vision
• the leading beauty and wellness company in ASEAN and HK

mission
• product and service innovation
• people oriented
• performance driven and profit sustainability

core values
• passion
• entrepreneurship
• result focused
• fulfillment for our people
• excellence in all we do
• collaborative genius
• trust
1 vision

32 years’ history

9 countries reached in ASEAN and HK

75 corporate outlets

700 employees

over 2500 distribution points
AsterSpring’s signature hand techniques deliver great results.

Jennie Cheah
Legal Associate
AsterSpring customer for 6 years
welcome to your best skin ever.
the #1 choice of skin care professionals worldwide
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"I don't have to worry because they only use products that are harmless to my skin and the environment."

Roselyna Latiff
Director

“The Hands I Can Trust”

For 30 years now, AsterSpring has devoted ourselves to deliver the best in skin health through the hands of our professional skin therapists. Today, beyond our awards and achievements, the most rewarding accomplishment for us is the relationships we have built with our customers, through our 70 centres in 4 countries. Thank you for trusting yourselves in our hands and saying that AsterSpring is "The Hands I Can Trust".

The leading professional skincare centre in Malaysia • Singapore • Hong Kong • Thailand since 1984. Wholly owned and managed by

www.aster spring.com
1. Opening of our new AsterSpring retail kiosk at Aeon Shah Alam, Malaysia
2. Our AsterSpring Singapore team receiving the Service Excellence Award for the 6th consecutive year
3. Opening of our AsterSpring Signature at Atria Shopping Gallery, Malaysia
4. Opening of our AsterSpring at Suntec City Mall, Singapore
5. Opening of our Dermalogica retail kiosk at Citylink Plaza Shatin, Hong Kong
6. Opening of our AsterSpring at Aeon Bukit Indah, Malaysia
Clinelle®
PureSWISS HYDRAcalm

72 Hr. Hydration with Natural Hyaluronic Acid

NEW

Clinelle®
PureSWISS Hydration Lotion

Clinelle®
PureSWISS Hydration Gel

Light Weight & Non-Sticky

6 Nos
No Artificial Fragrance
No Artificial Colouring
No C locomogenic Ingredients
No Mineral Oil
No SD-alcohol
No Lanolin

Formulated & Manufactured In FRANCE

Natural Hyaluronic Acid
Penetrates deeper into skin to replenish & lock in moisture for 72hrs

3x Hydralcalm Action

PureSwiss Thermal Spring Water
A hydra booster that instantly hydrates & revitalizes skin

Bio-Calm Complex
Calm, restore and strengthen skin defense system

Available at: ATOM, Watsons, Caring, Guardian, Watsons & Selected Independent Pharmacies
1. Clinelle Superstar Brand Ambassador Ella Chen signing the backdrop at the Clinelle Caviar Gold launch

2. Clinelle Caviar Gold launch with Clinelle Superstar Brand Ambassador Ella Chen

3. Clinelle Caviar Gold Launch Event in Ipoh, Malaysia

4. Photo with fans during Clinelle Caviar Gold Launch in Johor Baru, Malaysia

5. Clinelle BodyFitness launch with Clinelle Brand Ambassador Hero Tai

6. Physicians Formula media launch with Watsons Malaysia
OI Davines OI is a line of products conceived for an absolute beauty on all kinds of hair.

**OI / OIL.**
A multifunctional treatment, designed for all hair types

**OI / SHAMPOO**
Delicate and creamy shampoo

**OI / CONDITIONER**
Creamy hair conditioner

**OI / ALL IN ONE MILK**
Leave in multi-benefit spray treatment enriched with roucou oil

**OI / HAND BALM**
A gentle touch of beauty that leaves your hands soft and silky

**ABSOLUTE BEAUTY**
Immediately visible cosmetic effect

**FLEXIBILITY AND VERSATILITY**
Products designed to perform several functions Recommended for all hair and skin types

**SENSORIAL EXPERIENCE**
Rich textures
Sophisticated, luxurious fragrance

**ADVANCED FORMULAS**
Paraben and sulfate free, With Roucou oil for anti-aging and anti-free radical effect

**SUSTAINABILITY**
Zero impact packaging
Energy from renewable sources

Exclusively Distributed by
EIG Haircare Sdn Bhd (formerly known as Esthetics Concept Sdn Bhd)
Lkr 31, Jln Bercham 15/21, Bandar Kinrara, Selangor 40200, Malaysia
Tel: +03 7809 6644 Fax: +03 7809 6605 www.estheticsgroup.com
1. Dermalogica Congress 2015 in Las Vegas, USA
2. Presenting our brands at the 2015 Cosmobeauté Asia Expo in Malaysia
3. Sharing with our customers for business growth at our EIG Business Communication Session
4. Launching Youngblood Mineral Cosmetics in Malaysia
5. Our own Bioxil Innertreats Vitalzyme being featured during the SHAPE Fitness Festival in Malaysia
6. Launching Youngblood Mineral Cosmetics in Thailand
7. Davines Essential Haircare launch in Malaysia
AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2016 together with the Directors’ and Auditors’ Reports thereon. Please refer to Explanatory Note A

2. To approve the payment of a final single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 March 2016. Resolution 1

3. To re-elect the following Directors who are retiring pursuant to Article 87 of the Company’s Articles of Association:
   a) Mr Roderick Chieng Ngee Kai Resolution 2
   b) Mr Lee Cheow Fui Resolution 3

4. To consider and, if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act, 1965:
   “THAT Tan Sri Dato’ Mohd Ismail Bin Che Rus, retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting”.
   Resolution 4

5. To consider and, if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act, 1965:
   “THAT Dr Chu Siew Mun, retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting”.
   Resolution 5

6. To approve the payment of Directors’ fees of RM165,000.00 for the financial year ended 31 March 2016. Resolution 6

7. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 7

8. To consider any other business that can be transacted in an annual general meeting of which due notice shall have been received.
NOTICE OF ANNUAL GENERAL MEETING
19TH ANNUAL GENERAL MEETING (cont’d)

As Special Business

To consider and, if thought fit, to pass the following Resolution:-

Ordinary Resolution

9. Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

“THAT pursuant to Section 132D of Companies Act, 1965, the Directors be and are hereby authorised to 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 does not exceed ten per centum (10%) of the issued Share Capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.”

BY ORDER OF THE BOARD

LEE WAI NGAN (LS 00184)
Secretary
Shah Alam, Malaysia
29 July 2016

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply.

2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of the attorney.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 11, Jalan Astaka U8/88, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

5. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 19 August 2016 (“General Meeting Record of Depositors”) and only a Depositor whose name appears in the General Meeting Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTE A

6. This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

EXPLANATORY NOTES TO THE SPECIAL BUSINESS

7. Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

Ordinary Resolution 8, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten percentum (10%) of the issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The mandate sought is a renewal of the mandate given by the Shareholders of the Company at the Eighteenth Annual General Meeting held on 25 August 2015. As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors and accordingly, no proceeds were raised.

The purpose for the renewal of the general mandate is to avoid any delay and additional costs in convening a general meeting to specifically approve such an issue of shares in the event of any possible fund raising activities for the purpose of funding future investments, expansion, additional working capital, etc. which may require the allotment and issuance of new shares.
ESTHETICS INTERNATIONAL GROUP BERHAD
Lot 11, Jalan Astaka U8/88
Bukit Jelutong, Seksyen U8
40150 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel: +603 7809 6688
Fax: +603 7809 6699

EIG GLOBAL PTE LTD
60 Paya Lebar Road
# 09-28 Paya Lebar Square
Singapore 409051
Tel: +65 6271 4733
Fax: +65 6274 4889

EIG (THAILAND) CO LTD
48/28 Soi Rungreung,
Ratchdapisek Road
Samsen Nok, Huai Khwang
Bangkok 10310
Thailand
Tel: +662 276 3978
Fax: +662 276 3979

PT EIG DERMAL WELLNESS INDONESIA
Rukan Puri Niaga II,
Jl. Puri Kencana Blok J1
No. 3Q, Kembangan Selatan
Jakarta Barat 11610
Indonesia
Tel: +6221 5830 4118
## ASTERSPRING OUTLET LOCATION

### MALAYSIA

<table>
<thead>
<tr>
<th>Location</th>
<th>Outlets</th>
</tr>
</thead>
</table>
| **Kuala Lumpur** | - Bangsar Shopping Centre  
- Pavilion Kuala Lumpur  
- Suria KLCC  
- Mid Valley Kuala Lumpur  
- Sri Hartamas Shopping Centre  
- Leisure Mall, Cheras  
- AEON Metro Prima, Kepong  
- Ampang Point, Ampang  
- AEON Taman Maluri  
- Pavilion Kuala Lumpur*  
- Suria KLCC* |
| **Selangor** | - 1 Utama Shopping Centre  
- Sunway Pyramid Shopping Centre  
- IOI Mall, Puchong  
- SACC Mall, Shah Alam  
- Bukit Tinggi, Klang  
- Bangi  
- Metro Point Kajang  
- Setia City Mall  
- Paradigm Mall, Kelana Jaya  
- Empire Shopping Gallery Subang  
- Jaya Shopping Centre  
- Atria Shopping Gallery  
- IOI City Mall  
- AEON Mall, Shah Alam* |
| **Penang** | - Greenlane  
- Gurney Plaza  
- Queensbay Mall  
- Gurney Paragon  
- Straits Quay  
- Seberang Jaya, Bukit Mertajam  
- Tebrau, Johor Baru  
- AEON Tebrau City Shopping Centre*  
- AEON Bukit Indah |
| **Kedah** | - Alor Setar Mall |
| **Melaka** | - AEON Bandaraya Melaka |
| **Kota Baru** | - KB Mall  
- AEON Mall, Kota Baru |
| **SINGAPORE** | - The Centrepoint  
- Century Square  
- Compass Point  
- HarbourFront Centre  
- Parkway Parade  
- Plaza Singapura  
- White Sands  
- AMK Hub  
- nex@serangoon  
- Sembawang Shopping Centre  
- The Clementi Mall  
- JEM  
- Junction 8  
- Bedok Mall  
- The Seletar Mall  
- Suntec City Mall |
| **HONG KONG** | - Henry House, Causeway Bay  
- Century Square, Central  
- Hong Kong Pacific Centre, Tsim Sha Tsui  
- Hysan Place, Causeway Bay*  
- SOGO, Tsim Sha Tsui*  
- Manning House, Central*  
- Citylink Plaza, Shatin*  
- Maritime Square, Tsing Yi* |
| **THAILAND** | - Life Centre, Sathorn  
- Esplanade Ratchada, Bangkok  
- Future Park Rangsit  
- Terminal 21  
- Siam Square One, Bangkok  
- Promenade, Bangkok  
- Siam Paragon*  
- The Mall Bangkae*  
- Emporium*  
- Central Chidlom*  
- Siam Discovery* |

* Kiosks
With 32 years of experience, EIG is one of the market leaders in the beauty and wellness industry in ASEAN and Hong Kong focused on the following business lines:

(a) Product Distribution

EIG is one of the leaders in building and distributing professional beauty and wellness brands in ASEAN and Hong Kong with an extensive distribution network to more than 1,000 independent professional salons across the region.

EIG is the exclusive distributor for a number of leading international brands such as Dermalogica professional skincare, Youngblood mineral cosmetics, Davines professional haircare, evo professional haircare, LPG professional skin care equipment, Bio-Therapeutic professional skin care equipment, and Tisserand Aromatherapy. EIG also develops and distributes its own Bioxil Innertreats inner supplements range which helps to promote inner wellness with safe and effective ingredients.

For the Fast Moving Consumer Goods (FMCG) segment, EIG also develops and distributes our own FMCG skin care brand, Clinelle, which is distributed through over 1,900 pharmacies and high traffic retail outlets throughout Malaysia and Hong Kong. Clinelle focuses on safe, efficacious and affordable skincare products which achieves proven results and are manufactured in countries such as USA, France and South Korea. EIG is also the exclusive distributor for Physician’s Formula, one of the leading FMCG cosmetic brands from USA.

(b) Corporate Salons

EIG owns and operates 75 corporate outlets comprising 61 AsterSpring skin care salons and 14 retail stores strategically located in key shopping malls and retail locations in Malaysia, Singapore, Hong Kong and Thailand. AsterSpring is today one of the leaders in professional skin care salons in Asia with millions of faces treated over 32 years.

BOARD OF DIRECTORS

Eddy Chieng Ing Huong  
(Executive Chairman)
Roderick Chieng Ngee Kai  
(Group Managing Director and Chief Executive Officer)
Brian Chieng Ngee Wen  
(Executive Director)
Tan Sri Dato’ Mohd Ismail Bin Che Rus  
(Senior Independent Non-Executive Director)
Dr Chu Siew Mun  
(Independent Non-Executive Director)
Tony Lee Cheow Fui  
(Independent Non-Executive Director)
Dato’ Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan  
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman:  
Tan Sri Dato’ Mohd Ismail Bin Che Rus

Members:
Dr Chu Siew Mun
Tony Lee Cheow Fui
Dato’ Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan

NOMINATING COMMITTEE

Chairman:  
Tan Sri Dato’ Mohd Ismail Bin Che Rus

Members:
Dr Chu Siew Mun
Tony Lee Cheow Fui
Dato’ Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan

RENUMERATION COMMITTEE

Chairman:  
Eddy Chieng Ing Huong

Members:
Tan Sri Dato’ Mohd Ismail Bin Che Rus
Dr Chu Siew Mun
GROUP FINANCIAL HIGHLIGHTS AND FIVE-YEAR FINANCIAL SUMMARY

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<tr>
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<th>31.03.2012 (RM’000)</th>
<th>31.03.2013 (RM’000)</th>
<th>31.03.2014 (RM’000)</th>
<th>31.03.2015 (RM’000)</th>
<th>31.03.2016 (RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>132,340</td>
<td>134,414</td>
<td>142,984</td>
<td>150,779</td>
<td>158,342</td>
</tr>
<tr>
<td>EBITDA</td>
<td>11,481</td>
<td>15,940</td>
<td>24,720</td>
<td>26,811</td>
<td>28,664</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>5,231</td>
<td>11,021</td>
<td>20,383</td>
<td>20,972</td>
<td>21,523</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>1,549</td>
<td>7,251</td>
<td>15,485</td>
<td>16,162</td>
<td>16,377</td>
</tr>
<tr>
<td>Net Profit Attributable To Equity Holders</td>
<td>1,751</td>
<td>7,253</td>
<td>15,485</td>
<td>16,162</td>
<td>16,377</td>
</tr>
<tr>
<td>Total Assets</td>
<td>143,754</td>
<td>153,571</td>
<td>178,791</td>
<td>212,797</td>
<td>251,177</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>33,320</td>
<td>36,000</td>
<td>52,121</td>
<td>73,412</td>
<td>79,243</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>110,391</td>
<td>117,530</td>
<td>126,670</td>
<td>139,385</td>
<td>171,934</td>
</tr>
<tr>
<td>Cash And Short Term Cash Investments</td>
<td>49,140</td>
<td>62,748</td>
<td>59,917</td>
<td>63,905</td>
<td>63,021</td>
</tr>
<tr>
<td>Number Of Shares*</td>
<td>184,800</td>
<td>184,800</td>
<td>184,919</td>
<td>185,501</td>
<td>232,401</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>1.22**</td>
<td>3.92</td>
<td>8.38@</td>
<td>8.73#</td>
<td>8.73^</td>
</tr>
<tr>
<td>Net Assets Per Share</td>
<td>0.60</td>
<td>0.64</td>
<td>0.69</td>
<td>0.75</td>
<td>0.74</td>
</tr>
<tr>
<td>Return On Equity</td>
<td>1.6%</td>
<td>6.2%</td>
<td>12.2%</td>
<td>11.6%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Return On Total Assets</td>
<td>1.2%</td>
<td>4.7%</td>
<td>8.7%</td>
<td>7.6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Gearing Ratio</td>
<td>–</td>
<td>–</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Gross Dividend Per Share</td>
<td>–</td>
<td>2.5</td>
<td>3.0</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Gross Dividend Rate Per Share</td>
<td>–</td>
<td>5.0%</td>
<td>6.0%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Share Price As At Financial Year End</td>
<td>0.38</td>
<td>0.50</td>
<td>1.21</td>
<td>1.00</td>
<td>0.82</td>
</tr>
</tbody>
</table>

* Ordinary shares of RM0.50 each
** Based on weighted average number of ordinary shares of 143,685,000
@ Based on weighted average number of ordinary shares of 184,821,000
# Based on weighted average number of ordinary shares of 185,143,000
^ Based on weighted average number of ordinary shares of 187,643,000
Dear Valued Shareholders,

The year ended 31 March 2016 (FY2016) saw economies in our Group’s region undergo increasingly challenging economic circumstances. In Malaysia, the implementation of Goods and Services Tax (GST), together with the rollback of fiscal subsidies, weakening of the Malaysian Ringgit against the US Dollar, lower commodity prices and increasing unemployment resulted in weak consumer confidence, with the Malaysian Institute & Economic Research (“MIER”) consumer sentiment index falling to the lowest level on record in 14 years.

In Hong Kong, the decline in mainland Chinese tourist arrivals following the Occupy Central and Yellow Umbrella protests and strengthening of the Hong Kong Dollar resulted in retail sales declining year-on-year for 14 consecutive months, while in Singapore the weaker economic growth and outlook also resulted in falling consumer prices which, at the time of writing, was for 17 consecutive months. In Thailand, consumer sentiment remains soft as the weaker global economic outlook has resulted in softer export demand and therefore impacting economic activity.

The year in review also saw the unprecedented depreciation of regional currencies, particularly the Malaysian Ringgit (MYR) by more than 30% against the US Dollar (USD), with the USD:MYR rate reaching a peak of 4.46 during the year, surpassing even the peak seen during the 1997/1998 financial crisis. This resulted in higher inventory costs for the Group as the majority of the Group’s products are imported from USA.

In addition, the weak consumer sentiment and pullback in consumer spending saw competitors continue aggressive discounting and promotional activities. As a result, the Group had to continue to offer more promotions to remain competitive while still continuing to build our brands with innovative marketing strategies. Together, this combination resulted in increased pressure on the Group’s profit margins.

However, with the contribution from new brands and products launched during the past year, as well as higher contributions from the Group’s operations in Singapore and Hong Kong due to organic growth as well as the strengthening of the Hong Kong Dollar (HKD) and Singapore Dollar (SGD) against the MYR, the Group was able to maintain its topline position with revenue of RM158.3 million for FY2016, which was 5.0% higher than FY2015, while profit before tax was 2.6% higher at RM21.5 million.

Given the uncertain macroeconomic outlook, and to demonstrate our commitment to the long-term prospects of the Group, the Group’s largest shareholder, Providence Capital Sdn Bhd, invested a further RM22.4 million in the Group by converting its EIG Warrants ahead of the Warrants expiry date of 3 January 2017. With a further strengthened financial position with RM251.2 million in total assets and cash and short term cash investments of RM63.0 million, the Group is well positioned to navigate the uncertain and challenging conditions ahead, while also having the financial resources to invest in areas of strategic priority.

The Group’s cash and short term cash investments balance of RM63.0 million as at 31 March 2016 is net of funding RM4.8 million for the renovation of 9 new corporate outlets comprising of 6 AsterSpring salons and 3 retail kiosks across Malaysia, Singapore, Hong Kong and Thailand, as well as the refurbishment of another 5 aged outlets. This investment demonstrates our commitment to continuing the strategic expansion and upgrade of our network of corporate outlets in the region, which contributed 57% of the Group’s revenue in FY2016. Over the past 3 years alone, the Group has invested a total of RM15.9 million in our corporate outlets to strengthen our position as one of the leading chains of professional skin care salons in ASEAN and HK.
In addition, the Group’s cash and short term cash investments balance at 31 March 2016 is also after payments for key infrastructure to further grow our presence in the region over the long term. This includes the renovation of our new corporate office in Singapore at Paya Lebar Square, renovation of EIG Thailand’s own office building in central Bangkok, as well as our first office and warehouse in Jakarta for EIG Indonesia.

During the year, we announced the early renewal of our exclusive Distributorship Agreement with Dermalogica, Inc. With the signing of the renewed Distributorship Agreement, EIG will continue to be the exclusive distributor for Dermalogica skin care products in seven (7) countries, namely Malaysia, Indonesia, Hong Kong, Singapore, Thailand, Brunei and Philippines as well as the authorized and designated supplier of Dermalogica products to Vietnam and Cambodia, for a period of five (5) years effective from 1 July 2015, with the option to renew for a further period of five (5) years to 30 June 2025.

EIG has been the exclusive distributor of Dermalogica skin care products since 1989 and currently distributes Dermalogica through EIG’s 75 wholly-owned AsterSpring professional skin care salons and retail kiosks in Malaysia, Singapore, Hong Kong and Thailand as well as EIG’s professional distribution network to over 1,000 independent professional salons across ASEAN and Hong Kong.

Established in 1986, Dermalogica is the leading professional skincare brand worldwide and Dermalogica products and professional treatments are currently sold in over 80 countries around the world. The renewal of EIG’s exclusive Distributorship Agreement followed the announcement by Unilever of its acquisition of Dermalogica as part of Unilever’s new Prestige division, which is exclusively dedicated to select distribution and premium personal care brands. Unilever is one of the world’s leading suppliers of Food, Home and Personal Care products with sales in over 190 countries and reaching 2 billion consumers a day.

In terms of geographic expansion, our wholly-owned subsidiary in Indonesia commenced operations in May 2016 and we remain positive about the long-term potential and opportunities in this strategic market which has the largest population in ASEAN of 250 million people. As noted above, to demonstrate our commitment to build our business in Indonesia, we have acquired our own office and warehouse comprising of two adjacent properties in central West Jakarta which is strategically located to serve our growth throughout Jakarta first, and then towards other parts of Indonesia.

DIVISIONAL PERFORMANCE

a) Product Distribution

i) Professional Distribution

Professional Distribution is our distribution network to more than 1,000 independent professional salons across ASEAN and Hong Kong, and accounted for 32% of our Group’s revenue in FY2016.

EIG is the exclusive distributor for a number of leading international brands such as Dermalogica professional skincare, Youngblood mineral cosmetics, Davines professional haircare, evo professional haircare, Tisserand Aromatherapy and Bio-Therapeutic professional skin care equipment.

Youngblood is a leading natural mineral cosmetics brand from USA with more than 18 years of history, sold in 48 countries worldwide and more than 2,800 salons, spas and retail outlets in USA alone. EIG has the exclusive rights to sell and distribute Youngblood cosmetic products through professional salons and select retail outlets in 13 countries across ASEAN, Hong Kong, Taiwan and Macau.

EIG is also the exclusive distributor for Davines professional hair care products in Malaysia, Singapore, Brunei, and Thailand, and evo professional hair care products for 11 countries across ASEAN and HK. Davines is one of the leading professional hair care brands which was founded in Italy in 1983 and sold in more than 80 countries worldwide, while evo is an innovative professional hair care brands from Australia which is distributed in 22 countries worldwide and more than 1,000 professional hair salons in Australia alone.
EIG is also the exclusive distributor for Bio-Therapeutic (‘BT’) professional skin care equipment in Malaysia, Singapore, Brunei and Thailand, with a first right of refusal for Hong Kong, Indonesia and the Philippines, and Tisserand aromatherapy and beauty products in 10 countries across ASEAN and Hong Kong. BT is one of the leaders in professional skin care equipment from USA which was established in 1974 and has distribution in over 30 countries worldwide, while Tisserand is one of the leading aromatherapy brands which was founded in the United Kingdom in 1974.

For FY2016, Professional Distribution’s revenue of RM51.1 million was 8.1% higher than the prior year while operating profit was 5.4% lower to RM10.0 million due to higher inventory costs resulting from the stronger US Dollar, as well as more competitive promotional activities which were required in view of the challenging trading conditions.

For Professional Distribution, we responded to the challenging environment with more in-salon consumer events as well as innovative brand building, marketing and education programs to reach out to and recruit new customers and consumers. We also launched exciting new products such as the Dermalogica Overnight Retinol Repair, Hydrablur Primer and Charcoal Rescue Masque, as well as the formal launch of Youngblood Mineral Cosmetics in Malaysia, Singapore and Thailand. In addition, EIG also relaunched our own Bioxil Innertreats inner wellness range with Vitalzyme, an essential daily enzyme drink utilising Japanese technology to create a natural blend of 120 fruits and plants with antioxidants, organic acids and phytonutrients for daily wellness.

This was also the first full year for our professional haircare unit as a standalone business unit under a dedicated subsidiary, EIG Haircare Sdn Bhd, which was launched with dedicated new education and training facilities to demonstrate our commitment to the professional haircare market. During the year, we continued to expand our distribution network to more professional hair salons and launched new products such as the new Davines Essential Haircare range, and also launched evo as our second professional hair care brand to broaden our market reach and expand our offering of innovative professional hair products.
ii) FMCG Division

Our Fast Moving Consumer Goods (FMCG) division focuses on the production, marketing and distribution of our wholly-owned Clinelle range of skin care products to pharmacies and high traffic outlets throughout Malaysia and Hong Kong such as Guardian, Watsons, SaSa and independently owned pharmacies, and accounted for approximately 10% of the Group’s revenue during the year.

The year in review was a positive year for our FMCG team, as Clinelle continues to be positioned as one of the key growth brands in the mass market. During the year, we had exciting new product launches for Clinelle, with the launch of our new Clinelle Caviar Gold anti-ageing range with international superstar, Ms. Ella Chen of S.H.E. from Taiwan continuing as our celebrity brand ambassador, including five consumer events in Kuala Lumpur, Ipoh, Malacca and Johor Bahru. We also launched the exciting new Clinelle BodyFitness range, with the Clinelle Hot Body Shaper cream and Push Up firming cream. We also formally launched Physician’s Formula cosmetics from USA, in Malaysia which is now sold exclusively in Watsons outlets across Malaysia.

FMCG reported revenue of RM16.4 million for FY2016, an increase of RM2.6% over FY2015 despite the impact of the more challenging trading conditions in Hong Kong. However, FMCG recorded a loss of RM1.6 million for FY2016 compared to a marginally lower loss of RM1.3 million for FY2015 due to higher inventory costs arising from the impact of the weakening of the MYR as well as continued investment in brand building for Clinelle, which we believe will generate positive results over the longer term given the growing brand momentum in the market as we continue to build scale.
b) Professional Services and Sales (Corporate Outlets)

AsterSpring is one of the leaders in professional skincare salons in Asia with over 75 wholly-owned professional skin care salons and retail kiosks across Malaysia, Singapore, Hong Kong and Thailand. With 32 years of experience, AsterSpring is differentiated by our strategic locations, our team of more than 300 professionally certified skincare therapists and world-leading products, such as Dermalogica.

For the year under review, revenue for our Corporate Outlets business unit increased by 3.7% to RM90.5 million. This represents 57% of Group revenue, with contributions from new AsterSpring salons and kiosks during the year in locations such as at Straits Quay Penang and Aeon Bukit Indah in Malaysia, Suntec City in Singapore and Citylink Plaza in Hong Kong.

As noted above, during FY2016 we opened 9 new outlets comprising of 6 AsterSpring salons as well as 3 retail kiosks across Malaysia, Singapore, Hong Kong and Thailand and refurbished another 5 established outlets to provide our customers with a refreshed and upgraded salon experience. We also rationalised and closed 3 AsterSpring salons and 6 retail kiosks where the business potential was not as expected in order to refocus the Group’s resources to areas with higher potential.

During the past year, we continued to improve our retailing format to provide customers with a more dynamic and refreshed retail experience, and launched innovative new treatments incorporating leading equipment from countries such as France to provide our customers with a new, refreshed experience and deliver effective skin health results.

To provide the infrastructure for the future growth of our Corporate Outlets, we also completed the implementation of our integrated point-of-sales system for our corporate outlets in Singapore as the final phase of implementation for the region, with all countries now utilising the same system for improved efficiency and internal controls.

With the increase in net revenue, contributions from outlets opened over the past 24 – 36 months, and absence of certain one-off accruals recorded for the implementation of GST in FY2015, the Corporate Outlets division reported a higher profit before tax of RM11.4 million in FY2016, an increase of RM1.9m over FY2015.
MOVING FORWARD

Looking forward, visibility on trading conditions remains short and uncertain with weaker global economic growth and volatile asset markets feeding into weak consumer sentiment, as is currently persisting in our markets. Should economic conditions in our regional markets deteriorate further, then the broader retail and consumer market, including the typically more resilient beauty and wellness segment, may be further impacted as well.

Therefore, we aim to be vigilant in maximising the current market conditions while continuing to position the Group to focus on our long-term strategic priorities towards our vision to become the leading beauty and wellness company in ASEAN and Hong Kong. These include expanding our distribution channels, building our network of Corporate Outlets in a disciplined and measured manner, and growing our leading international beauty and wellness brands including Clinelle, our own FMCG mass brand.

DIVIDEND

To appreciate our shareholders for their ongoing support for the Company, it is my pleasure to report that the Board has recommended a final single-tier dividend of 4% (2.0 sen) (RM4.6 million) for the year ended 31 March 2016 for shareholder approval at the upcoming Annual General Meeting.

Combined with the interim single-tier dividend of 3% (1.5 sen) (RM2.8 million) which was paid on 12 January 2016, this equates to a net dividend of 7% (3.5 sen) amounting to RM7.4 million for FY2016. While the dividend per share of 3.5 sen is the same as FY2015, this represents an increase in the dividend payment of 14.5% based on the current shares on issue and is supported by the Group’s financial position. Barring any unforeseen circumstances or further deterioration in the macroeconomic environment, we intend to continue a steady to increasing dividend payment over time.

APPRECIATION

On behalf of the Board, I would like to express our gratitude and appreciation to our valued customers, shareholders, principals, suppliers, and business associates for their continued confidence and support in the Group.

I would also like to appreciate and thank the management team and each of the 700 members of the EIG family around the region for their professionalism, enthusiasm and efforts in building EIG as we strive towards our vision of being the leading beauty and wellness company in ASEAN and Hong Kong.

Finally, in closing, I would like to warmly extend again our appreciation to our valued shareholders for your ongoing confidence and support as we continue to build EIG for the future ahead.

YOURS TRULY,

EDDY CHIENG ING HUONG
Executive Chairman
**Shape Up FAST**
1 cm in 3 days!

**NEW**

**HOT XLS**
Body Shaper Cream

**3X Super-Strength**
for breakthrough results!

Hot Body Shaper Cream is the latest innovation that is highly effective in stimulating fat breakdown & reduce fat storage. With its potent ingredients derived from Organic Brown Algae, it works well on arm, thigh & tummy. Clinically proven to promote a more contour body line that is healthier & firmer.

- Firms Arms & Thighs
- Sculpt & Tones Body
- Flattens Tummy
- Reduces Cellulite
- Moisturizes

**Orgamic Brown Algae**

6 Nos
- No Artificial Fragrance
- No Artificial Coloring
- No Paraben
- No Artificial Coloring
- No Mineral Oil
- No 100% Alcohol
- No Cocomo

- No Paraben
- Formulated & Manufactured in FRANCE

Formulated with SenseHot Thermal Action, a built-in massage rollers to delicately warms up the skin with immediate penetration for maximum results.

Highly recommended by fitness expert & International Artist, Hero Tay.
EDDY CHIENG ING HUONG
Executive Chairman

Eddy Chieng Ing Huong, Malaysian, male, aged 58, was redesignated as the Executive Chairman of EIG on 28 February 2012. Prior to this, Mr Eddy Chieng was the Executive Chairman and Group Chief Executive Officer from 3 September 2010, Executive Chairman (redesignated on 2 September 2009) and Non-Independent Non-Executive Chairman (redesignated on 21 November 2006). He was appointed to the Board of the Company on 4 February 2004 and is also the Chairman of the Remuneration Committee.

Mr Eddy Chieng graduated in 1980 from the University of New South Wales, Australia with a Bachelor of Commerce Degree with Merit in Accounting, Finance and Information Systems. He qualified as a Chartered Accountant in 1981 and is a Fellow of the Institute of Chartered Accountants, Australia. He is also a Chartered Accountant registered with the Malaysian Institute of Accountants since 1983.

Mr Eddy Chieng has extensive senior management experience having been involved in a number of successful entrepreneurial businesses in Malaysia and overseas; primarily in ASEAN, Hong Kong and Australia.

Mr Eddy Chieng is also the Chairman of Selangor Dredging Berhad and Senior Independent Non-Executive Director of QL Resources Berhad. He was previously the Founder/Managing Director of Nationwide Express Courier Services Berhad, Executive Director of OSK Holdings Berhad, Non-Executive Director of Ancom Berhad, Nylex (Malaysia) Berhad, Independent Non-Executive Director of Oroton Group Limited (ASX listed), and Chairman of Asia Poly Holdings Berhad. In addition, he was instrumental in bringing Fedex to Malaysia and was a Director of Federal Express Malaysia for a number of years.
RODERICK CHIENG NGEE KAI  
*Group Managing Director and Chief Executive Officer*

Roderick Chieng Ngee Kai, Malaysian, male, aged 32, was redesignated as the Group Managing Director and Chief Executive Officer of EIG on 28 February 2012. Prior to the redesignation, Mr Roderick Chieng was an Executive Director of EIG since 3 September 2010.

Mr Roderick Chieng was awarded a scholarship from the University of Technology Sydney, Australia where he graduated with Distinction with a Bachelor of Accounting, majoring in Accounting and Finance. He is also a qualified member of the Institute of Chartered Accountants, Australia.

Prior to joining EIG, Mr Roderick Chieng had over 6 years’ experience in investment banking, property finance and accounting with Macquarie Group Limited in Sydney, Australia where his last held position was Manager in Macquarie Capital Advisers.

TAN SRI DATO’ MOHD ISMAIL BIN CHE RUS  
*Senior Independent Non-Executive Director*

Tan Sri Dato’ Mohd Ismail Bin Che Rus, Malaysian, male, aged 73, is the Senior Independent Non-Executive Director. He is also the Chairman of the Audit Committee and Chairman of the Nominating Committee and a member of the Remuneration Committee. He was appointed to the Board of the Company on 2 September 2009.

Tan Sri Dato’ Mohd Ismail studied Training Management at Royal Institute of Public Administration, London, United Kingdom and Post Graduate Senior Management at the University of Manchester, United Kingdom and Crisis Management at Louisiana State University, United States of America.

Tan Sri Dato’ Mohd Ismail started his career with the Royal Malaysia Police as an Inspector in 1962 and was promoted to numerous positions before appointment as Chief Police Officer for three states in Malaysia and the Metropolitan Police of Kuala Lumpur. Prior to his retirement, he held the rank of Commissioner of Police with the appointment as Director of Criminal Investigation Department. Currently, he is a Senior Independent Non-Executive Director of Selangor Dredging Berhad.
DR CHU SIEW MUN  
Independent Non-Executive Director

Dr. Chu Siew Mun, Malaysian, male, aged 73, is an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee. He was appointed to the Board of the Company on 22 February 2008.

Dr. Chu graduated from University of Malaya with Bachelor of Medicine and Bachelor of Surgery degrees in 1969. In 1974, he became a member of the Royal College of Physicians of London and obtained a Diploma in Dermatology from the University of London. He has been a fellow of the Royal College of Physicians of London since 1991 and a fellow of the Academy of Medicine of Malaysia since 2002.

He lectured in Medicine and Dermatology at University of Malaya from 1973 to 1977 and was a Consultant Dermatologist at Assunta Hospital till 1987. He is one of the pioneer group of doctors and consultant dermatologists at Ramsay Sime Darby Subang Jaya Medical Centre (since 1985) and also at BP Specialist Centre Taman Megah (formerly known as Sime Darby Specialist Centre Megah) since 1997, of which he was a past member of the Board of Directors. He has written papers and presentations in Dermatology conferences and was the President of Dermatological Society of Malaysia from 1988 to 1989.

Dr. Chu is currently in private practice as a consultant dermatologist.

BRIAN CHIENG NGEE WEN  
Executive Director

Brian Chieng Ngee Wen, Malaysian, male, aged 30, was redesignated as an Executive Director of EIG on 1 April 2016. Prior to the redesignation, Mr Brian Chieng was a Non Independent Non-Executive Director of EIG since 28 February 2012.

Mr Brian Chieng graduated from the University of New South Wales in Sydney, Australia with a Bachelor of Commerce with Merit in Finance and Accounting. He is a qualified member of the Institute of Chartered Accountants, Australia and holds a Diploma in Financial Services from the Securities Institute of Australia (FINSIA).

Mr Brian Chieng had over 10 years’ experience in the investment banking and securities industry in Australia and Malaysia, including over 4 years’ experience in corporate finance with Macquarie Group Limited in Sydney, Australia where he was involved in transactions in Australia, the United States and Asia. He was previously Vice President, Business Development at Affin Hwang Investment Bank Berhad and was formerly an Independent Non-Executive Director of Asia Poly Holdings Berhad.


DATO’ DR NOOR ZALMY AZIZAN BINTI MOHD. ALI AZIZAN
Independent Non-Executive Director

Dato’ Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan, Malaysian, female, aged 48, was appointed as an Independent Non-Executive Director of the Company on 26 May 2015. Dato’ Dr Zalmy is also a member of the Audit Committee and Nominating Committee. Dato’ Dr Zalmy graduated with a Bachelor of Medicine, Bachelor of Surgery and Bachelor of Obstetrics from The Royal College of Surgeons Ireland / National University of Ireland (2nd Class Honours) in 1994 and was appointed as a member of the Royal Colleges of Physicians of the United Kingdom (UK) in 1998. She obtained her Advanced Masters in Dermatology from the National University of Malaysia (UKM) in 2004 and was a Clinical Research Fellow of the Department of Dermatology, University of Michigan Hospital, USA in 2008. Dato’ Dr Zalmy is currently the Head of the Laser and Dermatosurgery Unit at Hospital Kuala Lumpur where she has been a qualified consultant dermatologist since 2004, and is also a Visiting Consultant Dermatologist at Sunway Medical Centre. Dato’ Dr Zalmy is also an Honorary Lecturer at National University of Malaysia Medical Centre (PPUKM), University Malaya Medical Centre (UMMC) and adjunct professor at MAHSA University Malaysia. Dato’ Dr Zalmy has been a member of the Dermatological Society of Malaysia since 2004 and has served as an Executive member of the Society since 2009. In addition, Dato’ Dr Zalmy serves as Chairperson of the Cosmetic Dermatology and Laser Medicine Board of Malaysia, and committee member of the Dermatological Drug Advisory Committee for the Ministry of Health Malaysia, National Dermatology Registry, Asian Academy of Dermatology and Venerology, and the National Aesthetic Practice Credentialing and Privileging Board.

TONY LEE CHEOW FUI
Independent Non-Executive Director

Tony Lee Cheow Fui, Malaysian, male, aged 59, is an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee and Nominating Committee. Mr Lee graduated with a Bachelor of Commerce degree from the University of New South Wales, Australia in 1979. He is a Fellow of the Institute of Chartered Accountants, Australia and member of CPA Australia, the ISCA Singapore and the Malaysian Institute of Accountants. Mr Lee was the Chief Financial Officer of Fraser & Neave Holdings Berhad from 1996 to 2007, whereupon he was appointed as the Chief Operating Officer of the Dairies Product Division for Fraser & Neave Holdings Berhad until his retirement in May 2012. Prior to this, he was the Deputy Corporate Finance Manager of Fraser and Neave Limited in Singapore, Group Finance Manager - Asia region for ACI International Group, and Senior Accountant with Touche Ross & Co in Sydney, Australia. Mr Lee also serves on the Board of Apex Equity Holdings Berhad and Tien Wah Press Holdings Berhad.

NOTES:
1. Family Relationship with Director and/or Major Shareholder
   Save as disclosed below, none of the Directors has any family relationship with any Director and/or major shareholder of the Company:
   • Mr Eddy Chieng, is the father of Mr Roderick Chieng and Mr Brian Chieng; and
   • Mr Roderick Chieng and Mr Brian Chieng are brothers

2. Conflict of Interest
   None of the Directors has any conflict of interest with the Company.

3. Conviction of Offences
   None of the Directors has been convicted of any offences in the past five (5) years other than traffic offences.
clinelle Caviar Gold

“Firmer Eye & Younger Skin in just 5 days!”

Discover the Clinelle CaviarGold range with its revolutionary Triple-Gold Lifting & Firming Complex that combines the extravagant ingredient, Caviar with precious 24K Nano Gold & plant PhytoGold. The luxury is touchable, affordable & remarkable.

Firming Eye Serum: It firms, lifts, hydrates & nourishes the eye zone. Fine lines & wrinkles fade away. Dark circles, puffiness & eye bags are minimise.

Firming Cream: It firms, lifts, moisturizes & shapes V contour. Fine lines & wrinkles fade away. Your skin is nourished & revitalized.

Caviar Black Gold
Human-like cell structure to boosts skin’s firmness, hydration & nutrition.

24K Nano Gold
Boosts collagen production by 300% to increase skin’s elasticity.

Phyto Plant Gold
Proven 80X more effective than Arbutin in Whitening effect.

3 Nos
No Artificial Fragrance
No Artificial Colouring
No Comedogenic Ingredients
No Mineral Oil
No SD-alcohol
No Lanolin

ELLA Chen 陈嘉桦
International Artist

Value Pack