

NOVA WELLNESS GROUP BERHAD
(the “Company”)
(Registration No. 201601025155 (1196094-M))
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FOURTH ANNUAL GENERAL MEETING (“AGM”) HELD ON MONDAY, 16 NOVEMBER 2020 AT 10.00 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

Absent with apologies : Dr Munavvar Zubaid Bin Abdul Sattar - Independent Non-Executive Director

and senior management, company secretary, external auditors, independent scrutineers, share registrar and members present personally and acting as proxies, where applicable and by corporate representatives.

At the Fourth AGM, the shareholders raised the following questions on the business and operations of the Group which were duly responded by Chairman/Management:-

NO.	QUESTION	THE COMPANY’S RESPONSES
1)	What is the status for the factory phase 2 and phase 3 expansion; and what are the new additional products and marketing plan to cater for the new capacity?	Phase 2 of the clinical trial for Hepar-P is close to completion. The Company is now in the final stage of data entry and analysis. The outcome of the trial will be known in early 2021. As for Phase 3 trial, the Company will start to prepare once the second trial results is known. The new products are essential oil, facial toner and facial cream.
2)	Hepar-P is undergoing trials, what is the target or anticipated time that Nova can obtain the necessary approval and what is the anticipated prospect if this approval is obtained?	As mentioned, the Hepar-P trial is in the final stage, the management is doing the data entry and analysis. Upon receiving the trial results in early January or February 2021, Nova will submit the result to National Pharmaceutical Regulatory Agency (NPRA) for registration and Hepatitis claim.
3)	Based on 4 th quarter financial results for the period ended 30 June 2020, the Company recorded a high administrative cost if compare to the previous quarter. What is the cause for the high administrative cost?	The high administrative cost during the 4 th quarter financial results is mainly due to the increase in the staff costs, such as staff increment and bonuses.

NOVA WELLNESS GROUP BERHAD
(the “Company”)
(Registration No. 201601025155 (1196094-M))
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FOURTH ANNUAL GENERAL MEETING (“AGM”) HELD ON MONDAY, 16 NOVEMBER 2020 AT 10.00 A.M.

NO.	QUESTION	THE COMPANY’S RESPONSES
4)	Please elaborate further on the new segments i.e. hospital and clinic. Will these be the main market contribution of Nova Group in the future?	The new segments, hospital and clinic will contribute significantly to the revenue of Nova Group. However, these segments will not be the main contributor to the Nova Group.
5)	Is CMCO impact the Nova Group’s business? Facial cream is QEM or own brand?	The performance of Nova Group was not affected by the implementation of CMCO. The Company had encountered a minor impact during MCO which implemented on mid-March 2020. However, Nova Group had obtained the approval from MITI to continue operation and not much impact in the Group’s revenue. Further, facial cream is Nova house brand products.
6)	Stage 2 of plant expansion is for what products and the estimated capital expenditure?	Stage 2 of plant extension is for existing and new skin care products. The estimated capital expenditure is RM7.56 million.
7)	It is good news that the Company made a profit of RM13 million. Hopefully the Covid-19 will not affect our performance negatively this year.	The nutraceuticals industry is even more critical during this pandemic than ever. However, Nova’s Group will continue to operate without major impact, and with extra precautions in place, whilst adhering to the requirements as directed by the various Government agencies.
8)	Based on your latest data, how many distributors do the Nova Group have now?	Nova Group has about 566 distributors including the partners under Nova Wellness Partner Program and retail pharmacies.
9)	What is your revenue target for the financial year 2021?	The Board is optimistic that the performance for the financial year 2021 will be satisfactory.
10)	Do you think the business will be impacted after vaccines release?	The Company’s business is more on prevention and nutrition. With the release of vaccines, it will not direct impact the Company’s business. However, the business of the Company will be improved subsequent to the increase of the consumer spending.

NOVA WELLNESS GROUP BERHAD
(the “Company”)
(Registration No. 201601025155 (1196094-M))
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FOURTH ANNUAL GENERAL MEETING (“AGM”) HELD ON MONDAY, 16 NOVEMBER 2020 AT 10.00 A.M.

NO.	QUESTION	THE COMPANY’S RESPONSES
11)	How long is the tax exemption for Nova?	Due to the revision and amendment to the tax framework, the application of the BioNexus status had been delayed for about 2 years. In Sep 2020, the revision of tax framework had been completed and Nova Laboratories Sdn. Bhd., a subsidiary of the Company has continued to follow up on the approval from Bioeconomy Corporation.
12)	What is the reason for the reduce in the revenue from customer A under page 160 of the annual report?	The sale of Customer A, an independent retail customer and Customer B, the OEM customer, are based on their sale order.
13)	When the Company will increase the dividend payout rate from 35% to more higher?	The declaration of dividend is depending on the profit and cash flow of the Company.
14)	Will the Company consider to provide e-wallet or company products to your loyalty shareholders who put effort and times to attend the virtual Annual General Meeting of the Company.	The Company will consider the shareholders’ recommendation to provide e-wallet or company products in the future.
15)	Is the Company plan to expand its business to overseas?	Currently, the Company is in the process to register some products Indonesia and Thailand and will penetrate in the Bangladesh market as well.
16)	In budget announcement recently, government announce lesser allocation for medication, will it impact your hospital contributions?	The budget announcement on lesser allocation for medication will not impact the Group’s revenue in the hospital segment as the medication is an essential item in both government and public sector.
17)	What is the sales online vs store?	The online sale contributed about 0.2% of the total revenue of year 2020.
18)	How effective is the publicity of the company to the public or investors?	The Company is working on this matter and hope to meet the public or investor in few months later.

NOVA WELLNESS GROUP BERHAD
(the “Company”)
(Registration No. 201601025155 (1196094-M))
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FOURTH ANNUAL GENERAL MEETING (“AGM”) HELD ON MONDAY, 16 NOVEMBER 2020 AT 10.00 A.M.

NO.	QUESTION	THE COMPANY’S RESPONSES						
19)	Can the board explain the development expenditure capitalisation policies? What are the criteria to capitalise the research and development costs (“R&D”)? Are all the R&D costs will be capitalised into intangible assets?	<p>The R&D costs is recognise as an expenses when it is incurred.</p> <p>In order to capitallise the R&D costs as an intangible assets, it must fulfill the following criteria otherwise it will be sort into the profit & loss accounts:-</p> <ul style="list-style-type: none"> i) It is technically feasible to complete the intangible asset so that it will be available for use or sale; ii) Management intends to complete the intangible asset and use or sell it; iii) There us an ability to use or sell the intangible asset; iv) It can be demonstrated how the intangible asset will generate probable future economic benefits; v) Adequate technical, financial and other resources, to complete the development and to use or sell the intangible assets, are available; and vi) Costs attributable to the intangible asset during its development can be reliably measured. 						
20)	How the Company achieve constant 10-20% growth based on its house brand product?	<p>In order to achieve 10% to 20% growth, Nova Group will focus on the following methods:-</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%;">1)</td> <td>Selection of Partner - focus on the Partner who has passion and willing to educate the consumer.</td> </tr> <tr> <td>2)</td> <td>Educate the Consumer - educate the consumer and create their loyalty by understanding the products.</td> </tr> <tr> <td>3)</td> <td>Explore opportunity - finding the new partner and looking for new market</td> </tr> </table>	1)	Selection of Partner - focus on the Partner who has passion and willing to educate the consumer.	2)	Educate the Consumer - educate the consumer and create their loyalty by understanding the products.	3)	Explore opportunity - finding the new partner and looking for new market
1)	Selection of Partner - focus on the Partner who has passion and willing to educate the consumer.							
2)	Educate the Consumer - educate the consumer and create their loyalty by understanding the products.							
3)	Explore opportunity - finding the new partner and looking for new market							
21)	Is Nova participate in Covid 19 vaccine clinical trial?	The Company is not participated in the Covid 19 vaccine clinical trial.						

NOVA WELLNESS GROUP BERHAD
(the “Company”)
(Registration No. 201601025155 (1196094-M))
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FOURTH ANNUAL GENERAL MEETING (“AGM”) HELD ON MONDAY, 16 NOVEMBER 2020 AT 10.00 A.M.

NO.	QUESTION	THE COMPANY’S RESPONSES
21)	Based on the page16, 17 and 18 of the Company’s annual report, Nova seems like a family-controlled management. How do you ensure business continuity in absence of Mr Phang Nyie Lim, the founder and the reason for investor to continue their investment in the Company?	Mr Phang Nyie Lim, the managing director of the Company, is supported by the professional and experience Independent Non-Executive Directors. They played a key role to support the next generation.
22)	When the Company is expected to list in the Main Board? What benefits for shareholders?	The Company have submitted the transfer listing documents to Securities Commission of Malaysia and Bursa Securities Malaysia Berhad and currently, the Company is pending for the approval from the authority.
23)	About GMP-compliant production facility, Nova is supposed to produce triple production compare to its production before IPO, have you achieved it as promised in the Company’s prospectus? Why?	The information in the prospectus is an estimation. The Company had completed phase 1 and started its production in year 2020.
24)	Nova is now non-Shariah compliant, how are you going to settle this problem in order to attract more potential investors? When do you expect to list Nova to the main board of Bursa Malaysia?	The reason to classify as Non-Syariah is mainly due to the Company invest in the conventional money market instead of Syariah compliance money market in order to obtain higher return. As for the transfer listing exercise, the Company had submitted the relevant documents to Securities Commission Malaysia and Bursa Securities Malaysia Berhad for their approval and have not received the approval at the moment.