

## **ESTHETICS INTERNATIONAL GROUP BERHAD**

(Company No: 408061-P)

(Incorporated in Malaysia)

MINUTES of the Twenty-Fourth Annual General Meeting of Esthetics International Group Berhad (“EIGB” or “the Company”) held on a fully virtual basis via Remote Participation and Voting facilities (“RPV”) from the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) at <https://tiih.online> on Thursday, 30 September 2021 at 2.30 p.m.

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PRESENT: Mr. Roderick Chieng Ngee Kai (in the Chair)  
Mr. Chieng Ing Huong  
Mr. Brian Chieng Ngee Wen  
Ms. Janet Chieng Ling Min  
Dato’ Chan Choun Sien  
Dato’ Dr. Noor Zalmy Azizan Binti Mohd Ali Azizan  
Ms. Corina Loi Wei Sin  
Ms. Rosie Hong May Kwee

together with a quorum of shareholders

IN ATTENDANCE: Lee Wai Ngan (Secretary)

### **1.0 COMMENCEMENT**

- 1.1 Mr Roderick Chieng, Group Managing Director and Chief Executive Officer, took the Chair and called the meeting to order at 2.30 p.m. The AGM was informed that the Executive Chairman, Mr. Eddy Chieng, was unable to be physically present in Malaysia. The Secretary had confirmed that a quorum was present.
- 1.2 The Chairman welcomed shareholders to the Twenty-Fourth Annual General Meeting (“24th AGM”) of the Company. The meeting noted that since the 24th AGM was conducted in a fully virtual environment following the Securities Commission Malaysia Guidance on the Conduct of General Meetings for Listed Issuers (“SC Guidance”), all meeting participants including the Chairman of the meeting, board members, senior management and members were required to participate in the meeting via online.
- 1.3 The Chairman introduced the members of the Board to the shareholders present.
- 1.4 The Chairman then informed the members that pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the resolutions set out in the Notice of the 24th AGM dated 30 August 2021 would be put to vote by way of a poll. For this purpose, Tricor Investor & Issuing House Services Sdn Bhd had been appointed as the Poll Administrator to facilitate the online voting process and Asia Securities Sdn. Berhad had been appointed as the Independent Scrutineers to verify the poll results for the 24th AGM.
- 1.5 The members and proxy-holders who were attending the AGM remotely were informed that they may use the query box facility under the Remote Participation

ESTHETICS INTERNATIONAL GROUP BERHAD  
Minutes of Twenty-Fourth Annual General Meeting held on 30 September 2021

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and Voting (“RPV”) facility to transmit their questions in real time during the AGM. Questions posted in the query box will be moderated to avoid repetition. The members were also informed that the online remote voting was accessible from the start of the 24th AGM until such time to be announced later.

- 1.6 Tricor investor & Issuing House Services Sdn Bhd, the Poll Administrator, briefed the Meeting on the E-Polling procedures via a video presentation.

## **2.0 NOTICE**

- 2.1 The notice convening the meeting was, with the permission of the meeting, taken as read.

## **3.0 PRESENTATION BY MR. RODERICK CHIENG, GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

- 3.1 Mr Roderick Chieng made a presentation to the shareholders giving a brief review of the financial results of the Group for the year ended 31 March 2021 and an overview of the performance of the Group in Malaysia and regionally.

## **4.0 AUDITED FINANCIAL STATEMENTS**

- 4.1 The audited financial statements of the Company for the financial year ended 31 March 2021 together with the reports of the Directors and Auditors thereon had been circulated to all members within the prescribed period and were tabled for the meeting's consideration.
- 4.2 Pursuant to Section 340(1)(a) of the Companies Act 2016, the Directors were only required to lay before the shareholders the audited financial statements. The audited financial statements do not require a formal approval and hence, are not put forward for voting.

## **5.0 FINAL SINGLE-TIER DIVIDEND [Resolution 1]**

- 5.1 Resolution 1 was with regard to the payment of a final single-tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 March 2021.

## **6.0 RE-ELECTION OF DIRECTORS**

### **6.1 Mr. Chieng Ing Huong [Resolution 2]**

Mr. Chieng Ing Huong retired by rotation as a Director at the Annual General Meeting in accordance with Article 103 of the Company's Constitution and, being eligible, had offered himself for re-election.

ESTHETICS INTERNATIONAL GROUP BERHAD  
Minutes of Twenty-Fourth Annual General Meeting held on 30 September 2021

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**6.2 Mr. Brian Chieng Ngee Wen [Resolution 3]**

Mr. Brian Chieng Ngee Wen retired by rotation as a Director at the Annual General Meeting in accordance with Article 103 of the Company's Constitution and, being eligible, had offered himself for re-election.

**6.3 Dato' Dr Noor Zalmy Azizan Binti Mohd Ali Azizan [Resolution 4]**

Dato' Dr Noor Zalmy Azizan Binti Mohd Ali Azizan retired by rotation as a Director at the Annual General Meeting in accordance with Article 103 of the Company's Constitution and, being eligible, had offered herself for re-election.

**7.0 DIRECTORS' FEES [Resolution 5]**

7.1 Resolution 5 was with regard to the payment of Directors' fees of RM156,000 for the financial year ended 31 March 2021. The interested Directors abstained from voting on this resolution.

**8.0 PAYMENT OF DIRECTORS' BENEFITS [Resolution 6]**

8.1 Resolution 6 was with regard to the payment of Directors' benefits in accordance with section 230(1) of the Companies Act 2016 up to an amount of RM304,000 from 30 September 2021 until the next AGM of the Company in 2022. The interested Directors abstained from voting on this resolution.

**9.0 RE-APPOINTMENT OF AUDITORS [Resolution 7]**

9.1 Resolution 7 tabled to the members was with regard to the re-appointment of Baker Tilly Monteiro Heng PLT as the Auditors of the Company for the ensuing year to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors. Baker Tilly Monteiro Heng PLT have indicated their willingness to accept re-appointment.

**10.0 OTHER BUSINESS**

10.1 The Company Secretary had confirmed that there were no other ordinary business to be transacted of which due notice has been given.

**SPECIAL BUSINESS**

**11.0 AUTHORITY UNDER SECTION 75 AND 76 OF THE COMPANIES ACT, 2016 [Resolution 8]**

11.1 Resolution 8 was with regard to the authority under Section 75 and 76 of the Companies Act 2016 for the Directors to issue shares.

ESTHETICS INTERNATIONAL GROUP BERHAD  
Minutes of Twenty-Fourth Annual General Meeting held on 30 September 2021

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## 12.0 QUESTIONS FROM MEMBERS

12.1 Having dealt with all items on the Agenda, the Chairman proceeded to address questions received from the Minority Shareholders Watchdog Group and from members submitted via the RPV before the Meeting and via the online query box during the Meeting and noted as follows:

- (i) EIG is a leading chain of professional skincare salons in ASEAN and Hong Kong. As the Company's services were deemed to be non-essential services, its business was affected by the lockdowns imposed by the Government to fight the Covid-19 pandemic. The Company had pivoted to telemarketing and ecommerce to sell its products during the lockdowns. The Chairman informed the meeting that the response to the Company's telemarketing business had been positive. Through telemarketing, the Company had been able to service its customers and continue to focus on growing the market. As for the investment cost, it was more in terms of creating sales material that the team can use for communication and the delivery costs for the products.
- (ii) The Company rationalised certain outlets where the business potential was not as expected in order to refocus the Group's resources to areas with higher potential and focused more on telemarketing and virtual events to support its consumers' skin health needs in light of the COVID-19 pandemic. In reply to a question on how many outlets were rationalized, the Chairman informed that there was a net reduction of 2 outlets during FY2021. The outlets that were rationalised were not generating material contributions to the Group.
- (iii) With regard to measures taken by the Company to turn around its operating loss position for its Product Distribution segment, the Chairman informed that the operating results were impacted by Covid-19 and the various lockdowns. As the economy starts to re-open, there will be a recovery in consumer traffic to haircare salon, skin care, etc. During the lockdowns, the Group focused on digital marketing and supported with virtual consumer events. The management further took measures to reduce cost and improve efficiency.
- (iv) On the nature of Other Income of the Company which rose significantly from RM1.6 million in FYE 2020 to RM10.8 million in FYE 2021, it was noted that this mainly represented rental rebates and government grants across various countries and were related to the lockdowns. Whilst the Group continued to seek for more support, these had been lower as the governments were trying to adopt various different measures when compared to the previous year.
- (v) On whether the Company is confident on business growth after the Covid-19 pandemic, the Chairman assured the members that the management is

ESTHETICS INTERNATIONAL GROUP BERHAD  
Minutes of Twenty-Fourth Annual General Meeting held on 30 September 2021

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confident about the long-term prospects for the business. The population in ASEAN has increasing income and improved living standards. The Company had been operating for 37 years and going to salons formed part of consumer's lifestyle. With the pandemic situation improving, traffic to salons will continue. The Group is also adapting its business model to ecommerce, telemarketing and virtual activities.

- (vi) On the growth drivers after the pandemic, the Group's focus was on expanding distribution channels as well as markets and aggressively recruiting new consumers for all brands through digital marketing, working with influencers and reaching new consumers. The Group will also continue to work with more new brands.

The Chairman added that the Company does not provide any forecast but are confident about the growth aspect of the beauty industry as there was more demand of beauty and wellness products to improve quality of life.

- (vii) It was noted that there were a few requests for printed copies of the Annual Report and this will be sent to shareholders accordingly.
- (viii) With regard to amount expended for the virtual AGM, the Chairman informed that it was at market rate.
- (ix) On the question of vouchers for shareholders, the Chairman informed that participating shareholders will receive e-vouchers within seven days of the 24th AGM and the e-vouchers can be used in the Clinelle, Davines Haircare and Tisserand web-shops as well as the Asterspring salons.
- (x) With regard to Covid-19 related rent concessions and government subsidies, members were informed that the wage subsidies received were mainly from Singapore, Hong Kong and Malaysia. It was anticipated that these subsidies will be lower in the current year.
- (xi) In response to a question on number of outlets allowed to be open, the Chairman informed that all corporate outlets are now allowed to operate for facial services and sales of products.
- (xii) On the amount of inventories written off, the Chairman explained that the Covid-19 pandemic and the lockdowns had resulted in the Company being unable to sell its products. It was anticipated that this will reduce as the economy opens up. The management was also looking at aggressive marketing campaigns to avoid the situation in the future.
- (xiii) On whether the Company was concerned about the falling share price, Mr. Brian Chieng responded that the past financial year saw the unprecedented Covid-19 pandemic. All skincare salons and offline retail were not allowed to operate for physical services. The Group was navigating through this in a

ESTHETICS INTERNATIONAL GROUP BERHAD  
Minutes of Twenty-Fourth Annual General Meeting held on 30 September 2021

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positive financial position.

**13.0 POLLING**

13.1 After the completion of the Question and Answer sessions, the Chairman directed that the meeting proceed with the E-Polling. As informed earlier, members and proxy-holders were allowed to submit their votes right after the commencement of the Meeting. In order to facilitate the voting of members and proxies who have yet to cast their votes, the Chairman allowed 10 minutes for the conduct of online voting before declaring the close of the voting session.

13.2 After the voting session was declared close at 3.27pm, the Meeting adjourned for approximately 20 minutes or until the Scrutineers had completed the verification of the results of the votes.

**14.0 ANNOUNCEMENT OF RESULTS**

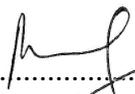
14.1 The Meeting resumed at 3.45pm when the Scrutineers presented the results to the Chairman. The results of the voting by poll, per appendix A attached to this minutes, were presented to the members and duly noted by the Meeting.

14.2 Based on the results of the voting, the Chairman declared that all the resolutions tabled at the Meeting were duly passed.

**15.0 CLOSE OF MEETING**

15.1 There being no further business to discuss, the meeting closed with a vote of thanks to the Chairman.

Signed as a correct record

  
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CHAIRMAN