

# NOVA WELLNESS GROUP BERHAD

(the "Company")

(Registration No. 201601025155 (1196094-M))

(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company held virtually through live streaming via a remote participation and voting facilities at the Broadcast Venue at Conference Room, Nova Laboratories Sdn. Bhd., Lot 708, Nova Avenue, 43950 Sungai Pelek, Selangor Darul Ehsan, Malaysia on Tuesday, 16 November 2021 at 11.30 a.m.

**Present** : **Board of Directors**  
Dr Abdul Manaf Bin Mohamad Radzi - Independent Non-Executive Chairman  
Phang Nyie Lin - Managing Director  
Phang Yeen Nung - Executive Director  
Phang Yeen Aun - Executive Director  
Sulaiman Bin Haji Ahmad - Non-Independent Non-Executive Director  
Sim Seng Loong @ Tai Seng - Independent Non-Executive Director  
Tan Mio Har - Independent Non-Executive Director

**Shareholders**

- As per attendance list

**Proxies**

- As per attendance list

**Invitees**

- As per attendance list

**In Attendance** : Ms Wong Youn Kim

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## MINUTES

### 1. CHAIRMAN

Dr Abdul Manaf Bin Mohamad Radzi ("Dr Chairman") presided as Chairman of the Meeting and he welcomed all present via an online platform at the Extraordinary General Meeting ("EGM") of the Company.

### 2. QUORUM

Dr Chairman called the meeting to order at 11.30 a.m. upon the confirmation of the presence of a quorum by the Company Secretary.

### 3. OPENING

Dr Chairman introduced the Board members, Company Secretary and the Key Senior Management present at the Broadcast Venue and those participating virtually.

### 4. NOTICE

The notice which had been circulated to all shareholders on 11 October 2021 convening the meeting was taken as read.

## **5. BRIEFING ON PROCEDURES OF VIRTUAL EGM**

Dr Chairman invited the Secretary to brief the meeting on the proceedings of the meeting and the voting procedures.

The Secretary, Ms Wong Youn Kim informed that the meeting would require one proposer and a seconder for each motion before putting it to the floor to vote. With a view to facilitate the flow of the meeting, the Company's Chairman and Mr Phang Nyie Lim, who are also shareholders of the Company have offered themselves to be the Proposer and Seconder for all the motions. The question and answer session and the poll will be taken at the end of the meeting.

The Company has appointed HMC Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the poll by way of online voting and Usearch Management Services as Scrutineer to supervise polling process and verify the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Annual General Meeting.

## **6. PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF NOVA WELLNESS GROUP BERHAD ("NOVA") (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF NOVA AND ITS SUBSIDIARY ("NOVA GROUP" OR THE "GROUP") ("PROPOSED ESOS")**

Dr Chairman proceeded to the first item on the agenda which was on the Proposed Establishment of an Employee's Share Option Scheme ("ESOS") of up to 15% of total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiary ("Proposed ESOS"). The motion was moved to vote by poll.

## **7. PROPOSED ALLOCATION OF ESOS OPTIONS TO DIRECTORS**

The next seven motions were in relation to the proposed allocation of ESOS options to the following Directors:-

- i) Phang Nyie Lin
- ii) Phang Yeen Nung
- iii) Phang Yeen Aun
- iv) Dr Abdul Manaf Bin Mohamad Radzi
- v) Sulaiman Bin Haji Ahmad
- vi) Sim Seng Loong @ Tai Seng
- vii) Tan Mio Har

He then moved the above motions to vote by poll.

## **8. ANY OTHER BUSINESS**

As no notice had been received to transact any other business, Dr Chairman put all resolutions to vote via an online platform and opened the Questions & Answer Session at 12.10 a.m.

The following questions raised by shareholders/proxies were duly replied:-

- (1) Questions raised by Mr Teh Kian Lang, a shareholder of the Company
  - (a) How is business outlook in next 3 months?

- (b) Any e-door gifts given?

Nova's Response

- (a) We are optimistic for the next 3 months. This is attributable to an increase in the numbers of outlet distributing Nova's products, greater awareness of nutritional and immunity products.
- (b) The Company do not have any e-door gift.

(2) Questions raised by Mr Kok Wai Keat, a shareholder of the Company

- (a) Is it good corporate governance to issue free shares to non-executive director and officer?
- (b) Is it possible to protect minority shareholders by issuing an ESOS to an independent chairman? Is there an approach other than ESOS for motivating independent directors and officers? Because the shares are offered at the lowest possible price and nearly like a free shares.

Nova's Response

- (a) There are no free shares issued to the non-executive directors and officers.
- (b) The amount allocated to independent chairman is restricted to 2% and not significant.

(3) Questions raised by Ms Leong Mei Yoke, a Shareholder of the Company

- (a) Do you think Nova will launch more products?
- (b) Is keeping staff can help if the company's finances are not increasing?
- (c) Is selling in stores is more effective than selling online?
- (d) Does Nova have an online platform that is able to generate revenue?

Nova's Response

- (a) The Company has more products to be developed.
- (b) Employees are the Company's key assets. The Company will keep a close eye on its expenses.
- (c) Both serve to different groups. Online purchase is a more convenient option. However, selling through Nova's distributors gives consumer another option for purchasing products.
- (d) Yes. Please visit Nova's online store at [eshop.nova.my](http://eshop.nova.my)

(4) Questioned raised by Mr Tan Seong Heng, a shareholder of the Company

- (a) How to retain staff if the share price is below ESOS issue price?

Nova's response

- (a) Staff will also be remunerated under their own remuneration package.

(5) Questions raised by Robin Hau, a shareholder of the Company

- (a) Can you explain more about the Nova's others business?

Nova's Response

- (a) Currently, Nova is focusing on health supplements, cosmetic and functional food products.

(6) Questions raised by Mr Tan Tiak Kun, a shareholder of the Company

- (a) How long will it take to finish the ESOS distribution to employees?
- (b) Can you provide non-director and non-senior management staffs a higher

percentage of ESOS distribution, say 50% instead of merely 2%?

- (c) Is it possible to encourage lower and lower-ranking employees by increasing the ESOS distribution to more than 2% allocation?

Nova's Response

- (a) The ESOS scheme shall be in-force for a period of 5 years and may be extended for another 5 years at the discretion of the Board upon the recommendation from the ESOS Committee.
- (b) The 2% restriction is only applicable to the non-executive directors and not the employees of the Group. No restriction is imposed on employees of the Group. No restriction is imposed on employees other than to the senior management and directors.
- (c) Further to the reply on item b, there is no restriction imposed on employees other than to the senior management and directors.

## 9. ANNOUNCEMENT OF POLL RESULTS

Dr Chairman called the meeting to order at 12.05 p.m. for the declaration of the following poll results:-

**Ordinary Resolution 1: Proposed Establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible directors and employees of Nova and its subsidiary ("Proposed ESOS")**

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 1</b>	6,091,300	98.6046	86,200	1.3954

The Chairman declared that Ordinary Resolution 1 was duly carried by majority voted FOR as follows:-

**"Ordinary Resolution 1**

**- Proposed Establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible directors and employees of Nova and its subsidiary ("Proposed ESOS")**

**THAT** subject to the approvals of all relevant authorities/parties, where relevant/required being obtained, approval is given to the Board of Directors ("**Board**") to undertake the proposed establishment of an ESOS involving up to 15% of the total number of issued shares of Nova (excluding treasury shares, if any) to enable the granting of new ordinary shares in Nova ("**Nova Shares**") at any point in time to the eligible directors and employees of Nova Group in accordance with the by-laws governing the ESOS ("**By-laws**") as set out in Appendix II of the Circular to shareholders dated 11 October 2021, and to adopt and approve the By-laws and to do all such acts, as may be necessary or expedient in order to give full effect to the Proposed ESOS;

**THAT** the Board be and is hereby authorised to issue and allot from time to time such number of new Nova Shares as may be required pursuant to the exercise of the options under the Proposed ESOS ("**ESOS Options**"), provided that the aggregate number of new Shares to be issued and allotted and/or transferred shall not exceeding 15% of the total

number of issued shares of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS and such new Shares shall, upon allotment and issuance, rank equally in all respects with the existing issued shares of the Company, except that the new Shares so issued and allotted SHALL not be entitled to any dividends, rights, allotments and/or other forms of distribution, for which the entitlement date is prior to the date of allotment and issuance of such new Shares;

**THAT** the Board be and is hereby authorised to extend the duration of the ESOS, provided always that such extension of the ESOS made pursuant to the By-laws shall not in aggregate exceed a duration of 10 years from the date on which the Scheme shall take effect following full compliance of all relevant requirements or such longer period as may be permitted by Bursa Malaysia Securities Berhad (“**Bursa Securities**”) or any other relevant authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting;

**THAT** the Board be and is hereby authorised to do all such acts and things and to execute all such documents and enter into all such transactions, arrangements and agreements, deeds or undertakings, to make such rules or regulations, or impose such terms and conditions or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient in order to give full effect to the Proposed ESOS and the terms of the By-laws;

**AND THAT** the Board be and is hereby authorised to add, modify and/or amend the Proposed ESOS, By-laws and all rules, regulations and administration relating to the Proposed ESOS and/or administration thereof, from time to time as may be permitted by the authorities or deemed necessary by the relevant regulatory authorities or the Board or any committee established to administer the Proposed ESOS, provided that such additions, modifications and/or amendments are effected and permitted in accordance with the provisions of the By-laws.

**Ordinary Resolutions 2 to 8: Proposed Allocation of ESOS Options to Director**

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 2</b>	6,091,300	98.6046	86,200	1.3954
<b>Ordinary Resolution 3</b>	6,091,300	98.6046	86,200	1.3954
<b>Ordinary Resolution 4</b>	6,091,300	98.6046	86,200	1.3954
<b>Ordinary Resolution 5</b>	211,369,312	97.2655	5,942,400	2.7345
<b>Ordinary Resolution 6</b>	216,902,412	99.8117	409,300	0.1883
<b>Ordinary Resolution 7</b>	211,369,312	97.2655	5,942,400	2.7345
<b>Ordinary Resolution 8</b>	211,369,312	97.2655	5,942,400	2.7345

The Chairman declared that Ordinary Resolutions 2 to 8 were duly carried by majority voted FOR as follows:-

## **ORDINARY RESOLUTIONS 2 TO 8**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO DIRECTORS**

**THAT** subject to the passing of Ordinary Resolution 1 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board at any time and from time to time during the duration of the Proposed ESOS, to offer and grant options to each of the directors and persons connected with them as named therein below:

- |      |                                  |                       |
|------|----------------------------------|-----------------------|
| i)   | Phang Nyie Lin                   | Ordinary Resolution 2 |
| ii)  | Phang Yeen Nung                  | Ordinary Resolution 3 |
| iii) | Phang Yeen Aun                   | Ordinary Resolution 4 |
| iv)  | Dr Abdul Manaf Bin Mohamad Radzi | Ordinary Resolution 5 |
| v)   | Sulaiman Bin Haji Ahmad          | Ordinary Resolution 6 |
| vi)  | Sim Seng Loong @ Tai Seng        | Ordinary Resolution 7 |
| vii) | Tan Mio Har                      | Ordinary Resolution 8 |

to subscribe for such number of Shares to be issued under the Proposed ESOS subject always to the following provisions:

- (a) the aggregate number of Nova Shares which may be made available under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued Nova Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;
- (b) not more than **ten percent (10%)** of the total number of Shares to be issued under the Proposed ESOS 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 total number of issued Nova Shares (excluding treasury shares, if any);
- (c) not more than **fifty percent (50%)** of the total ESOS Options available under the Proposed ESOS shall be allocated, in aggregate, to the directors and senior management of our Group who are Eligible Persons;
- (d) not more than **two percent (2%)** of the total ESOS Options available under the Proposed ESOS shall be allocated to non-executive directors who are Eligible Persons;
- (e) the directors and the senior management of our Group who are Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any; and
- (f) subject always to such terms and conditions and / or any adjustments which may be made in accordance with the provisions of the By-laws of the Proposed ESOS, the Main Market Listing Requirements of Bursa Securities and any prevailing guidelines issued by Bursa Securities, or any other relevant authorities as amended from time to time;

**AND THAT** the Board be further authorised to allot, issue and/or transfer such number of new Shares arising from the exercise of the ESOS Options that may be granted to him/her under the Proposed ESOS.

**6. CLOSURE OF MEETING**

As there was no other matter to be discussed, for which due notice had been given in accordance with the Companies Act, 2016, the meeting concluded at 12.15 p.m. with a vote of thanks to Dr Chairman and the Board of Directors.

Confirmed as a correct record,

DR ABDUL MANAF BIN MOHAMAD RADZI  
CHAIRMAN  
Date: 22 February 2022