

INNATURE BERHAD

Registration No. 19940134915 (320598-X)
(Incorporated in Malaysia)

Minutes of the Twenty-Eighth Annual General Meeting of the Company, conducted virtually from the broadcast venue at 12th Floor Menara Symphony, Jalan Prof. Khoo Kay Kim, 46200 Petaling Jaya, Selangor on Wednesday, 7 June 2023 at 10.00 a.m.

Present : Dato' Simon Foong Choong Heng (*Non-Independent Non-Executive Chairman*)
Datin Mina Cheah Kim Choo (*Executive Director/Managing Director*)
Ms Molly Fong Hui Sain (*Executive Director/Chief Executive Officer*)
Dato' Maznah binti Abdul Jalil (*Senior Independent Non-Executive Director*)
Tengku Datin Paduka Setia Zatahah binti Sultan Sharafuddin Idris Shah (*Independent Non-Executive Director*)
Ms Jennifer Bay (*Deputy Chief Executive Officer*)
Mr. Chia Cang Yang (*Chief Financial Officer*)
and Members and Proxies logged-in to participate in the online AGM at <https://meeting.boardroomlimited.my> as per attendance list

In Attendance : Ms Seow Fei San (*Company Secretary*)

NOTICE

Notice convening the meeting having been circulated earlier to all shareholders of the Company within the prescribed period was taken as read.

INTRODUCTION AND PRESENTATION ON THE COMPANY'S OVERALL PERFORMANCE

The Chairman welcomed Members and Proxies to the virtual meeting and introduced the Board Members and Management team, all participating from different locations through live streaming.

QUORUM

Upon confirming the presence of the requisite quorum, the Chairman called the meeting to order at 10.00 a.m.

The Meeting was then informed that Boardroom Share Registrars Sdn. Bhd. ("Boardroom") had been appointed the poll administrators and SKY Corporate Services Sdn. Bhd. as independent scrutineer to verify the poll result. The Meeting was then briefed by Boardroom on the voting procedure and how to raise questions at the Meeting through the online meeting platform.

The Chairman then shared with the Members an overview of the Company and its subsidiaries ("Group") in year 2022. The salient points of the overview were summarised as follows:

- On the back of the subsiding Covid-19 pandemic and reopening of the economy, the Company achieved 13.2% top line growth and expanded profit after tax ("PAT") by 41.7%;
- Digital and remote channels remain healthy, contributing 15.5% to the Group's revenue in 2022;

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- In October 2022, the Company completed the transfer of Natura business in Malaysia to Natura & Co, a mutual decision between both parties having considered the evolving operating environment post-pandemic;
- The Company rolled out a new sustainable store concept, the Changemaker's Workshop, in 6 locations across all Markets where the Group operates. In addition, the Company rolled-out refill stations in 40 of the Group's top stores where customers can refill their shower gels or shampoos;
- The Group continued to campaign for youth empowerment through the "Be Seen Be Heard" campaign;
- The Company maintained its 4-star rating with the FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Syariah indexes.
- The Company also achieved B Corp Certification in March 2023 and became the first certified B Corp™ public listed company in Southeast Asia; and
- For 2022, the Company declared 99.3% of the Group's reported PAT as dividends to shareholders, the highest since the Company's initial public offering.

The Chairman then invited the Chief Financial Officer to share the financial performance of the Company and its Group for the last financial year ended 31 December 2022.

The Chief Financial Officer shared the following salient information for the financial year ended 31 December 2022:

- The Group recorded a total revenue of RM149.4 million (+13.2% year-on-year) and reported PAT of RM21.3 million (+14.3% year-on-year);
- Overseas revenue contribution increased from 16% in 2019 to 22% in 2022. Retail stores revenue remained as the core contribution to the group, while contribution from digital and remote channels grew 6 times above 2019 level;
- Gross profit improved on higher top line and margin expansion due to price adjustments, lesser discounting and reduced inventory write-offs;
- Rebound in profitability for Malaysia and Cambodia following top line recovery. While for Vietnam, it recorded lower profitability as the market's top line recovery was behind the hike in operating expenses; and
- The Company has a solid balance sheet, remains asset light and in net cash financial position.

After the presentation, the Chairman began the proceeding of the business of the meeting.

1. AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS

The Chairman informed that in line with the provision of the Companies Act 2016 which does not require the Audited Financial Statements and Reports to be approved by the Members, the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon, which was circulated to the shareholders on 28 April 2023, were tabled for the Members' information and would not be put to vote.

The Chairman further informed that should any of the Members have any questions on the agenda items, Members can use the query box provided on the online platform to transmit their questions. Response to questions submitted would be provided during the Q&A session, after tabling all the resolutions.

The Chairman then declared that the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon were received and noted.

**2. AGENDA ITEM NO. 2
ORDINARY RESOLUTION 1 - TO APPROVE PAYMENT OF DIRECTORS' FEES**

The Meeting proceeded to consider the proposed payment of Directors' fees. It was proposed that the Directors' fees amounting to RM168,000 be paid to the Non-Executive Directors for their services as Directors of the Company for the period from 8 June 2023 until the next annual general meeting ("AGM").

The Chairman then put the following motion to the Meeting, to be voted upon by the Members after the Q&A session:-

"THAT approval be and is hereby given for the payment of Directors' fee up to an amount of RM168,000 with effect from 8 June 2023 until the next annual general meeting."

**3. AGENDA ITEM NO. 3
ORDINARY RESOLUTION 2 - TO APPROVE PAYMENT OF DIRECTORS' BENEFITS**

The Meeting proceeded with agenda item no. 3 on payment of Directors' benefits. The Chairman informed that the Board had proposed the payment of up to an amount of RM108,000 to the Non-Executive Directors as meeting allowances for the period from 8 June 2023 until the next AGM of the Company.

The following motion was then put to the Members, to be voted upon by the Members after the Q&A session:-

"THAT approval be and is hereby given for the payment of Directors' benefits to Directors up to an amount of RM108,000 with effect from 8 June 2023 until the next annual general meeting."

**4. AGENDA ITEM NO. 4
ORDINARY RESOLUTIONS 3 AND 4 - RE-ELECTION OF DIRECTORS**

The Ordinary Resolutions No. 3 and 4 were to consider the re-election of Datin Mina Cheah Kim Choo and Dato' Maznah binti Abdul Jalil as Directors of the Company.

The Chairman informed that in accordance with the Company's Constitution, the aforesaid Directors were subject to retirement at this meeting and being eligible, had given their respective consents and offered themselves for re-election.

The following motions were then put to the Meeting, to be voted upon by the Members after the Q&A session:-

4.1 ORDINARY RESOLUTION 3 - RE-ELECTION OF DATIN MINA CHEAH KIM CHOO

"THAT Datin Mina Cheah Kim Choo retiring pursuant to Article 106 (1) (b) of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

4.2 ORDINARY RESOLUTION 4 - RE-ELECTION OF DATO' MAZNAH BINTI ABDUL JALIL

"THAT Dato' Maznah Binti Abdul Jalil retiring pursuant to Article 106 (1) (b) of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

**5. AGENDA ITEM NO. 5
ORDINARY RESOLUTION 5 - APPOINTMENT OF AUDITORS**

The chair was handed back to Dato' Simon Foong and the Meeting proceeded to consider the appointment of KPMG PLT as Auditors of the Company.

The following motions were then put to the Meeting, to be voted upon by the Members after the Q&A session:-

"THAT KPMG PLT be and is hereby appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting AND THAT the Directors be and are hereby authorised to determine their remuneration."

**6. AGENDA ITEM NO. 6
ORDINARY RESOLUTION 6 - AUTHORITY TO ALLOT SHARES**

The Meeting then proceeded to consider on giving authority to the Directors to allot shares of up to 10% of the total number of issued shares of the Company as set out in the Notice of the Meeting dated 28 April 2023.

The rationale and effect of the proposed ordinary 6, if passed, were explained under Explanatory Notes of the Notice of Meeting.

The Chairman then declared that the Ordinary Resolution 6 as set out in the Notice of this meeting be taken as read. The said motion, detailed hereunder was then put to the meeting for consideration and to be voted upon after the Q&A session:

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“THAT subject always to the Companies Act 2016 (“Act”) and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

AND THAT pursuant to Clause 55 of the Constitution, direction to the contrary of pre-emptive rights under Section 85 of the Companies Act 2016 be and is hereby given for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company.”

7. AGENDA ITEM NO. 7

The last item on the agenda for the meeting was to transact any other business of which due notices shall have been received in accordance with the Companies Act 2016. The Meeting was informed that no notice of any other business for transacting at the meeting was received.

8. QUESTION AND ANSWER SESSION

The Chairman invited the Managing Director to respond to the questions raised by shareholders. A summary of the responses to the questions raised, including those that were not answered during the meeting, are appended to this Minutes.

Datin Mina informed that the Company had received some questions from the Minority Shareholders Watch Group (“MSWG”) and she would address their questions before taking the live questions.

Upon the conclusion of the Q&A session, the Meeting proceeded to take the poll on all the resolutions tabled.

9. TAKING OF POLL AND ANNOUNCEMENT OF RESULT

The Meeting was then briefed on the procedure of poll voting and requested the Members and proxies to vote.

The meeting was adjourned for poll voting and counting of votes.

The meeting resumed at 11.00 a.m. and with the following poll results presented to the Chairman, the Chairman declared that all the 6 resolutions tabled at this meeting were carried:

RESOLUTION	Vote FOR			Vote AGAINST			TOTAL Vote	
	RECORDS	SHARES	%	RECORDS	SHARES	%	RECORDS	SHARES
ORDINARY RESOLUTION 1	122	61,324,231	99.9002	30	61,248	0.0998	152	61,385,479
ORDINARY RESOLUTION 2	119	61,300,821	99.8623	32	84,558	0.1377	151	61,385,379
ORDINARY RESOLUTION 3	142	589,805,657	99.9745	18	150,310	0.0255	160	589,955,967
ORDINARY RESOLUTION 4	122	549,417,237	93.1346	35	40,500,430	6.8654	157	589,917,667
ORDINARY RESOLUTION 5	145	589,919,358	99.9980	14	11,609	0.0020	159	589,930,967
ORDINARY RESOLUTION 6	123	544,248,137	92.2562	36	45,682,830	7.7438	159	589,930,967

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CLOSURE

There being no further business, the meeting closed at 11.05 a.m. with a vote of thanks to the Chairman.

CONFIRMED

CHAIRMAN

Dated: 5 July 2023

APPENDIX: QUESTIONS AND ANSWERS

NO.	QUERIES	MANAGEMENT RESPONSE
1	<p>MSWG: Q1: How does the Company strategically respond to the increasing dominance of e-commerce in the retail industry to maintain competitiveness and drive revenue growth?</p> <p>Q2: Does the Company plan to reduce their reliance on physical points-of-sale and increase their revenue streams via online and digital channels in the retail industry?</p>	<p>We are among the pioneer retail players to launch our own brand.com website in 2012. Since then, we have rolled out e-commerce in our overseas markets, and we are also present at all major 3rd party e-commerce marketplace.</p> <p>Total digital and remote channels of the Group in 2022 contributed almost 16% to group revenue, 6 times above 2019 level.</p> <p>Physical points-of-sale remain an important channel to us for customer engagement and branding. In 2022, we rolled out our most sustainably designed space the Changemaker's Workshop in 6 locations across all our markets. This new store format is giving a better ROI and so we will continue with the roll out in 2023.</p>
	<p>MSWG: Q3: If yes, how does the Company plan to gain digital market share and enhance its presence in the online retail space? What digital initiatives or partnerships are being considered to achieve this goal?</p> <p>Q4: If no, what measures, if any, has the Company taken to optimize the performance and profitability of its physical points-of-sale, considering the increasing shift towards online and digital channels in the retail industry?</p>	<p>We monitor to ensure operating costs commensurate with the business growth. Where a location is no longer tenable, we will plan for exit or relocation when the lease expires. The Group recorded a net closure of 3 stores in 2022.</p> <p>Moving forward, we will expand our stores when the right opportunities surface. We want to invest in strategic locations for higher impact and higher productivity.</p>
	<p>MSWG: Q5: What is the Company's expansion strategy for its physical retail network? Are there any specific regions or markets that will be targeted?</p>	<p>We have cautious optimism for an improving situation regarding country and political stability, global supply chain improvements and our own strategies for success.</p>

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NO.	QUERIES	MANAGEMENT RESPONSE
	<p>What factors will be considered in the strategic expansion?</p> <p>Q6: Given the Company's cautious optimism regarding its outlook for FY2023, have any growth opportunities or markets been identified that could potentially enhance the overall prospects?</p>	
	<p>MSWG: Q7. What strategic approach does the Company employ to capitalize on the seasonal dynamics, such as Chinese New Year, Tet celebrations, and Ramadan, to drive sales growth and increase revenue?</p>	<p>Being a Brand that is rooted in the local Community, we of course celebrate all major festivities. Not just for our customers but also our staff. Providing a joyous working and shopping environment is good for business.</p>
2	2023 outlook and strategies	<p>The Group encountered a challenging 1Q2023 with consumer sentiment weighed down by cost-of-living issues and higher interest rates, as well as the shift in festive calendars. Despite the challenges, we have made some progress in our operations. Overall GP margin of the Group in 1Q2023 has improved as a result of price adjustments in 2022 as well as careful management of promotional discounts. Productivity of our stores in Malaysia has shown improvement whilst tourist prone stores recorded encouraging revenue rebound. Our business in Cambodia continues to thrive during the current quarter under review. Our Deputy CEO is stationed in Ho Chi Minh City to drive changes essential for our Group's sustainable growth.</p> <p>We do expect an equally challenging 2nd quarter ending 30 June 2023 with ongoing macro headwinds impacting consumer sentiment and supply chain challenges. Nevertheless, we believe our Group will be profitable and our long-term trajectory remains intact.</p>

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NO.	QUERIES	MANAGEMENT RESPONSE
		We will continue to focus on delivering value to our customers on their personal care needs, and work on improving productivity and operational efficiency. Expansion of our physical points-of-sale will continue in a strategic manner. We remain ready to take on any opportunity that presents itself.
3	<p>Compliments to the Board and Management for another year of good performance despite the challenges faced. Noted that the Board has been careful in utilising the proceeds from IPO planned for capital expenditure of which a balance of RM22.619 million still available.</p> <p>(1) What is the budget for stores opening and capex for FY2023?</p> <p>(2) What are the expansion plans for Thailand and Cambodia in FY2023?</p>	The average capex per new stores is approximately RM500k. For FY2023, we are looking at opening 4 to 5 new stores in our Markets, including 1 each in Vietnam and Cambodia. The Body Shop Thailand is operated by a different franchisee.
4	As a customer of The Body Shop, can the management consider allowing its customers to refill selected products such as shampoo or body wash by using existing bottles purchased earlier from The Body Shop instead of having to purchase another refill container? This is another way to reuse the existing bottles of similar product which are still in very good condition.	Due to hygiene reasons, we offer refills in our aluminum bottles as we can guarantee the product quality and hygiene of those bottles due to the long-lasting material.
5	How much does the company spend on this virtual AGM?	<p>We spent around RM15,000 on this virtual AGM.</p> <p>As with last year, we will be emailing e-gift voucher for purchases of The Body Shop products to all our AGM attendees within a week.</p>

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NO.	QUERIES	MANAGEMENT RESPONSE
	<p>Would the BOD kindly give e- voucher (not discount voucher please) as a token of appreciation for taking time and effort to participate in this RPV.</p> <p>I would like to request a printed hard copy of the company annual report.</p> <p>May I know when the company going back to physical AGM? Please advise.</p>	<p>For mode of AGM, we think that virtual AGM remains a better option as it provides greater flexibility and engagement opportunities for all of our shareholders regardless of their location.</p>
6	<p>Kindly advise your ESG policy, target and contribution for 2024. Thanks.</p>	<p>Our ESG policy, targets and results are found in our Sustainable Statement within our Annual Report and also in our Commitment Statements on our InNature website. A particular achievement which our Chairman has highlighted earlier is our B Corp certification which reflects your Company's high standards of social and environmental performance.</p>
7	<p>Hi good morning, here is my questions:</p> <p>(1) Since the abortion of agreement on Natura brand business, does InNature intend to take up other brands of wellness as distributor besides that from Natura & Co?</p> <p>(2) It seems that Vietnam The Body Shop business is not doing so well compare to Malaysia, can you explain further what is the challenges facing Bodyshop in Vietnam as compare to Malaysia?</p>	<p>Our immediate focus is on our current business given the challenging operating environment. Nevertheless, we remain open to opportunities for expansion.</p> <p>Our Vietnam market faced similar external macro challenges leading to poor consumer sentiments, as well as supply chain challenges and rising costs.</p>
8	<p>What are strategies implement by company to survive from competition?</p>	<p>We are constantly releasing new and innovative products, which have real benefits for consumers and address new and emerging consumer needs above and beyond our competition.</p>

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NO.	QUERIES	MANAGEMENT RESPONSE
		<p>We have also been deploying marketing that focuses on benefits at 3 levels, what they do for the customer, for the community and for the planet to ensure customers understand our unique brand proposition and the efficacy of our products as compared to our competition.</p> <p>Our approach to the retail business is omnichannel. We will continue to invest in our digital and remote channels to increase the reach and visibility of our brand to customers. We will also seek the right opportunities to expand our physical points of sale.</p>
9	How does the Company respond to depreciation of Ringgit Malaysia and would it impact the profit margin of Company for FY 2023?	Our main forex exposure comes from purchase of products from The Body Shop International which is in GBP. We have short-term forex forward facilities in place to manage forex fluctuation.
10	Do you observe any differences in consumer spending behaviour across different countries? If yes, how do you accommodate your strategy to capture the sales?	Consumers are now seeking more convenience and value in their purchases. Our approach to the retail business is omnichannel, where we want to be able to attend to our customers' needs through channels most convenient to them. We will continue to invest in our digital and remote channels to increase the reach and visibility of our brand to customers.
11	Can you advise how many carbon have InNature produce and can InNature achieve Zero emission on 2025? Thanks	Our energy and emissions data are reported in the Sustainable Statement of our Annual Report. As a franchisee of The Body Shop International, we are in full support of our franchisor's commitment to achieve net zero emissions by 2030.
12	Could you please update the status on Bursa requirement for minimum % of share distributed to public/market.	As announced on 12 May 2023, the Company has complied with the minimum public shareholding spread following the discovery that a substantial shareholder's shareholding in the Company is held through closed-end funds, unit trusts or investment funds. Hence, these shares are considered "public" pursuant to the Listing Requirements. With that, the public shareholding spread of the Company is 25.004%.

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NO.	QUERIES	MANAGEMENT RESPONSE
13	<p>The Ringgit's depreciated considerably against the USD and Pound Sterling.</p> <p>The 2022 Annual Report showed that the impact from the depreciation of the RM against these 2 currencies as minimal.</p> <p>Can the Managing Director let shareholders know how the Company managed the increasing higher cost of imported The Body Shop products? Thank you.</p>	<p>In 2022, we increased prices of our existing products by an average of 7%. The new and rejuvenated products are already selling at higher price point. ,. We will review our prices from time to time in line with our market positioning to protect our margins.</p>