching Chee Pun	-	-	-	-
Lee Yew Weng	-	-	-	-
Interested Major Shareholder				
Teo Yek Ming	68,713,750	13.00	126,000 ⁽²⁾	0.024
Person Connected with Interested Director and/ or Major Shareholder				
Lim Choon Long	126,000	0.024	-	-

Notes:

(1) Excluding 6,281,400 shares held as Treasury Shares.

(2) Deemed interested by virtue of shares held by parent, Lim Choon Long.

Accordingly, the above Interested Directors have abstained and will continue to abstain from deliberating and voting at all relevant Board meetings on their allocation. The said Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the proposed resolutions pertaining to their respective allocation under the Proposed Allocation at the forthcoming EGM of the Company.

In addition, the Interested Directors have undertaken to ensure that Persons Connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the proposed resolutions pertaining to their respective allocation under the Proposed Allocation at the forthcoming EGM of the Company.

Save as disclosed above, none of the other Directors, Major Shareholders and Persons Connected with Directors and/or Major Shareholders have any interest in the Proposed Allocation.

12. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors as disclosed under item 11 above), having considered all aspects of the Proposed Allocation, is of the opinion that the Proposed Allocation is in the best interests of the Company. Accordingly, the Board (save for the Interested Directors as disclosed under item 11 above) recommends the shareholders of Sunzen to vote in favour of the ordinary resolutions pertaining to the Proposed Allocation to be tabled at the forthcoming EGM.

13. OTHER CORPORATE PROPOSALS

Save for the Proposed Allocation, there are no other corporate proposals announced but have yet to be completed as at the LPD. The Proposed Allocation is not conditional upon any other corporate exercise or scheme.

14. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Sunzen Shares as traded on the ACE Market of Bursa Securities for the past 12 months preceding the date of this Circular are as follows:-

Month and Year	Highest RM	Lowest RM
2019		
October	0.130	0.130
November	0.140	0.140
December	0.115	0.105
2020		
January	0.110	0.110
February	0.095	0.080
March	0.040	0.040
April	0.095	0.085
May	0.090	0.085
June	0.105	0.100
July	0.155	0.140
August	0.175	0.155
September	0.170	0.160
Last transacted market price of Sunzen Shares on 12 October 2020 being the last trading day prior to the announcement of the Proposed Allocation.		0.165
Last transacted market price of Sunzen Shares on 23 October 2020 being the latest practicable date prior to printing of this Circular.		0.160

(Source: Bloomberg)

15. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted on a fully virtual basis via RPEV facilities through live streaming from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 November 2020 at 10.00 a.m. and at any adjournment thereof to consider and if thought fit, passing with or without modification, the proposed ordinary resolutions to give effect to the Proposed Allocation.

If you are unable to attend and vote at the forthcoming EGM, you may complete, sign and return the Form of Proxy, which is enclosed in this Circular, in accordance with the instructions contained therein, to be deposited at the Company's Registered Office at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur or via electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> (please refer to Section E of the Administrative Details for details) not later than 48 hours before the time appointed for holding the EGM i.e. Tuesday, 17 November 2020 at 10.00 a.m.

Shareholders are advised to refer to the Administrative Details enclosed separately for further details and instructions for electronic submission of Proxy Form and participation at the EGM.

Yours faithfully
On behalf of the Board of Directors
SUNZEN BIOTECH BERHAD

TAN SRI HAJI MUSA BIN TAN SRI HAJI HASSAN
Chairman/ Senior Independent Non-Executive Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Sunzen who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, which, if omitted, would make any statement in this Circular misleading.

2. MATERIAL LITIGATION

As at the LPD, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at the LPD, the Board, after making all reasonable enquiries, is not aware of any material commitments contracted or known to be contracted by the Group which may have a material impact on the financial position of the Group.

3.2 Contingent Liabilities

As at the LPD, the Board, after making all reasonable enquiries, is not aware of any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular to the date of the EGM:-

- (a) Constitution of the Company;
- (b) Audited financial statements of Sunzen for the financial years ended 31 December 2018 and 31 December 2019;
- (c) Unaudited financial results of Sunzen for the financial period ended 30 June 2020; and
- (d) SIS By-Laws.



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("EGM") of Sunzen Biotech Berhad ("Sunzen" or "the Company") will be conducted on a fully virtual basis via Remote Participation and Electronic Voting ("RPEV") facilities through live streaming from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 November 2020 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ALLOCATION OF OPTIONS PURSUANT TO THE SHARE ISSUANCE SCHEME TO TEO YEK MING

"**THAT** pursuant to the Share Issuance Scheme ("SIS") as approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 November 2015, approval be and is hereby given to the Board to authorise the Option Committee, from time to time throughout the duration of the SIS, to offer and grant to Teo Yek Ming, being the Group Managing Director cum Group Chief Executive Officer of the Company, options to subscribe for new Sunzen Shares under the SIS and to allot and issue such number of new Sunzen Shares to him upon exercise of the options, provided that not more than ten per centum (10%) of the Sunzen Shares made available under the SIS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the total number of issued Sunzen Shares (excluding treasury shares), subject always to such terms and conditions of the SIS By-Laws and/or any adjustments which may be made in accordance with the provisions of the SIS By-Laws and ACE Market Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities, as amended from time to time."

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF OPTIONS PURSUANT TO THE SHARE ISSUANCE SCHEME TO CHING CHEE PUN

"**THAT** pursuant to the Share Issuance Scheme ("SIS") as approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 November 2015, approval be and is hereby given to the Board to authorise the Option Committee, from time to time throughout the duration of the SIS, to offer and grant to Ching Chee Pun, being the Executive Director of the Company, options to subscribe for new Sunzen Shares under the SIS and to allot and issue such number of new Sunzen Shares to him upon exercise of the options, provided that not more than ten per centum (10%) of the Sunzen Shares made available under the SIS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the total number of issued Sunzen Shares (excluding treasury shares), subject always to such terms and conditions of the SIS By-Laws and/or any adjustments which may be made in accordance with the provisions of the SIS By-Laws and ACE Market Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities, as amended from time to time."

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF OPTIONS PURSUANT TO THE SHARE ISSUANCE SCHEME TO LEE YEW WENG

“**THAT** pursuant to the Share Issuance Scheme (“SIS”) as approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 November 2015, approval be and is hereby given to the Board to authorise the Option Committee, from time to time throughout the duration of the SIS, to offer and grant to Lee Yew Weng, being the Non-Independent Non-Executive Director of the Company, options to subscribe for new Sunzen Shares under the SIS and to allot and issue such number of new Sunzen Shares to him upon exercise of the options, provided that not more than ten per centum (10%) of the Sunzen Shares made available under the SIS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the total number of issued Sunzen Shares (excluding treasury shares), subject always to such terms and conditions of the SIS By-Laws and/or any adjustments which may be made in accordance with the provisions of the SIS By-Laws and ACE Marketing Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF OPTIONS PURSUANT TO THE SHARE ISSUANCE SCHEME TO DR. FONG CHAN SENG

“**THAT** pursuant to the Share Issuance Scheme (“SIS”) as approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 November 2015, approval be and is hereby given to the Board to authorise the Option Committee, from time to time throughout the duration of the SIS, to offer and grant to Dr. Fong Chan Seng, being the Independent Non-Executive Director of the Company, options to subscribe for new Sunzen Shares under the SIS and to allot and issue such new Sunzen Shares to him upon exercise of options, provided that not more than ten per centum (10%) of the Sunzen Shares made available under the SIS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the total number of issued Sunzen Shares (excluding treasury shares), subject always to such terms and conditions of the SIS By-Laws and/or any adjustments which may be made in accordance with the provisions of the SIS By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

BY ORDER OF THE BOARD

LIM LEE KUAN (MAICSA 7017753) (SSM Practicing Certificate No. 202008001079)
TEO MEE HUI (MAICSA 7050642) (SSM Practicing Certificate No. 202008001081)
Company Secretaries

Kuala Lumpur

Dated this 4th day of November, 2020

NOTES:

1. In support of the Government of Malaysia’s (the Government) ongoing efforts to contain the spread of the Coronavirus (Covid-19) and the Government’s advice of social distancing and not having mass gatherings, the Company would like to leverage on technology advancement by conducting the Extraordinary General Meeting of the Company (“the Meeting” or “EGM”) on a fully virtual basis via live streaming and online voting using RPEV facilities, pursuant to Section 327(2) of the Companies Act 2016 and Clause 59 of the Company’s Constitution. The Company will be using Boardroom Share Registrars Sdn. Bhd.’s LUMI AGM solution which is available at <https://web.lumiagm.com/> or you may download the “Lumi AGM” App from the Apple App Store or Google Play Store which is free of charge. Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote remotely via the RPEV facilities.
2. The main and only venue of the virtual Meeting is strictly to serve as the broadcast venue where the chairperson of the Meeting is physically present and **NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES SHALL BE PHYSICALLY PRESENT NOR WILL THEY BE ADMITTED AT THE BROADCAST VENUE on the day of the EGM.** The Meeting will be in compliance with Section 327(2) of the Companies Act 2016 which provides that the main venue of the EGM shall be in Malaysia and the chairman must be present at the main venue of the EGM. The electronic means of conducting the EGM on a fully virtual basis will facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue, which is advantageous given the current circumstances relating to Covid-19 and best health practices.
3. A member entitled to virtually attend and vote at the above Meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to virtually attend, participate and vote in his/her stead, in accordance with the Administrative Details.
4. A member is entitled to appoint not more than two (2) proxies to attend and vote at the meeting. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportions of his/her holdings to be represented by each proxy, failing which the appointment shall be invalid.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
7. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur or via electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> (please refer to Section E of the Administrative Details for details) not less than forty-eight (48) hours before the time appointed for holding the meeting i.e. Tuesday, 17 November 2020 at 10.00 a.m., or any adjournment thereof.*
8. The instrument appointing a proxy shall be in writing, under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
9. Shareholders would need to register as a member of Boardroom Smart Investor Portal first before they can request for the Remote Participation User identification number and password to virtually attend, participate and vote at the above Meeting via RPEV facilities, in accordance with the Administrative Details.
10. For the purpose of determining who shall be entitled to attend the EGM virtually, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 12 November 2020 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend the EGM.

**FORM OF PROXY**

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

Number of Shares Held	
CDS Account No.	

*I/We *NRIC/ Passport/ Company No.....

of

Tel No. Email Address:

being a member(s) of **SUNZEN BIOTECH BERHAD** [Registration No. 200501003843 (680889-W)] hereby appoints

Name	Address	Email Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

***And/or (delete as appropriate)**

--	--	--	--	--

or failing *him/her, THE CHAIRMAN OF THE MEETING, as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted on a fully virtual basis via Remote Participation and Electronic Voting ("RPEV") facilities through live-streaming from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 November 2020 at 10.00 a.m. and at any adjournment thereof.

If you wish to appoint other person / persons to be your proxy / proxies, kindly delete the words "or failing him / her, #THE CHAIRMAN OF THE MEETING" and insert the name / names of the person / persons desired.

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two (2) proxies and wish them to vote differently this should be specified.

*My/our *proxy/proxies *is/are to vote as indicated below:

Ordinary Resolutions		For	Against
1.	Proposed Allocation of Options pursuant to the Share Issuance Scheme ("SIS") to Teo Yek Ming		
2.	Proposed Allocation of Options pursuant to the SIS to Ching Chee Pun		
3.	Proposed Allocation of Options pursuant to the SIS to Lee Yew Weng		
4.	Proposed Allocation of Options pursuant to the SIS to Dr. Fong Chan Seng		

** Delete if not applicable.*

Signature/Common Seal of Shareholder

Signed this day of 2020

NOTES:

- In support of the Government of Malaysia's (the Government) ongoing efforts to contain the spread of the Coronavirus (Covid-19) and the Government's advice of social distancing and not having mass gatherings, the Company would like to leverage on technology advancement by conducting the Extraordinary General Meeting of the Company ("the Meeting" or "EGM") on a fully virtual basis via live streaming and online voting using RPEV facilities, pursuant to Section 327(2) of the Companies Act 2016 and Clause 59 of the Company's Constitution. The Company will be using Boardroom Share Registrars Sdn. Bhd.'s LUMI AGM solution which is available at <https://web.lumiagm.com/> or you may download the "Lumi AGM" App from the Apple App Store or Google Play Store which is free of charge. Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote remotely via the RPEV facilities.
- The main and only venue of the virtual Meeting is strictly to serve as the broadcast venue where the chairperson of the Meeting is physically present and **NO SHAREHOLDERS/PROXIES/ CORPORATE REPRESENTATIVES SHALL BE PHYSICALLY PRESENT NOR WILL THEY BE ADMITTED AT THE BROADCAST VENUE on the day of the EGM.** The Meeting will be in compliance with Section 327(2) of the Companies Act 2016 which provides that the main venue of the EGM shall be in Malaysia and the chairman must be present at the main venue of the EGM. The electronic means of conducting the EGM on a fully virtual basis will facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue, which is advantageous given the current circumstances relating to Covid-19 and best health practices.
- A member entitled to virtually attend and vote at the above Meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to virtually attend, participate and vote in his/her stead, in accordance with the Administrative Details.
- A member is entitled to appoint not more than two (2) proxies to attend and vote at the meeting. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportions of his/her holdings to be represented by each proxy, failing which the appointment shall be invalid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur or via electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> (please refer to Section E of the Administrative Details for details) not less than forty-eight (48) hours before the time appointed for holding the meeting i.e. Tuesday, 17 November 2020 at 10.00 a.m., or any adjournment thereof.
- The instrument appointing a proxy shall be in writing, under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- Shareholders would need to register as a member of Boardroom Smart Investor Portal first before they can request for the Remote Participation User identification number and password to virtually attend, participate and vote at the above Meeting via RPEV facilities, in accordance with the Administrative Details.
- For the purpose of determining who shall be entitled to attend the EGM virtually, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 12 November 2020 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend the EGM.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary

Sunzen Biotech Berhad
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P.Ramlee
50250 Kuala Lumpur

First fold here