

ANNUAL REPORT 2024



BRINGING OUT THE BEST IN YOU



bringing out the best in you
skin health. beauty. wellness



vision

- a 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

NEW pro- collagen banking serum

plump skin +
preserve
collagen



94% more effective
in preserving skin's collagen
for plumper, fuller skin*

cheeks and jawline look firmer
within **7 days****

*Versus untreated skin. Based on a sample of Human Dermal Fibroblast.
**Results after 7 days. Obtained during independent clinical testing of 65 people,
2 applications/day for 12 weeks.

  [dermalogica_my](#)

 [Dermalogica Malaysia](#)

dermalogica

For business enquiries, please call our customer service hotline at 03-7809 8622.



stimulates your skin points

NEW

Serenity Renewal Treatment



Promotes
lymphatic drainage



Reduces
inflammation



Instant
hydration boost

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supercharge your skin

NEW

Light Energy Therapy



Boosts
skin energy



Immediate
hydration effects



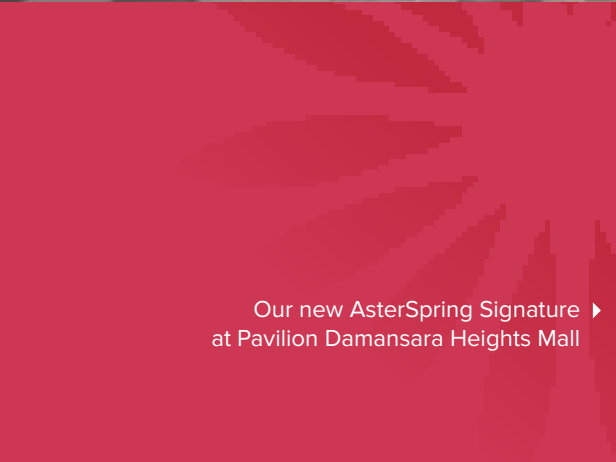
Increases skin
radiance & smoothness





ASTER SPRING

◀ Our new AsterSpring Signature at Publika Shopping Gallery



Our new AsterSpring Signature ▶ at Pavilion Damansara Heights Mall



◀ Our upgraded Dermalogica Consultation Pod, Pavilion Kuala Lumpur



Our new AsterSpring ▶ at Holland Village, Singapore



◀ Our upgraded AsterSpring at JEM, Singapore

clinelle®

Nurish
Organic

VEGAN CLEAN
CLINZ
BY CLINELLE



- 1 Launch event with KOLs for our revamped Clinelle Essential range
- 2 Launch event for our revamped Clinelle WhitenUp range
- 3 Clinelle x Aeon Wellness Workshop
- 4 Launch event with media for Clinz by Clinelle
- 5 Launch event for our Clinelle Calm + Care range in Indonesia
- 6 Clinelle CaviarGold activation in Indonesia

NEW POWERBRIGHT DARK SPOT PEEL

visibly lifts dark spots in **5 uses***



*Tested on a wide range of skin tones.
Independent clinical results with 22 volunteers.
5 applications.

15 MIN TREATMENT



treat dark spots with powerbright



powerbright
moisturizer spf 50
daytime moisture +
protection



powerbright
dark spot serum
daily dark spot
treatment



powerbright
overnight cream
nightly dark
spot fader



powerbright
dark spot peel
weekly peel

 [dermalogica_my](https://www.instagram.com/dermalogica_my)

 Dermalogica Malaysia

dermalogica

For business enquiries, please call our customer service hotline at 03-7809 6622.



- 1 Our Dermalogica Phyto Nature Oxygen Cream launch event with salon partners
- 2 Our International Dermal Institute workshop for salon partners in Malaysia
- 3 Showcasing Dermalogica at the Sisters BeautyPro Trade Show in Hong Kong
- 4 Advancing professional skin therapists with our International Dermal Institute seminar in Thailand
- 5 Jane Iredale Hudropure Tinted Serum PR event



6. Davines NaturalTech Tailoring launch in Singapore
7. Davines NaturalTech Tailoring launch event in Thailand
8. Our first Davines Sustainability Roadshow at Starhill, Kuala Lumpur
9. GHD Chronos Styler launch in Malaysia

GROUP DIRECTORY

CORPORATE OFFICE

MALAYSIA
(Headquarters)

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

SINGAPORE

EIG GLOBAL PTE LTD

60 Paya Lebar Road, # 09-30 Paya Lebar Square, Singapore 409051
Tel: +65 6271 4733 Fax: +65 6274 4889

HONG KONG

EIG DERMAL WELLNESS (HK) LTD

Suite 1808, 22 Hung To Road, Elite Centre, Kwun Tong, Kowloon, Hong Kong
Tel: +852 3900 1400 Fax: +852 2881 7612

THAILAND

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

INDONESIA

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

PHILIPPINES

EIG PHILIPPINES INC.

Lower Ground, 111 Paseo de Roxas, Legazpi Village, Makati, 1229 Metro Manila, Philippines
Tel: +0917 714 4552

BRUNEI

EIG DERMAL WELLNESS (B) SDN BHD

B6, 2nd Floor, Block B, Shakirin Complex, Bandar Seri Begawan, Kampong Kiulap
Gadong B, Brunei Muara, BE1518, Brunei Darussalam
Tel: +673 2237905 Fax: +673 2237907

GROUP DIRECTORY (CONT'D)

CORPORATE OUTLET LOCATION as at 30 JUNE 2024

MALAYSIA



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
- ▶ Pavilion Kuala Lumpur *
- ▶ Melawati Mall
- ▶ Bangsar Village II
- ▶ Publika Shopping Gallery
- ▶ Pavilion Damansara

Selangor

- ▶ One Utama Shopping Centre
- ▶ Sunway Pyramid Shopping Centre
- ▶ IOI Mall, Puchong
- ▶ Bukit Tinggi, Klang
- ▶ Metro Point, Kajang
- ▶ Setia City Mall
- ▶ Paradigm Mall, Kelana Jaya
- ▶ Empire Shopping Gallery, Subang
- ▶ IOI City Mall
- ▶ The Starling Mall
- ▶ One Utama Shopping Centre *

Putrajaya

- ▶ Alamanda Shopping Centre

Penang

- ▶ Greenlane
- ▶ Gurney Plaza
- ▶ Queensbay Mall
- ▶ Straits Quay
- ▶ Seberang Jaya

Kelantan

- ▶ Aeon Mall, Kota Bharu

Johor

- ▶ Aeon Tebrau City Shopping Centre
- ▶ Southkey Megamall

SINGAPORE



- ▶ Compass One
- ▶ Parkway Parade
- ▶ Plaza Singapura
- ▶ White Sands
- ▶ nex@serangoon
- ▶ JEM
- ▶ NorthPoint City
- ▶ United Square Shopping Mall
- ▶ Holland Village
- ▶ Pasir Ris

HONG KONG



- ▶ Century Square, Central
- ▶ Manning House, Central *
- ▶ Langham Beauty, Mongkok *
- ▶ Sogo Causeway Bay *
- ▶ Facesss, Tsim Sha Tsui *
- ▶ Mannings International Finance Centre, Central *

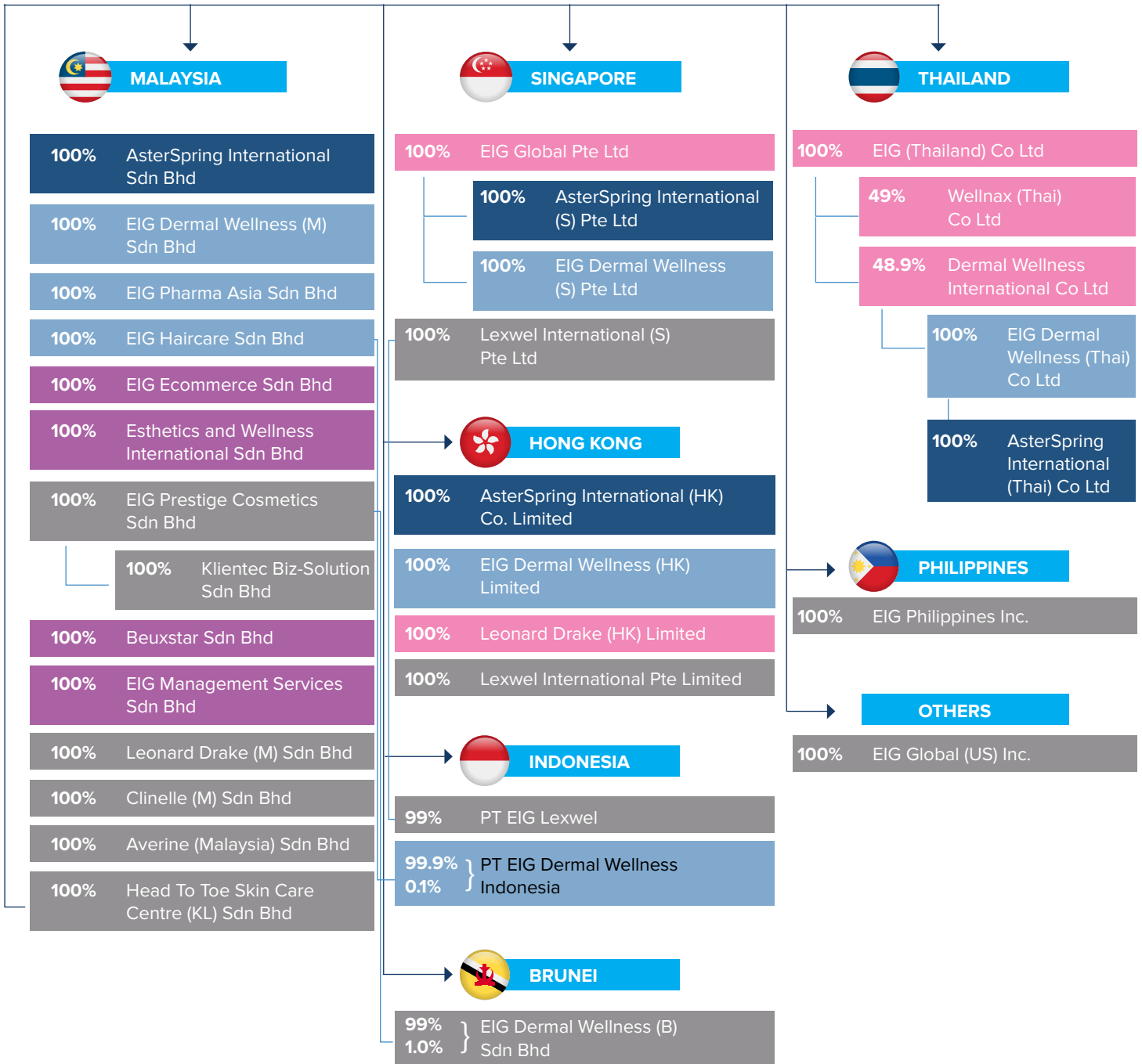
THAILAND



- ▶ Siam Square One, Bangkok
- ▶ Central, Pinklao *
- ▶ Central, Chaengwattana *
- ▶ Central, Lardprao *
- ▶ Central, Rangsit *
- ▶ Central, Bangna *
- ▶ KIS Central World Plaza 2 *
- ▶ Siam Paragon *
- ▶ The Mall, Emquartier *
- ▶ Mega Bangna
- ▶ Gaysorn Village *

* Kiosks

CORPORATE STRUCTURE



- LEGEND**
- Investment Holding
 - Other Services
 - Product Distribution
 - Dormant
 - Professional Services & Sales



Reduce **Acne** & Refine **Pores** in 3 Days!*



10% Niacinamide

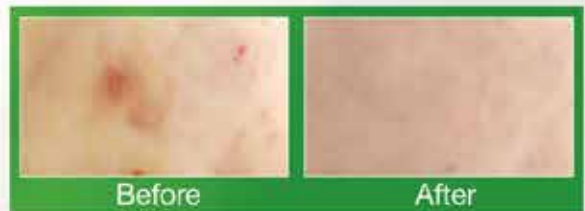
Minimize Pores & Improve Skin Barrier

3% PHA + BHA

Deep Skin Exfoliation
Reduce Whiteheads, Blackheads & Acne

1% Pentavitin

Powerful Plant-Based Hydration



*With usage of full range & individual result may vary.

Anti-Acne & Pore Refining Serum
Serum Wajah
Anti Jerawat & Kawalan Pori
100% Natural Extr:
Niacinamide, Tea Tree C
Natural AHA & Salicylic A
Dermatologically Testi

Anti-Acne & Pore Refining Serum
Serum Wajah
Anti Jerawat & Kawalan Pori
100% Natural Extracts
Niacinamide, Tea Tree Oil,
Natural AHA & Salicylic Acid (PH
Dermatologically Testi



Safe, Confident & Pure
NO Artificial Colors
NO Mineral Oil
NO Comedogenic
NO SD-Alcohol
NO Lanolin
NO Sulphate
NO Paraben

Formulated & Manufactured in Malaysia
Dermatologically Tested

CORPORATE INFORMATION

PRINCIPAL BUSINESS

With 40 years of experience, EIG is a leading company in the beauty and wellness industry in ASEAN and Hong Kong focused on the following business lines:

(a) Product Distribution

Product Distribution includes Professional Distribution to skincare salons, hair salons and medical clinics and Fast Moving Consumer Goods (FMCG).

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 1,700 independent professional salons across the region.

EIG is the exclusive distributor for a number of leading international brands such as Dermalogica professional grade skincare, Davines professional haircare, Jane Iredale natural mineral makeup, Tisserand Aromatherapy, GHD professional hairstyling tools, and Depileve professional waxing products. 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 FMCG segment, EIG also develops and distributes our own FMCG skin care brands, Clinelle and Nurish Organiq, through over 2,200 pharmacies and high traffic retail outlets throughout Malaysia and Indonesia. 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 while Nurish Organiq is a halal skincare range formulated with organic ingredients, which is safe and delivers proven results.

(b) Corporate Salons

As at 30 June 2024, EIG owns and operates 59 corporate outlets comprising 42 AsterSpring skincare salons and 17 retail kiosks and department store counters strategically located in key shopping malls and retail locations in Malaysia, Singapore, Hong Kong and Thailand. AsterSpring is today a leading chain of professional skin care salons in Asia with millions of faces treated over 40 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)

Janet Chieng Ling Min
(Executive Director)

Boh Boon Chiang
(Senior Independent Non-Executive Director)

Dato' Dr Noor Zalmy Azizan
Binti Mohd. Ali Azizan
(Independent Non-Executive Director)

Corina Loi Wei Sin
(Independent Non-Executive Director)

Rosie Hong May Kwee
(Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

Chairman

Boh Boon Chiang

Members

Dato' Dr Noor Zalmy Azizan
Binti Mohd. Ali Azizan
Corina Loi Wei Sin
Rosie Hong May Kwee

NOMINATING COMMITTEE

Chairman

Boh Boon Chiang

Members

Dato' Dr Noor Zalmy Azizan
Binti Mohd. Ali Azizan
Corina Loi Wei Sin
Rosie Hong May Kwee

REMUNERATION COMMITTEE

Chairman

Eddy Chieng Ing Huong

Members

Dato' Dr Noor Zalmy Azizan
Binti Mohd. Ali Azizan
Boh Boon Chiang

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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
Website : www.estheticsgroup.com

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel : +603-2297 1000
Fax : +603-2282 9980

SHARE REGISTRARS

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603-7890 4700 (Helpdesk)
Fax : +603-7890 4670

COMPANY SECRETARY

Lee Wai Ngan
(PC 201908003497 / LS 0000184)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market, Trading/Services Sector
Date of Listing: 11 March 2004
Stock Code: 5081

PRINCIPAL BANKERS

CIMB Bank Berhad
DBS Bank Limited
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad

GROUP FINANCIAL HIGHLIGHTS AND FIVE-YEAR FINANCIAL SUMMARY

		31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024
Revenue	(RM'000)	170,598	129,481	124,592	165,104	179,325
EBITDA	(RM'000)	33,417	26,340	15,168	19,220	24,054
Profit/(Loss) Before Tax	(RM'000)	8,502	2,533	(6,372)	(1,594)	1,132
Profit/(Loss) After Tax	(RM'000)	5,162	2,072	(6,129)	(5,676)	(1,552)
Net Profit/(Loss) Attributable To Equity Holders	(RM'000)	5,162	2,072	(6,129)	(5,676)	(1,552)
Total Assets	(RM'000)	265,628	266,258	264,124	266,429	276,177
Total Liabilities	(RM'000)	91,127	92,150	97,900	104,740	115,059
Shareholders' Equity	(RM'000)	174,501	174,108	166,224	161,689	161,118
Cash And Short term cash investments	(RM'000)	62,462	61,513	54,311	43,157	32,414
Number Of Shares	('000)	237,194	237,194	237,194	237,194	237,194
Earnings/(Loss) Per Share	(Sen)	2.18	0.87	(2.58)	(2.39)	(0.65)
Net Assets Per Share	(RM)	0.74	0.73	0.70	0.68	0.68
Return On Equity	(%)	3.0%	1.2%	(3.7%)	(3.5%)	(1.0%)
Return On Total Assets	(%)	1.9%	0.8%	(2.3%)	(2.1%)	(0.6%)
Gearing Ratio	(times)	0.1	0.1	0.1	0.1	0.1
Gross Dividend Per Share	(Sen)	1.75	1.0	1.0	0.5	0.5
Share Price As At Financial Year End	(RM)	0.51	0.42	0.37	0.30	0.32

CHAIRMAN'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS



EDDY CHIENG ING HUONG
Executive Chairman

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present to you this Annual Report for Esthetics International Group Berhad (EIG) for the year ended 31 March 2024 (FY2024).

During the year in review, against a recovery in consumer traffic, we continued to navigate challenges from post-pandemic inflationary pressures and the US Dollar and Euro remaining at historically high levels against the Malaysian Ringgit and other soft currencies in our region. These resulted in higher pressures on our margins. At the same time, there has also been increasing competition and more cautious consumer demand, primarily in the mass market category, as well as changing market dynamics in Hong Kong.

Against these challenges, we continue to focus on recruiting new customers, expanding in new channels, launching innovative products and services, strengthening our team and growing our brands for the long term.

For the year under review, our Group achieved revenue of RM179.3 million for FY2024 which was 8.6% higher than FY2023, and a profit before tax of RM1.1 million as compared to a loss before tax of RM1.6 million for FY2023.

DIVISIONAL PERFORMANCE

a) Professional Services and Sales (Corporate Outlets)

EIG continues to be one of the leaders in professional skincare salons in our region with 59 wholly-owned AsterSpring professional skincare salons, retail kiosks and department store counters across Malaysia, Singapore, Hong Kong and Thailand as at 30 June 2024.

With 40 years of experience, AsterSpring is differentiated by our strategic retail locations, our team of professionally certified skincare therapists and leading products and treatments focussing on skin health.

For the year under review, our Corporate Outlets recorded revenue of RM104.8 million, which was 12.2% higher than FY2023. With the growth in the topline, our Corporate Outlets division recorded an operating profit of RM5.4 million as compared to an operating profit of RM2.7 million for FY2023.

During the year, we expanded our network of Corporate Outlets in Malaysia and Singapore. In Malaysia, we opened three new outlets in the greater Klang Valley area comprising of one new AsterSpring Signature salon at Pavilion Damansara Heights Mall, one AsterSpring salon in Publika Mall, and a Dermalogica retail kiosk at 1 Utama Mall. In Singapore, we opened one new AsterSpring salon at One Holland Village Mall, located in the affluent Holland Village residential area. We also rationalised certain non-productive outlets, mainly consignment department store counters in Indonesia and Thailand, where the business potential was not as expected, to refocus the Group's resources on areas with higher potential.

CHAIRMAN'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

b) Product Distribution

Product Distribution relates to our Professional Distribution and Fast Moving Consumer Goods (FMCG) business units.

Professional Distribution is our distribution business to more than 1,700 independent professional skincare and haircare salons, medispas and aesthetic clinics across ASEAN and Hong Kong. EIG is the exclusive distributor for leading international brands such as Dermalogica professional skincare, Davines professional haircare, GHD professional hair tools, Jane Iredale makeup, Tisserand Aromatherapy and selected professional skin care equipment.

Our FMCG division focuses on the development, marketing and distribution of our wholly-owned skin care brands Clinelle and Nurish Organiq to pharmacies and high traffic outlets throughout Malaysia and Indonesia such as Watsons, Guardian, Aeon and independently owned pharmacies.

Our Product Distribution segment recorded revenue of RM64.3 million for FY2024, which was 1.6% higher than FY2023. The higher revenue was partially offset by inflationary and exchange rate pressures, resulting in a higher operating loss of RM6.2 million as compared to an operating loss of RM5.1 million in FY2023.

For Professional Distribution, we continue to focus on developing our distribution networks and brands while supporting our customers with innovative marketing and education programs. During the year, we launched exciting new product innovations such as the Dermalogica Pro-Collagen Banking Serum and Phyto Nature Oxygen Cream, and focused on up-skilling our salon partners with hands-on education workshops featuring advanced services.

For FMCG, we launched our revamped Clinelle Essential range infused with 20 botanical extracts, hyaluronic acid and Pro-Vitamin B5 and Vitamin E for healthy skin suitable for all skin types. It is vegan friendly and our first range incorporating PCR plastic packaging to reduce the usage of virgin plastic. We also launched our new and improved WhitenUp range with our Triple Vitamin C+ Complex for brighter and more radiant, hydrated skin which also lightens dark spots.

c) Ecommerce and Others

We continued to serve consumers digitally across the countries that we operate in with our own branded ecommerce sites, flagship stores on selected marketplaces as well as working with selected e-tailers. Ecommerce generated RM10.2 million in revenue for FY2024, which was 21.7% higher than the revenue of RM8.4 million for FY2023.

Sustainability

At EIG, our tagline is "Bringing Out The Best in You" and we aim to have a positive impact on all of our stakeholders. We strive to provide consumers with safe and efficacious beauty and wellness products and services that they can trust, while building a merit-based environment where our EIG team members can grow in their careers.

We work with leading international brands such as Dermalogica and Davines which are industry leaders in sustainability initiatives such as recyclable packaging, using plastic derived from recycled or plant-based material, carbon offset and regenerative ingredients. We are also committed to positive sustainability commitments for Clinelle and Nurish Organiq, which are rooted in clean formulas with no artificial fragrances, no artificial colouring, no SD alcohol, no comedogenic ingredients, no mineral oils, no lanolin and no parabens.

During the year, we had our first Sustainability Roadshow at Starhill KL in a prime, high-traffic location in Kuala Lumpur to raise awareness for sustainability in collaboration with various sustainability partners including The Bubbles Turtle Conservation, FlatPak, Free Tree Society and which featured sustainability talks by certain industry experts. We also continued consumer campaigns such as our Ocean Keeper Campaign to raise awareness of the need to reduce plastic waste in the oceans. Further details can be found in our Sustainability Report in this Annual Report.

Key Risks and Mitigants

Consumer sentiment

We believe that professional skincare services and skincare, haircare and other beauty and wellness products will continue to be part of the consumer lifestyle. Nevertheless, our business is subject to the general economic climate and consumer sentiment, which may soften in periods of rising inflation and interest rates. To mitigate this, we focus on building brand awareness and brand loyalty by promoting our offerings to recruit new consumers as well as incentivise repeat purchase from existing customers, with products and treatments which deliver real results. We also offer a range of products and services targeting different segments.

Foreign exchange exposure

We purchase most of our products in US Dollars and Euros. As such, we are subject to weakness in our domestic currencies against the US Dollar and Euro which results in higher inventory costs. However, this risk is partially offset by the fact that approximately 34% of our revenue is generated in Singapore and Hong Kong, where the Singapore Dollar and Hong Kong Dollar are relatively more stable against the US Dollar.

CHAIRMAN'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Social, political and regulatory conditions

We are subject to social, political and regulatory developments in the countries we operate in. As seen in the lockdowns arising from the COVID-19, our business may be impacted by widespread social disruption events which may require widespread closure of our corporate outlets and distribution networks. This is partly managed by our diversified geographic presence across Malaysia, Singapore, Hong Kong, Thailand and Indonesia, and also via our focus on diversifying our distribution channels.

Competition and consumer trends

The beauty and wellness industry is subject to vibrant competition with a wide range of brands and offerings at different price/value positionings, and we are subject to competition for market share. We respond to this risk by investing in marketing to build our brand equity, reach new consumers and customer loyalty programs to build and retain existing customers.

Similarly, the beauty and wellness industry is subject to changes in consumer trends. We seek to stay ahead and abreast of changes in key trends, technologies and consumer demands. We also aim to tailor our product and service offerings to remain relevant while prioritising our belief in focusing on long-term health, wellness and sustainability.

Liquidity and Capital Resources

During the year, we invested RM4.6 million in capex for new and refurbished Corporate Outlets, as well as technology and digital solutions to position our business for the future. We have a positive financial position with approximately RM32 million in cash as at 31 March 2024. We also have capacity to raise further financing as required for strategic opportunities with our low gearing ratio of 0.12 times.

MOVING FORWARD

The Group continues to focus on growing as a leader in professional skin care services, and building our own and select distribution brands on an omnichannel basis in ASEAN and Hong Kong.

Acknowledging the near-term uncertainties and economic challenges, we remain positive that the beauty and wellness industry has positive prospects over the longer term due to favourable demographic and sociological trends such as a growing desire for beauty and wellness, population growth, longer life expectancies and growing affluence in the region.

DIVIDEND

In appreciation of our shareholders' support for the Group, the Board has recommended a final dividend of 0.5 sen (RM1.2 million) for FY2024 for shareholder approval at the upcoming twenty-seventh (27th) Annual General Meeting.

APPRECIATION

On behalf of the Board, I would like to express our 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 extend our thanks to Dato' Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan who has reached the maximum nine years' tenure as an independent director of EIG and will not be seeking re-election at the upcoming 27th AGM.

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

Yours truly,

Eddy Chieng Ing Huong
Executive Chairman

HERBAL HAIR INFUSION, FOR YOUR PERSONALISED TREATMENT

Naturaltech Tailoring, freshly mixed
and personalised just for you.

With botanical extracts from Regenerative organic agriculture.



DIRECTORS' PROFILE



EDDY CHIENG ING HUONG

Executive Chairman

EDDY CHIENG ING HUONG, Malaysian, male, aged 66, 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 Chartered Accountants Australia and New Zealand (CA ANZ). 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. He was previously the Founder/Managing Director of Nationwide Express Courier Services Berhad, Executive Director of OSK Holdings Berhad, Independent Non-Executive Director of Ancom Berhad, Nylex (Malaysia) Berhad, Orotan Group Limited (ASX listed), Chairman of Asia Poly Holdings Berhad, and Senior Independent Non-Executive Director of QL Resources Berhad. In addition, he was instrumental in bringing Fedex to Malaysia and was a Director of Federal Express Malaysia for a number of years.

DIRECTORS' PROFILE (CONT'D)



RODERICK CHIENG NGEE KAI

*Group Managing Director and
Chief Executive Officer*

RODERICK CHIENG NGEE KAI, Malaysian, male, aged 40, 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 Chartered Accountants Australia and New Zealand (CA ANZ).

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.

DIRECTORS' PROFILE (CONT'D)



**BRIAN CHIENG
NGEE WEN**

Executive Director

Brian Chieng Ngee Wen, Malaysian, male, aged 38, 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 Chartered Accountants Australia and New Zealand (CA ANZ) 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.



**JANET CHIENG
LING MIN**

Executive Director

Janet Chieng Ling Min, Malaysian, female, aged 33, was appointed as an Executive Director of EIG on 28 February 2017.

Ms Janet Chieng graduated from the University of New South Wales in Sydney, Australia, with a double degree: a Bachelor of Commerce with Distinction, and Bachelor of Laws with First Class Honours.

Ms. Janet Chieng joined Esthetics International Group Berhad as a Business Development Director in July 2015. Prior to joining EIG, Ms. Janet Chieng had over two years' experience in equity research focusing on companies in the Australian retail sector with Citigroup in Sydney, Australia.

DIRECTORS' PROFILE (CONT'D)



Boh Boon Chiang, Malaysian, male, aged 61, was appointed as the Senior Independent Non-Executive Director of the Company on 2 June 2023. He is also the Chairman of the Audit and Risk Committee and Nominating Committee, and a member of the Remuneration Committee.

Mr Boh is professionally qualified as an accountant and a member of the Malaysian Institute of Accountants. Mr Boh also obtained his Master of Business Administration from Bath University, U.K. He has more than 30 years of commercial experience in various sectors including construction, manufacturing and education and has extensive exposure in financial management which covers corporate affairs, business development, taxation and finance.

He was previously the Group Financial Controller and Chief Operating Officer and Director of Inti Universal Holdings Berhad, and Managing Director of INTI University Malaysia. He was also formerly the Group Chief Operating Officer and Deputy Group Chief Executive Officer of Khind Holdings Berhad. Mr Boh has since retired from the corporate field and is currently a Vistage Business Coach as well as an Independent Non-Executive Director of iCapital.Biz Berhad. He is also the Independent Non-Executive Director of Selangor Dredging Berhad.



Dato' Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan, Malaysian, female, aged 56, 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 and Risk Committee, Nominating Committee, and Remuneration 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 College 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 working as a Senior Consultant Dermatologist at Central Dermatology Specialist Clinic, Bangsar South where she is also the co-founder of the clinic. She is also a visiting consultant at Thomson Hospital Kota Damansara and Hospital Kuala Lumpur. Dr Zalmy has been a qualified consultant dermatologist since 2004 and also an Honorary Lecturer of National University of Malaysia Medical Centre (PPUKM) and Perdana University.

Dato' Dr Zalmy has been a member of the Dermatological Society of Malaysia (Persatuan Dermatologi Malaysia) since 2004 and currently is the immediate Past President of Persatuan Dermatologi Malaysia. In addition, Dato' Dr Zalmy serves as an executive committee member of the Cosmetic Dermatology and Laser Medicine Board of Malaysia, and committee member of Asian Academy of Dermatology and Venerology, Asian Society of Dermatopathology, Malaysian Skin Foundation, National Specialist Register (Training Subcommittee for Dermatology) and the National Aesthetic Practice Credentialing and Privileging Board.

DIRECTORS' PROFILE (CONT'D)



Corina Loi Wei Sin, Malaysian, female, aged 64, was appointed as an Independent Non-Executive Director of the Company on 31 December 2018. She is also a member of the Audit and Risk Committee and Nominating Committee.

Ms Corina Loi has over 30 years' experience in retail, sales and marketing in Malaysia focusing on beauty, high fashion and health food supplements.

Ms Loi was formerly the Senior Vice President and Country Head for SaSa Malaysia, where she was involved in the establishment and growth of SaSa, one of the leading speciality beauty retailers in Asia, in Malaysia from October 1997 to April 2014.

Prior to SaSa Malaysia, Ms Loi was the Marketing and Sales Manager for Dickson Trading (Malaysia) from 1991 to 1997, where she was involved in the retailing for several luxury fashion brands. Before this she was the Marketing Manager for Supreme Health Sdn Bhd focusing on health supplement products.



Rosie Hong May Kwee, Malaysian, female, aged 59, was appointed as an Independent Non-Executive Director of the Company on 31 December 2018. She is also a member of the Audit and Risk Committee and Nominating Committee.

Ms Rosie Hong has 25 years' experience in strategic marketing with various organisations such as Foetus International Group, Paramount Corp. Bhd, DHL Worldwide Services and OgilvyOne Malaysia.

As the Group Executive Director for Foetus International Group, Ms. Hong was involved in leading eleven advertising and public relations agencies such as NagaDDB, Rapp Collins, Vizeum Media, Milk Advertising, and Tribal. Ms Hong was also Group Managing Director and pioneer of Rapp Collins Malaysia from 2000 to 2010, specialising in Customer Relationship Management, Data Analytics & Management services.

Ms Hong currently runs a talent recruitment firm focusing on marketing, branding and communications under Checkmate Consulting And Services.

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, Mr Brian Chieng and Ms Janet Chieng; and Mr Roderick Chieng, Mr Brian Chieng and Ms Janet Chieng are siblings.

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.

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Unlocking healthy, hydrated skin

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(for the Financial Year Ended 31 March 2024)

The Board of Directors (“Board”) of Esthetics International Group Berhad (“EIG” or “the Company”) is committed to the principles of corporate governance reflected in the Malaysian Code on Corporate Governance (“Code”) in building and overseeing a responsible and ethical organisation committed to enhancing long-term, sustainable shareholder value. This Statement is to be read in conjunction with the Corporate Governance Report accompanying this Annual Report for FY2024.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall strategic direction, corporate governance, control systems, and significant policies of the Group on behalf of the Group’s shareholders. EIG is led by an experienced Board with a wide and varied range of academic and professional qualifications and experience relevant to lead the Group. The principal responsibilities of the Board include management oversight, strategic planning, succession planning, performance evaluation, resource allocation, setting standards of conduct reflected in the Group’s Code of Conduct, identifying principal risks and reviewing internal control systems.

The Board seeks to ensure that the Group’s strategies promote sustainability. The Board Charter clearly sets out the Board’s role, powers, duties and functions. The Board Charter is available on EIG’s corporate website at www.estheticsgroup.com. The Board Charter is subject to periodic review by the Board as and when required. Matters which are reserved for decision by the Board include, amongst others:

- Review and approval of the corporate strategies and business plans for the Group;
- Review and approval of annual budgets, including major capital commitments;
- Declaration of dividends, approval of financial statements, annual and quarterly reports of the Group;
- Consideration of and approval of the appointment of Directors; and
- Review and approval of Directors’ remuneration.

Other than as specifically reserved to the Board, the responsibility of managing EIG’s day-to-day business activities and implementation of the policies and decisions of the Board is delegated to the Group Managing Director and CEO and Executive Committee, who are accountable to the Board.

Board meetings are scheduled with due notice in advance at least four (4) times in a year in order to review and approve the annual and interim financial results and to deliberate issues that require decision from the Board. The Board also reviews and approves the Group’s budget and business plan on an annual basis and carries out periodic review of the progress made by the various business units so as to align the business direction and goals with the objective of delivering long-term shareholder value.

Prior to each Board meeting, all Directors receive an agenda and a full set of Board papers for the agenda items to be discussed at least 5 days before the Board Meeting. At each Board meeting, the relevant Executive Directors and Management provide an explanation of pertinent issues. All proceedings from the Board meetings are minuted by the Company Secretary, who attends all board meetings and ensures that accurate and proper records of the proceedings are recorded and kept in the statutory register at the registered office of EIG.

In the intervals between scheduled Board meetings, for exceptional matters requiring urgent Board decisions, Board decisions are obtained via additional ad-hoc meetings convened or circular resolutions which are supported with board papers, providing information necessary for the Board’s deliberation.

All Directors have full and unrestricted access to timely information, necessary in the furtherance of their duties. The Directors also have full access to the advice and services of the Company Secretary who advises the Board on matters including corporate governance issues and Directors’ responsibilities in complying with relevant legislation and regulations. In addition, the Directors are also empowered to seek independent external professional advice at the expense of the Company, should they consider it necessary in the course of their duties.

Fit and Proper Policy

The Board has a Fit and Proper Policy which aims at guiding the Nominating Committee and the Board in the selection of candidates for appointment as Directors, in the evaluation of Directors annually as well as for recommendation to shareholders for re-election at the annual general meeting.

The aim is to ensure each of the Directors possesses the character, experience, integrity, competence to effectively discharge their roles and responsibilities as Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(for the Financial Year Ended 31 March 2024)

BOARD COMPOSITION AND BALANCE

The Board has a well-balanced composition, with an effective mix of Executive Directors and Independent Non-Executive Directors which promotes the effective functioning of the Board while also fairly reflecting the investments in the Company.

The Board as at the date of this Statement comprises of eight (8) members:

- One (1) Executive Chairman
- One (1) Group Managing Director and Chief Executive Officer
- Two (2) Executive Directors, one of whom is a lady
- Four (4) Independent Non-Executive Directors, three of whom are ladies

The Independent Directors make up one half (1/2) of the board membership, thus exceeding the requirements of the Listing Requirements of Bursa Securities which requires that at least two (2) Directors or one third (1/3) of the Board of Directors, whichever is higher be independent. This also meets the recommendation of the Code that at least half of the board of directors should comprise of independent directors and that the Chairman and the CEO positions should be held by different persons.

The Board considers that the independent directors with their experience and credentials are able to play a strong and vital role by bringing informed and independent judgment to the Group's strategy and decisions so as to ensure that high standards of conduct and integrity are maintained, as well as to safeguard the interest of other stakeholders.

The Board also considers the importance of gender diversity in its Board composition and is pleased to have four of the eight directors or 50% of the Board as women. At the senior management level, over 75% of the Group's senior management team are women.

The Board has delegated certain responsibilities to the Board Committees with clearly defined terms of reference to assist in discharging their duties. The Chairman of the Committee will report and table to the Board their respective recommendations for consideration and adoption.

(i) The Audit and Risk Committee

The Audit and Risk Committee comprises four (4) Independent Non-Executive Directors in compliance with the Listing Requirements. The members of the Audit and Risk Committee are as follows:

- Boh Boon Chiang - Chairman
- Dato' Dr Noor Zalmy Azizan Binti Mohd Ali Azizan - Member
- Corina Loi Wei Sin - Member
- Rosie Hong May Kwee – Member

Full details of the composition, complete terms of reference and a summary of the activities of the Audit and Risk Committee during the financial year are set out in the Audit and Risk Committee Report.

(ii) The Remuneration Committee

The Remuneration Committee comprises the Executive Chairman and two Independent Non-Executive Directors:

- Eddy Chieng Ing Huong – Chairman
- Boh Boon Chiang - Member
- Dato' Dr Noor Zalmy Azizan Binti Mohd Ali Azizan - Member

The objective of the Committee is to assist the Board of Directors in their responsibilities in assessing the remuneration policies of the Directors and to ensure that such policies support its corporate objectives and strategies for enhancing shareholder value.

The Director concerned will not be present when matters affecting his/her own remuneration arrangement are considered. The Board considers that Mr Eddy Chieng is the best person to lead the Remuneration Committee given his relevant entrepreneurial experience as well as considering the shareholdings of the Group.

Meetings of the Remuneration Committee are held as and when required, and at least once a year. The Remuneration Committee held one formal meeting on 31 May 2023 which was attended by all members, as well as ad-hoc meetings to deliberate and consider the remuneration of the Directors for the financial year ended 31 March 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(for the Financial Year Ended 31 March 2024)

(iii) The Nominating Committee

The Nominating Committee comprises of four Independent Non-Executive Directors:

- Boh Boon Chiang – Chairman
- Dato' Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan - Member
- Corina Loi Wei Sin - Member
- Rosie Hong May Kwee – Member

The Nominating Committee is chaired by the Senior Independent Director and is empowered to bring to the Board recommendations as to the appointment/re-appointment/re-election of any Executive or Non-Executive Director, and has the ability to access independent sources to identify suitably qualified candidates.

The Nominating Committee ensures that the Board has an appropriate balance of relevant skills, expertise and experience and oversees the overall composition of the Board. For this purpose, the Committee assesses the effectiveness of the Board as a whole and performance and contribution of the Directors on an on-going basis. Terms of reference of the Committee are clearly defined. Meetings of the Nominating Committee are held as and when required, and at least once a year. The Nominating Committee held one formal meeting on 31 May 2023.

(iv) Tenure of Independent Directors

The Board recognises Practice 4.2 of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) year term, an Independent Director may continue to serve on the Board subject to approval by shareholders at each AGM or the director's re-designation as a non-independent director. None of the Independent Directors have served for more than 9 years.

INDEPENDENCE AND CONFLICT OF INTEREST

The Board assesses the independence of the Directors annually by taking into consideration their disclosed interests and having regard to the criteria for assessing the independence of Directors under the annual Board assessment.

A separate assessment for Independent Directors is also undertaken annually. The Independent Directors all fulfil the criteria of 'Independence' as prescribed under Chapter 1 of the Listing Requirements and are independent of management and free from any relationship which could interfere with the exercise of their independent judgment.

Directors are required to declare their respective shareholdings in the Company and related companies. It is also the Directors' responsibility to declare to the Board whether they have any potential or actual conflict of interest in any transactions or in any contract or proposed contract with the Company or any of its related companies. Where issues involve a conflict of interest, the Director(s) will abstain from discussion and voting on the matters as well as abstain from any other decision making process in relation to these transactions.

The Directors are expected to commit sufficient time and attention to the affairs of the Company to enable them to discharge their responsibilities effectively. Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment. Directors' commitment, resources and time allocated to the Company are evident from the attendance record.

	31.05.2023	24.08.2023	29.11.2023	27.2.2024
Eddy Chieng Ing Huong	√	√	√	√
Roderick Chieng Ngee Kai	√	√	√	√
Brian Chieng Ngee Wen	√	√	√	√
Janet Chieng Ling Min	√	√	√	√
Boh Boon Chiang *	n/a	√	√	√
Dato' Dr Noor Zalmy Azizan Binti Mohd Ali Azizan	√	√	√	√
Corina Loi Wei Sin	√	√	√	√
Rosie Hong May Kwee	√	√	√	√
Dato' Christopher Chan Choun Sien ^	√	n/a	n/a	n/a

* Appointed on 2 June 2023

^ Resigned on 2 June 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(for the Financial Year Ended 31 March 2024)

APPOINTMENT AND RE-ELECTION TO THE BOARD

The appointment of Directors is undertaken by the Board as a whole. The Nominating Committee considers candidates suitable for appointment to the Board, and the final endorsement lies with the entire Board to ensure that the required mix of skills, experience and expertise of members of the Board is sufficient to address the issues affecting the Group.

The Articles of Association of the Company provides that at least one-third of the Board is subject to retirement by rotation at every AGM. Further, all the Directors of the Company shall retire at least once every three (3) years. A retiring Director is eligible for re-election. The election of every Director is voted on separately. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments.

The names and details of Directors seeking re-election at the forthcoming AGM are disclosed in the Notice of AGM and the Profile of the Board of Directors in this Annual Report. In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in public listed companies.

During the year, the Board undertook a board evaluation which was conducted internally and facilitated with confidential evaluation forms by the Company Secretary. The evaluation reviewed the performance of the directors individually, as well as the Board as a whole and the respective board committees.

CONTINUING EDUCATION OF THE DIRECTORS

The Directors are encouraged to attend relevant seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the Group operates, as well as wider economic, financial, sustainability and governance issues. All Directors are required to complete the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

The conferences, seminars and training programmes attended by Directors during the financial year ended 31 March 2024 included the following:-

- ◆ Forex & Portfolio Investment
- ◆ DBS Market Outlook 1st Half Outlook 2024
- ◆ Directors Training - Recent Developments With The LR, Including COI Amendments (Zoom)
- ◆ Dermalogica Distributor Marketing Meeting
- ◆ Jane Iredale Global Sales Conference
- ◆ Together We Are Strong - HRD Corp. Course No. 1000161544
- ◆ Davines Business Forum @ Hong Kong
- ◆ Cosmoprof Asia @ Hong Kong
- ◆ Zoom Webinar - Malaysia e-Invoice
- ◆ E-INVOICE Webinar : Implementation & Latest Updates
- ◆ iCapital.Biz Investors Day
- ◆ AOB Conversation with Audit Committee
- ◆ Enhanced Conflict of Interest (COI) Framework
- ◆ Atopic Dermatitis Advisory Meeting
- ◆ Asian Atopic Dermatitis Consensus Meeting
- ◆ World Congress of Dermatology
- ◆ Annual Conference of Persatuan Dermatologi Malaysia
- ◆ Foundation Certificate for Clinical Hypnosis
- ◆ 5th Asian Dermatopathology Conference (Osaka)
- ◆ Circular Economy Conference
- ◆ Sustainability in Digital Age
- ◆ CEO Power Talk
- ◆ Experiences from revisiting and guiding sustainability plan
- ◆ Q&A Session on Employment Act by Siti Mastura binti Zainal
- ◆ The Power of Generational Diversity - Creating a collaborative and Inclusive Work Environment
- ◆ National Climate Governance Summit
- ◆ Public Listed Transformation Programme - Self-Healing Network: The Future of Autonomous Operations

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(for the Financial Year Ended 31 March 2024)

DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective of attracting, retaining, motivating and incentivising Directors of the calibre needed to lead EIG successfully, relative to the size and nature of the Group's operations. The remuneration of Directors is recommended by the Remuneration Committee with consideration given to the Group's performance, Directors' responsibilities and complexity of the company's activities, but determined by the Board as a whole.

The Group Managing Director and Chief Executive Officer's remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

The aggregate remuneration of Directors of the Company for the financial year ended 31 March 2024 (FY2024) are as follows:

RM'000	Salaries & Other Emoluments ⁽¹⁾	Benefits In Kind ⁽²⁾	Fees	Total
Executive Directors	1,983	155	108	2,246
Non-Executive Directors	10	45	93	148

Notes:

⁽¹⁾ Other emoluments include bonuses, meeting allowance and employer contribution to the Employees' Provident Fund

⁽²⁾ Benefits in-kind are in respect of product and service allowances for Executive Directors and gift certificates for treatment services for Non-Executive Directors.

The range of Directors' remuneration for FY2024 is shown in the following bands:

Range of remuneration per annum	No. of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	–	5
RM100,000 to RM150,000	1	–
RM550,000 to RM600,000	1	–
RM650,000 to RM700,000	1	–
RM850,000 to RM900,000	1	–

INTEGRITY IN FINANCIAL REPORTING AND RISK MANAGEMENT

The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's operations, financial position and prospects whenever it releases its quarterly report and annual financial statements to shareholders. The Audit and Risk Committee assists the Board in overseeing the financial reporting processes and the quality of financial reporting to ensure accuracy, adequacy and completeness and compliance with applicable financial reporting standards.

The Audit and Risk Committee recognises the importance of selecting suitable and independent external auditors in promoting good corporate governance. Accordingly, the Audit and Risk Committee assesses the suitability and independence of external auditors, giving consideration to relevant industry experience. In compliance with the Malaysian Institute of Accountants, EIG rotates its audit partners every seven (7) years to ensure objectivity, independence and integrity of audit opinions.

The Board also reviews and oversees compliance with the Group's Risk Management Framework, central to which is the Group's Internal Audit function which reports directly to and supports the Audit and Risk Committee. Further details are set out in the Audit and Risk Committee Report and the Group's Statement of Risk Management and Internal Control.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(for the Financial Year Ended 31 March 2024)

The Board is satisfied that an adequate framework on whistleblowing was in place during the year under review. All employees can raise concerns regarding any wrongdoing or misconduct by another employee or person who has dealings with the Group via email to whistleblower@estheticsgroup.com or in writing to the Director of Corporate Affairs and/or Senior Independent Non-Executive Director at the Company's registered address. Confidentiality of all matters raised and the identity of the whistleblower are protected under the Policy.

The Board has also adopted an Anti-Bribery and Corruption Policy in line with the provisions of the Malaysian Anti-Corruption Commission Act 2009. The policy provides guidance to the Directors, employees and business associates of the Group as to specific or potential acts of bribery and corruption including matters relating to proper reporting of such act. A copy of this policy is available on the Company's website.

SUSTAINABILITY

The Board, together with management recognises the importance for the governance of sustainability and considering sustainability in the long-term strategies, business plans and operations of the Group. The Board also recognises the importance of staying abreast of sustainability issues relevant to the Group.

Initiatives to promote greater environmental responsibility play an important role in the daily activities of the Group. Together with its strategic partners, the Group has undertaken active efforts to minimize the negative impact on the environment throughout the entire production chain. The Group also seeks to raise the awareness of employees with regard to sustainability and supported various corporate social responsibility initiatives during the year under review.

Further details of the Group's sustainability initiatives are included in the Sustainability Statement.

DIALOGUE WITH SHAREHOLDERS AND INVESTORS

General Meetings represent the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, the Group's corporate developments, the resolutions being proposed and the business of the Group in general at every General Meeting of the Company.

The notice of General Meetings and Circular to Shareholders are sent to shareholders in accordance with the stipulated period set out in the Listing Requirements and Companies Act 2016. Annual General Meetings and the Annual Report are sent to shareholders at least 21 days prior to the AGM in accordance with the Listing Requirements and the Companies Act 2016 in order to enable shareholders to review EIG's financial and operational performance for the financial year and to evaluate new resolutions being proposed.

The Group Executive Chairman and/or the Group Managing Director and Chief Executive Officer take the opportunity to present a comprehensive review of the progress and performance of EIG, and provide appropriate answers in response to shareholders' questions during the meeting. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution.

Other Directors and representatives of the Management are also present at the General Meetings to assist the Chairman, where required, to respond to shareholders' queries during the meeting. The External Auditors and advisers of corporate exercises, where applicable, attend general meetings upon invitation and are available to answer questions or clarify queries from shareholders relating to the subject matter.

During the course of each financial year, the Company ensures prompt and timely release and dissemination of quarterly results, announcements, circulars and notices to enable shareholders to keep abreast of EIG's financial and operational performance and to make informed decisions with regards to significant corporate developments.

In accordance with the Amendments to the Listing Requirements of Bursa Malaysia Securities Berhad, EIG has adopted poll voting for any resolution put forth for shareholders' approval at the general meetings.

The Board encourages the company to leverage on information technology for effective dissemination of information. The Company also maintains a website (www.estheticsgroup.com) through which shareholders and members of the public in general can gain access to information about the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(for the Financial Year Ended 31 March 2024)

Details of the Senior Independent Non-Executive Director to whom concerns regarding the Group may be conveyed are as follows:

Post: Mr Boh Boon Chiang
 c/o Ms Lee Wai Ngan
 Systems Associates Sdn Bhd
 3A, Mezzanine Floor, Jalan Ipoh Kecil
 50350 Kuala Lumpur
 Tel : 03-4043 5750
 Fax : 03-4043 5755

OTHER INFORMATION IN COMPLIANCE WITH THE LISTING REQUIREMENTS OF BURSA MALAYSIA

(A) MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries which involve Directors' and substantial shareholders' interests either still subsisting at the end of the financial year ended 31 March 2024 or entered into since the end of the previous financial year.

(B) AUDIT AND NON-AUDIT FEES

During the financial year, the amount of audit and non-audit fees paid or payable to Messrs. Baker Tilly Monteiro Heng PLT by the Company and Group are as follows:

	Group (RM)	Company (RM)
Audit Fee	182,000	54,000
Non-Audit Fee	12,000	6,000

(C) RELATED PARTY TRANSACTIONS

There were no material related party transactions (not being transactions in the ordinary course of business) during the financial year.

A list of significant related party transactions is set out in Note 27 to the Financial Statements section of this Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 30 May 2024.

our #1 best selling powder exfoliant

- removes dulling surface debris and evens skin tone
- reveals brighter, smoother skin
- gentle enough for daily use



BEFORE & AFTER

unretouched
results by
third-party
clinical study



*Independent clinical results
with 50 volunteers in a 4-week test.

after 1 use
improves skin smoothness
+ reduces blackheads*

after 1-4 weeks daily use
brightens + minimizes the look of
dark spots*

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(for the Financial Year Ended 31 March 2024)

INTRODUCTION

The Board of Directors (“the Board”) of Esthetics International Group Berhad (“EIG” or “the Group”) is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal controls of the Group for the financial year ended 31 March 2024. This Statement has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and taking into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for the Group’s system of risk management and internal control and its effectiveness. The system of risk management and internal control is designed to safeguard shareholders’ investments and the Group’s assets. By nature, it can only provide reasonable assurance against material misstatement, loss or fraud and is designed to manage the Group’s risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and objectives of the Group. The Board regards risk management as an integral part of business operations and considers that the Group’s risk management and internal control system should provide reasonable assurance regarding the achievement of the Group’s objectives in the:

- effectiveness and efficiency of operations;
- reliability and integrity of information;
- compliance with laws and regulations; and
- safeguarding of the Group’s assets.

During the financial year under review and up to the date of approval of this statement for inclusion in annual report, the Board was supported by the Management and Internal Auditors in the on-going process of identifying, assessing and managing the business risks faced by the Group.

The Board has also obtained assurance from the Chief Executive Officer and Chief Financial Officer that the Group’s risk management and internal control system is adequate and operating effectively, in all material respects, for the financial year ended 31 March 2024.

RISK MANAGEMENT

The Group has adopted an enterprise risk management framework which involves the identification, assessment and management of risks, as well as implementation of control processes to enable the Group to achieve its strategic objectives while mitigating the risks inherent in the business.

Within the Group, each Business Unit or department head is accountable for identifying and managing the business risks within their respective areas of responsibility. The Group’s Finance department also provides a check and balance, for example by periodically reviewing certain areas such as inventory variances and ageing of receivables, and reviewing certain purchases based on the limits of authority within the Group.

On top of this, the Group has in place a Risk Management Committee (RMC) which reports to the Board as well as the Audit and Risk Committee with respect to review and monitoring of the Group’s major risk exposures, key guidelines and policies for risk assessment and management, and steps taken by Management to monitor and mitigate such exposures.

The Risk Management Committee comprises of the Executive Directors as well as business unit heads. Individual risks are scored for their likelihood of occurrence and the impact thereof based on a ‘5 by 5’ risk matrix and parameters established for each key business unit or company in the Group. The use of such metrics is to assess the extent of risk the Group is prepared to take on or seek in achieving its business objectives. The risks monitored, assessed and managed by the Group include strategic risks, market risks such as feasibility of new locations, operational risks such as supply chain disruptions, financial risks such as credit risks, and cybersecurity risks amongst others.

In identifying, assessing, measuring and monitoring the risks faced by the Group, the Board and Management takes into consideration:

- the nature and extent of risks facing the Group;
- the extent and categories of risk which it regards as acceptable for the Group to bear;
- the likelihood of the risks concerned materialising;
- the Group’s ability to reduce the risks that may materialise and their impact on the business; and
- the cost of operating particular controls relative to the benefit thereby obtained in managing the related risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

(for the Financial Year Ended 31 March 2024)

The outsourced Internal Auditors assist in providing independent assessment and review of the Group's internal control processes, and where applicable, provide recommendations to improve the processes. Further details on the role of the Internal Auditors is outlined below.

The Audit and Risk Committee (ARC) assists the Board to ensure that there is independent oversight of internal controls and risk management, as set out in the ARC Terms of Reference.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

Other key features of the Group's risk management and internal control system that were in place during the financial year under review include:

- An established framework identifying matters reserved for the Board and requiring Board approval as set out in the Board Charter;
- Requirement for approval and authority of the Directors for key treasury matters such as financing facilities, significant investments and designation of bank signatories;
- Clear financial authority limits to provide check and balance on the amounts and types of commitments that the Management can undertake on behalf of the Group;
- Regular reviews by the Executive Directors and Management together with the respective business unit Heads of the local and regional business units;
- Annual budgets are prepared and reviewed in advance for the following financial year which are reviewed and approved by the Board. Actual performance is reviewed against the Budget to identify material variances and follow-on actions required;
- Centralisation of key support functions such as inventory management, inventory procurement, production planning, treasury functions, brand management and systems development at the Head Office in Malaysia;
- Adequate insurance cover over major assets; and
- Established policies to guide employee conduct such as the Whistleblowing Policy and procedures to encourage and facilitate communication of any improper activities within the Group, annual declarations on the Group's Code of Conduct, and an established Anti-Bribery and Corruption Policy with zero tolerance for such practices.

INTERNAL AUDIT FUNCTION

The Internal Audit function was undertaken by an independent professional firm with suitable experience and capabilities approved by the Audit and Risk Committee and appointed by the Board since 20 November 2013. The Internal Audit function independently assesses the Group's risk management and internal controls framework and assists the Audit and Risk Committee in providing the Board with the assurance it requires on the adequacy and effectiveness of the risk management and internal controls.

Any areas for improvement identified during the course of the internal audit review are brought to the attention of the Audit and Risk Committee. Three (3) internal audit reports and a risk management report were tabled at the Audit and Risk Committee meetings held during the financial year under review. The internal audit reports identified some areas of improvement to internal controls and these were addressed accordingly. Nevertheless, the identified weaknesses in the internal controls have not resulted in any material losses and/or require further disclosure in this Statement. The internal audit reports were also forwarded to and discussed with the Management concerned for attention and necessary action, with the status of actions taken then reported back to the Audit and Risk Committee and the Board.

The Internal Auditors also developed the Internal Audit Plan based on the RMC's risk assessment and review, which was then presented to the Audit and Risk Committee for approval.

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs Baker Tilly Monteiro Heng PLT, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 March 2024 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

(for the Financial Year Ended 31 March 2024)

CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls is adequate and effective and that the monitoring, reviewing, and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the Group's operations and that risks are managed at an acceptable level throughout the Group's businesses.

The Board will continue to review and update the effectiveness of the Company's risk management and internal control systems to be in line with the changes in the operating environment.

This Statement is made in accordance with a resolution of the Board of Directors dated 30 May 2024.



EVEN MORE ESSENTIAL, EVEN BETTER

Our Essential Haircare shampoos
in a refill version, offering a virtuous
choice to reuse and recycle.

With active ingredients from Slow Food Presidia, to protect biodiversity.



davines
sustainably beauty


Slow Food
Presidia

SUSTAINABILITY STATEMENT

SCOPE OF THE STATEMENT

This Sustainability Statement covers the continued sustainability efforts and activities of Esthetics International Group Berhad and its subsidiaries and associate companies for the period from 1 April 2023 to 31 March 2024.

The information provided in this Statement is based on the Group’s ability to collect and present meaningful data and is streamlined to key policies, initiatives and activities of EIG.

Where indicated, the data presented for the purpose of this report relates primarily to the Group’s operations in Malaysia, which is the headquarters and largest market of the Group.

Whilst this statement has not been subject to internal review nor independent assurance, EIG has endeavoured to ensure the accuracy of the facts and data presented herein.

OUR SUSTAINABILITY APPROACH

The Board of Directors and the Group recognise Sustainability as an integral and intrinsic part of our business approach. As reflected in our tagline Bringing Out The Best in You, we seek to have a positive impact in general on our stakeholders, including our customers, employees, shareholders, business partners, the environment and our community.

The Board of Directors is accountable for overseeing sustainability across the Group, supported by the Group Managing Director and CEO and Executive Committee who are responsible for driving and managing sustainability across the business, and reporting key sustainability matters to the Board.

As a Group, we continue to enhance our sustainability strategy and initiatives to have a positive environmental, social and community impact. Each of our divisions have various sustainability initiatives framed within the Group’s broader sustainability direction. As ongoing enhancements, we are working towards further refining our sustainability targets in an evolving business and external landscape, and inclusion of sustainability in performance assessments for the directors and senior management.





The Group is driven by the following sustainability strategies and goals, which is reflected in our tagline Bringing Out the Best in You:

Shareholders 	Create sustainable value and maximise returns for our shareholders
Customers 	Provide consumers with safe and efficacious beauty and wellness products and services, which deliver results
Environment 	Minimise the environmental impact of our business operations and promote a positive awareness amongst consumers
Workplace 	Create a positive, inclusive working environment where team members can grow with us
Governance 	To have integrity and build trust with our stakeholders
Community 	Positive community impact, including by providing employment opportunities
Economy 	To contribute to shared prosperity and advancement

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

We recognise the importance of engaging with our stakeholders – those who are impacted by or have the potential to impact our business, for meaningful feedback as part of our sustainability assessment process and business strategies.

Stakeholders	Focus Areas	Engagement Platforms
Investors & shareholders 	<ul style="list-style-type: none"> · Company performance · Profitability/growth · Company direction and strategy · Corporate governance · Sustainability 	<ul style="list-style-type: none"> · Annual and quarterly reports · Annual General Meetings · Bursa Malaysia announcements · Corporate website · Ad hoc one-on-one investor meetings
Employees 	<ul style="list-style-type: none"> · Career development · Job security · Remuneration and benefits · Equal opportunities · Training opportunities · Workplace health and safety 	<ul style="list-style-type: none"> · Training and education · Management communication sessions · Yoga, pilates and badminton clubs · Employee engagement events · Employee incentive programmes · Learning and development opportunities · Performance appraisal and feedback reviews
Customers 	<ul style="list-style-type: none"> · Efficacy & effectiveness · Product innovation · Product ingredients · Product/service safety · Customer service and experience · Pricing 	<ul style="list-style-type: none"> · Customer feedback surveys · Customer visits/meetings · Customer loyalty programmes · Exhibitions/roadshows · Marketing campaigns · Digital and social media platforms · Brand websites · Virtual customer events
Suppliers 	<ul style="list-style-type: none"> · Product quality and inventory/supply · Pricing · Ethical sourcing and production · Legal compliance · Customer service 	<ul style="list-style-type: none"> · Supplier meetings · On-site facility visits and reviews · Supplier and quality evaluation · Contract negotiation
Media 	<ul style="list-style-type: none"> · Product awareness · Product information · Corporate news 	<ul style="list-style-type: none"> · Media events · Interviews/press releases · New product launches · Advertisements
Government 	<ul style="list-style-type: none"> · Regulatory compliance 	<ul style="list-style-type: none"> · Compliance with government legislative and regulatory body framework · Participation in Industry associations, such as The Cosmetics, Toiletries and Fragrance Association (CTFA)
Communities 	<ul style="list-style-type: none"> · Community engagement · Social and environmental concerns 	<ul style="list-style-type: none"> · Corporate social responsibility activities · Partnerships with vocational colleges to provide education and employment opportunities for students

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY AND RISK ASSESSMENT

Based on an internal review, the key EES topics of the Group were prioritised and determined in the context of the importance to stakeholders and importance to our business model as follows:

Economic	Environmental	Social
<ul style="list-style-type: none"> Quality of our products and services Customer relationship management Corporate governance and ethics 	<ul style="list-style-type: none"> Promoting environmental sustainability Reducing electricity consumption Waste management 	<ul style="list-style-type: none"> Diversity and inclusion Training and development Community investment

We continue to review the materiality assessment, to ensure that the EES issues remain pertinent in a continually evolving business landscape. Below is a summary of the key sustainability risks for the Group and how these are mitigated by the Group.

Category	Risk Description	Risk Response
Policy/Legal	<ul style="list-style-type: none"> Compliance with evolving regulatory requirements Resulting in higher costs of business and non-compliance penalties 	<ul style="list-style-type: none"> Selection of brand principals and suppliers with sustainability-focus Integrating sustainability-considerations in our strategies and business operations as an ongoing process
Corporate Governance	<ul style="list-style-type: none"> Increasing concerns from various stakeholders on company's social and environment impact Risk of greenwashing if claims are not substantiated Meaningful accreditations and certifications providing confidence and assurance 	<ul style="list-style-type: none"> Customer retention Employee morale Brand equity Company profile
Quality of Products and Services	Products or services which result in adverse health reactions may impact reputation and incur financial loss for recall or compensation	<ul style="list-style-type: none"> Selective focus for brand principals and suppliers. Focus on training and education for frontline team members
Customer Satisfaction	Failure to fulfil customer expectations may lead to a decline in their trust and loyalty, negatively impacting revenue streams	Regular dialogues with customers are key to continuously evolving and meeting their expectations
Waste Management	Maintaining relevance with changing consumer preferences towards brands/products which are perceived as more sustainability-focused	Focusing with brand principals and suppliers on sustainability commitments in terms of packaging and ingredients
Energy Management	Reducing carbon emissions from business operations and supply chain	Focus on improving energy efficiency and energy contribution from solar power
Climate Change	Extreme weather occurrences such as flooding and unusually heavy rain resulting in disruptions to business operations and potential loss	<ul style="list-style-type: none"> Insurance coverage for key sites Business continuity protocols Flood-mitigation procedures for necessary areas
Community Investment	Absence of community involvement may impact consumer preferences and licence to operate	Focus on empowering women towards financial independence with skills in a safe environment

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC SUSTAINABILITY

Supply Chain Management

Quality of Products and Services

To build a sustainable business, the Group works closely with our suppliers through long term relationships to realise mutual growth and trust. We value business partners with an emphasis on safety, assurance of high quality products and who engage in ethical business practices.

For the international distribution brands distributed by the Group, such as Dermalogica professional skincare and Davines professional haircare, we source and are selective of the brands distributed by the Group, and choose to work with well-established leading international brands which are sold in many countries around the world with products which are safe and efficacious for our consumers. For example, Dermalogica is the leading professional skincare brand globally with 38 years of history while Davines is one of the leading professional hair care brands globally and leaders in sustainable beauty with more than 40 years' history. The principals have established quality processes in place and supply the finished goods to us.

For our home brands, such as Clinelle, we have an established suppliers' qualification and selection criteria to ensure that we only work with reputable suppliers who are Good Manufacturing Practice (GMP) certified who can produce the innovative, safe and efficacious products that we aim to deliver to consumers.

In addition, our Clinelle and Nurish Organiq skin care products are all dermatologically tested and developed with our 7 No's to ensure that the products are free from harmful ingredients which would cause adverse reaction to the skin.

For our AsterSpring professional skin care salons, we recruit professionally certified skin care therapists with professional certifications including CIDESCO or CIBTAC in our markets such as Malaysia and Singapore, and focus on helping customers achieve their best skin health with non-invasive, safe and efficacious treatments and services. We also invest in ongoing education and training for our professional skin care therapists with the aim of continuously enhancing and improving our service quality and consistency. In our AsterSpring salons, we also use leading non-invasive skincare equipment from countries such as France, Germany and Korea to deliver safe and effective results.

We also ensure that all products sold and distributed by the Group comply with product notification and registration requirements with the relevant authorities/regulatory bodies in our markets.

As a Group, we have processes to track and ensure that any customer complaints regarding product quality are responded to or addressed with our suppliers/principals.

	FY2022	FY2023	FY2024
Total number of incidents of non-compliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period	–	–	–
Number of recalls issued and total units recalled for health and safety reasons	–	–	–

Customers

The Group values feedback from customers and we have established customer feedback processes to ensure that all customer feedback or complaints are acknowledged and resolved promptly. We have also invested in digital solutions to better track customer feedback and the Internal Auditor had previously reviewed the Group's customer service and customer feedback systems.

We also take precautions to prevent and minimise occurrences of misappropriation of our customers' personal data. Confidentiality of such data is protected through our ICT security systems and firewalls, limiting access to pertinent employees, and employee training on cybersecurity and data protection requirements. During the financial year, we did not have any such material incidences.

SUSTAINABILITY STATEMENT (CONT'D)

We also believe in the importance of consumers having easy access to education and product information so that they are recommended or can choose the right products for their needs. To this end, we place importance on ensuring that our strategic partners and own brands have clear and transparent product information and labelling, and in-line with regulatory requirements for the respective markets which we operate in. We also provide detailed and complete information on the ingredients in our products, as do the brands that we exclusively distribute such as Dermalogica.

In addition, we believe in investing in making product information available to customers through multiple channels, such as on our websites, digital marketing and printed materials, so that consumers can better understand and have confidence in selecting our products.

	FY2022	FY2023	FY2024
Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	–	–
Total number of identified leaks, thefts or losses of customer data	–	–	–
Number of complaints from regulatory bodies	–	–	–

As we operate in multiple markets and across different business channels, each business unit within the Group manages the customer satisfaction of its customers. As a Group, we are reviewing processes to collate the customer satisfaction rate for key business units.

Corporate Governance and Ethics

As stated in our Corporate Governance report, the Group regards good corporate governance and ethics as a fundamental aspect in how we do business. We promote good corporate ethics in staff and management communications, and integrity in our business activities. We have an established whistleblowing process in place where any incidents or concerns can be independently brought to the attention of the Board. In addition, we instil as part of our culture that the Group does not participate nor condone any form of corruption in our business and have a formal Anti-Bribery and Corruption Policy to guide employees and stakeholders on our stance for such matters. Further details are set out in the Corporate Governance report in this Annual Report.

The Group also has in place a Risk Management Framework which outlines the Group’s risks and processes for identifying, assessing, managing, monitoring and communicating the risks. Further information can be found in the Statement of Risk Management and Internal Control.

ENVIRONMENTAL SUSTAINABILITY

Waste Management

Together with our strategic partners, we have undertaken active efforts to minimise the negative impact on the environment throughout the entire production chain.

For example, with Davines professional haircare, we offer and promote products which have a Zero Impact policy (carbon neutral) where the carbon dioxide emissions generated by the production of the packaging for a number of the product lines are offset by the purchasing of carbon credits generated by the operations of forests’ creation and protection in several countries globally. Davines is a certified B-Corp aligned to the Sustainable Development Goals defined in the UN Agenda 2030, and an early pioneering leader in Sustainable Beauty and the use of sustainable and regenerative ingredients which help to minimise the impact on the environment and bio-diversity, in its products.

Similarly, Dermalogica is committed to positive sustainability goals and by 2025 is committed to goals such as: 1) 90% of the ingredients used will be sourced from sustainably rated suppliers, 2) 100% of tubes, bottles and boxes will be designed to be reused, recycled, and/or composted, 3) majority of the plastic in the packaging will be derived from recycled or plant-based material and 4) that Dermalogica will partner primarily with suppliers who monitor and manage their carbon footprint. Dermalogica’s products are also recognised cruelty-free by PETA and certified vegan for almost all products, and all paper and cartons used by Dermalogica will be FSC certified to be sustainable for forests. Dermalogica has also received awards for its industry-leading innovations, such as the first mono-material pump for skincare products which allows for the entire packaging to be recycled as a single unit. We also encourage the business partners and independent salons that we work with to promote sustainability in their salons and to their customers.

SUSTAINABILITY STATEMENT (CONT'D)

We are also committed to positive sustainability commitments for our FMCG brands Clinelle & Nurish products, which are rooted in clean formulas with no artificial fragrances, no artificial colouring, no SD alcohol, no comedogenic ingredients, no mineral oils, no lanolin and no parabens. In the first quarter of 2023, we reached a key milestone in our sustainability journey with the launch of our revamped Clinelle Essential range which uses Post-Consumer Recycled Plastic materials (PCR) tubes & Forest Stewardship Certified (FSC) paper cartons. We are also proud to be one of the few local FMCG brands that are committed to reducing the use of virgin plastics and our carbon foot print. We will continue to innovate to increase our positive impact on the environment and social. By 2026, we aim to be a climate positive, land positive and people positive brand.

During the year, we also continued to our “Be the Ocean Keeper” campaign in conjunction with Davines Asia to raise awareness of the issue of plastic pollution in the oceans and the need to preserve the largest ecosystem on the earth. Our call to action is to encourage more people to join us in recycling empty bottles and reduce wherever possible, and make wiser choices when purchasing anything with plastic packaging.

We also held our first Davines Sustainability Roadshow at Starhill KL to showcase our “The Ocean Keeper in ME” Campaign and raise consumer awareness for how we promote sustainability. This featured our financial support for partners such as The Bubbles Turtle Conservation for their conservation efforts in Pulau Perhentian, Terengganu as well as collaborations with sustainable partners such as FlatPak for reusable and sustainable roadshow display fixtures and CO2 Karbon Dioksida for a feature art piece made with recycled packaging. This also featured a Tree Adoption Activity by Free Tree Society and Sustainability Talks by industry experts.

TALKS BY EXPERTS



TURTLE CONSERVATION TALK, FRIDAY TIAM
WEI QI, Bubbles Turtle Conservation, Pulau Perhentian, Terengganu

Wei Qi has been stationed with Bubbles Turtle Conservation since 2017 and has a background in Environmental Science. Through work experiences, he eventually specialised in sea turtle conservation. Aside from protecting the turtle's nesting ground, part of his role includes working with other projects to share the information gathered throughout the season.



PLASTICS & RECYCLING, SATURDAY TIAM
Yong Yi, Founder of Precious Plastic

Precious Plastic is a global community of hundreds of people working towards a solution to plastic pollution. In short, we are a group of plastic hackers who design and build machines to fight plastic pollution. Yong Yi looks forward to connecting with everyone as we come together to fight against plastic pollution.



REWILDING URBAN SPACES & BIODIVERSITY, SUNDAY TIAM
Rina Omar, Program Manager, FTs On-The-Go

Rina Omar has been many things in her life - a TV host, journalist, musician, wildlife educator, producer, writer and stage performer. But she is at her happiest now as an environmental educator, running hands-on workshops and giving talks to students of all ages as the manager for On-The-Go program. This is an outreach program that brings FTs's experiential workshops and sustainable living lessons into kindergartens, schools and tertiary learning institutions in the Klang Valley for free.

Supporting Bubbles Turtle Conservation



Bubbles Turtle and Reef Conservation and Dive Resort was established in 2004 as an eco-resort by a group of passionate individuals who are dedicated to preserving marine life and its natural habitats. Bubbles aim to create a world where turtles thrive and are protected by raising awareness about the need for conservation, supporting eco-tourism and carrying out turtle conservation works.

In 2011, Bubbles started their own hatchery, 2014 they started identifying turtles and in 2018, they obtained permit from the local authorities.

WHAT DOES BUBBLES DO?

- Turtle talks to inform the public
- Hatchery to keep the eggs safe from predators
- Beach clean ups two times a week
- Artificial reef construction and maintenance to promote the turtle to come to our bay
- Education to any school that wants to know more about turtles

From 8th June to 31st July 2023, Davines Malaysia is donating and supporting turtle nests in Pulau Perhentian through our Ocean Keeper Campaign.

Get a free Turtle Keychain made from recycled plastic with every purchase at our Roadshow!



Tree Adoption Activity by Free Tree Society



Free Tree Society Kuala Lumpur is bringing green mainstream! Since 2012 we have worked tirelessly to inspire a community of environmental stewards by giving away trees for free and producing a wide range of nature-based activities.

We strive to harvest the power of community impact by inviting volunteers to take part in fun knowledge sharing activities, raising awareness on the science of environmental degradation, and distributing resources (like #freetrees!) to empower the adoption of sustainable practices. Our programmes aim to accelerate the journey to build a greener Malaysian mindset and culture.

Adopt a free tree at our roadshow and start your sustainability journey today!



Davines Sustainability Roadshow AT THE STARHILL, KL

**7-9 JULY 2023
10AM-10PM**

1st Sustainability Roadshow



In Davines, we believe that living a balance of Beauty and Sustainability what we call "Sustainable Beauty" can improve our lives and the world around us.

Sustainability is not a goal, but a journey. In the journey, the human being is the key.

At our very first sustainability roadshow featuring Davines' history, products as well as our sustainable partners, experience our brand and what we stand for, and how small actions can help us fight climate change and the environmental issues we face today.

SUSTAINABILITY STATEMENT (CONT'D)

Other initiatives during the year included Beach Clean-Up Activities with our team, salon partners, KOLs and members of the community to promote the importance of removing plastics from the ocean, and other activities.

For our e-commerce business, we have reduced the usage of plastic packaging in our pack-outs and increased the use of sustainably recyclable boxes and recyclable buffer materials.

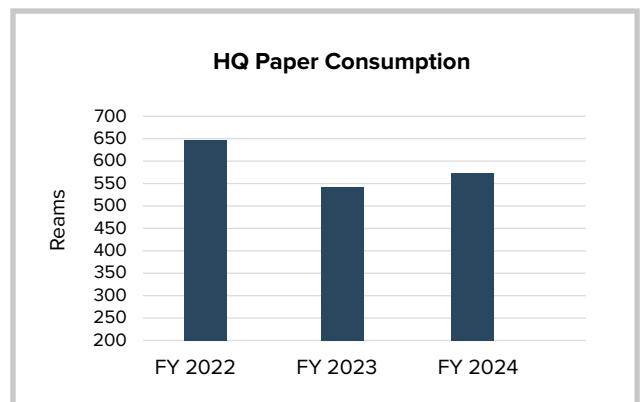
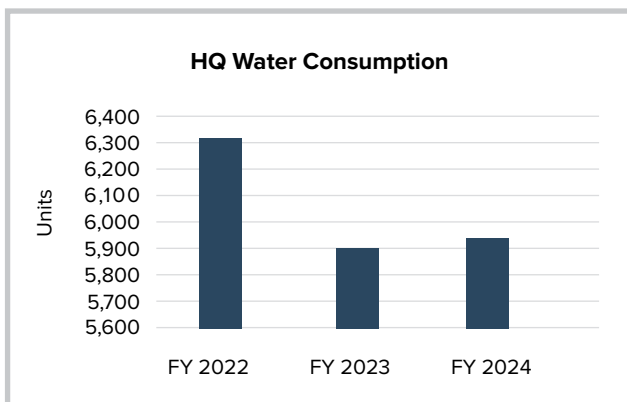
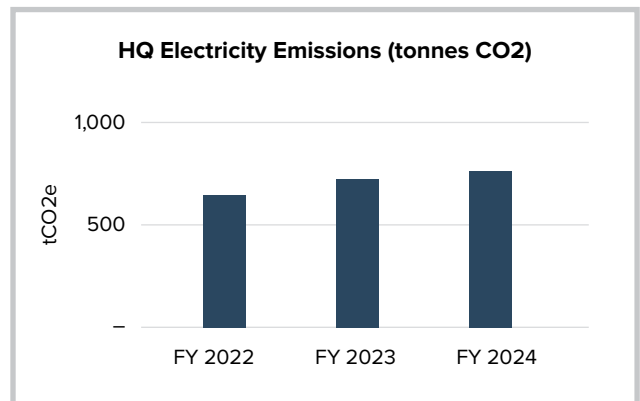
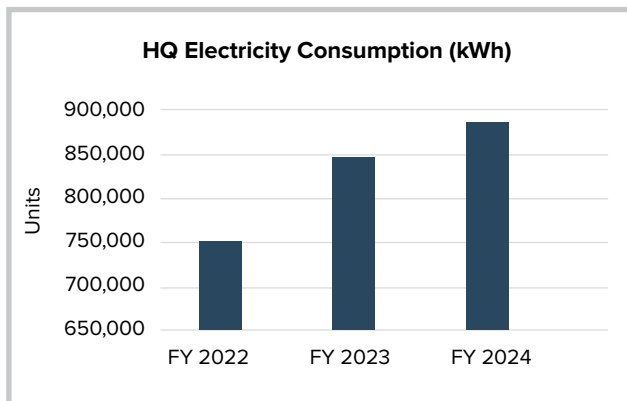
At the same time, initiatives to recycle and/or reuse paper are already in progress, such as recycling of cardboard cartons and wooden pallets used for transporting products. Other material such as fixtures and furnishings are also recycled or reused where possible to reduce waste.

Energy Management

We also continue to invest in digitalising different facets of our operations to reduce paper usage and improve efficiency across our different business units, and have implemented various initiatives to optimise our electricity and water consumption including installation of LED lights, installation of capacitors to improve air-conditioning efficiency and optimisation of lighting for common areas.

We have also reduced the usage of paper by introducing e-invoicing to our independent salon customers in Malaysia.

For FY2024, our electricity consumption generally increased despite the mitigating actions taken due to the resumption of all business activities as normal in the current year, as opposed to the impact of the MCOs and COVID-19 related restrictions in FY2021 and FY2022. We are evaluating measures to further optimise our electricity consumption as well as installation of solar panels for solar energy.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL SUSTAINABILITY

Diversity, Equality and Inclusion

At EIG, we recognise and value the unique combination of talents, experiences and skills of each employee in driving our business success. We aim to promote an inclusive workforce with employees from diverse backgrounds with the skills and experience needed to bring us towards our vision and mission of being a leading beauty and wellness company in ASEAN and Hong Kong.

We focus on fairly recruiting, remunerating and promoting people based on merit, capability and experience and provide opportunities to our employees regardless of their age, gender, identity, ethnicity, race or religion.

Employee performance is reviewed through a formal performance appraisal process based on work performance and achievement of agreed key performance indicators (KPIs) and goals. Employee remuneration is determined in the context of industry benchmarks and employees are entitled to benefits and other emoluments as stipulated by law.

Based on our industry nature in the beauty and wellness segment, we welcome passionate talents regardless of gender and are pleased to a positive employer of women with over 88% of our team as women. We also focus on recruiting locally in each of our countries and do not employ or import any migrant labour in our business.

Gender Diversity	2023		2024	
	Total	%	Total	%
Female	600	88	630	88
Male	82	12	86	12

Ethnicity Diversity	2023		2024	
	Total	%	Total	%
Chinese	478	70	470	65
Malay	85	12	85	12
Indian	5	1	5	1
Indonesian	47	7	84	12
Siam	62	9	66	9
Others	5	1	6	1

Age Group	2023		2024	
	Total	%	Total	%
Below 30	218	32	224	31
30-39	218	32	242	34
40-49	144	21	154	22
Above 50	102	15	96	13

SUSTAINABILITY STATEMENT (CONT'D)

Talent Development and Employee Wellbeing

To promote and develop our human capital, the Group regularly organises various training and education sessions and workshops, including international trainers and speakers from countries such as USA, Australia and Italy to upgrade and enhance the skills and knowledge of our employees.

In addition, we invest in providing our technical teams with ongoing relevant training and skills development to ensure that they are able to provide a consistent level of customer service while also upgrading their knowledge base in-line with trends in the industry.

The Group is also dedicated to creating a positive workplace to enable our staff to achieve their best in work performance by providing the following benefits:

- Medical benefits, hospitalisation and surgical and personal accident insurance coverage; and
- Employee engagement events and festive gatherings to cultivate good bonding amongst employees.

Our remuneration schemes for employees is generally benchmarked to be competitive within our industry and our employees are generally paid above the minimum wage in almost all of our countries in order to recruit and retain suitable talents.

The Group also works with leading vocational colleges and institutions as an official industry partner to provide training, certification and employment opportunities for students from various socio-economic backgrounds so that they can develop a career and generate income in the beauty and wellness industry.

The Group is also committed to support and promoting corporate social responsibility through various formal and organic CSR programmes.

This Statement is made in accordance with a resolution of the Board of Directors dated 30 May 2024.



SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	65%	65%	63%
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	752,060	845,031	884,851
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes			338.59
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	589.61	659.12	690.18
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes			427.94
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	6,321	5,901	5,941
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Employee Under 30	Percentage	29	32	31
Employee 30 - 49	Percentage	58	53	56
Employee Above 49	Percentage	13	15	13
Gender Group by Employee Category				
Employee Male	Percentage	12	12	12
Employee Female	Percentage	88	88	88
Bursa C3(b) Percentage of directors by gender and age group				
Male				
Male	Percentage	50	50	50
Female				
Female	Percentage	50	50	50
Under 50				
Under 50	Percentage	37.5	37.5	37.5
50 - 59				
50 - 59	Percentage	37.5	37.5	25
Above 59				
Above 59	Percentage	25	25	37.5
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	0	0
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category	Hours	374	639	815
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	0	0
Bursa C6(c) Total number of employee turnover by employee category				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Employee	Percentage	63%	70%	86%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0%	0%	0%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0

Data shown is for Malaysian subsidiaries for the relevant periods.

REPORT OF THE AUDIT AND RISK COMMITTEE

(for the Financial Year Ended 31 March 2024)

The Board of Directors of Esthetics International Group Berhad (“EIG”) is pleased to present the Audit and Risk Committee Report for the financial year ended 31 March 2024. This Audit and Risk Committee Report is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and the Malaysian Code of Corporate Governance (“Code”).

MEMBERS

- Boh Boon Chieng (Chairman), Senior Independent Non-Executive Director
- Dato’ Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan, Independent Non-Executive Director
- Corina Loi Wei Sin, Independent Non-Executive Director
- Rosie Hong May Kwee, Independent Non-Executive Director

TERMS OF REFERENCE

Objectives

The principal objectives of the Audit and Risk Committee are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to the risk management and internal controls, accounting and reporting practices of the Group.

Composition

The Audit and Risk Committee shall be appointed by the Board from amongst their numbers and shall:

- consist of no less than three (3) members;
- consist exclusively of Non-Executive Directors with a majority being Independent Directors; and
- have at least one (1) member who is a member of the Malaysian Institute of Accountants or who fulfils such other requirements as prescribed in the Listing Requirements.

The members of the Audit and Risk Committee shall elect a Chairman from amongst themselves who shall be an Independent Director. In the event of vacancy in the Audit and Risk Committee resulting in the non-compliance with the above, the Board shall fill the vacancy within three (3) months.

A former key audit partner as defined under the Malaysian Code on Corporate Governance shall observe a cooling off period of at least three years before her or she may be considered to be appointed as a member of the Audit and Risk Committee.

The terms of office and performance of the Audit and Risk Committee and its members shall be reviewed by the Board no less than every three (3) years. The terms of office and performance of the Audit and Risk Committee and its members have last been reviewed and renewed by the Board on 30 May 2022.

REPORT OF THE AUDIT AND RISK COMMITTEE (CONT'D)

(for the Financial Year Ended 31 March 2024)

Responsibilities and Duties

The Audit and Risk Committee shall discharge the following functions:

- to review, with the External Auditors, the audit plan, audit report and the assistance given by the Company's officers to the Auditors;
- to review, with the External Auditors, the adequacy of the internal control systems;
- to assess the risks and control environment;
- to review the quarterly reports and annual financial statements prior to submission to the Board, focusing particularly on:
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit; and
 - compliance with accounting standards and other legal and statutory requirements;
- to discuss any issues and reservations arising from the interim and final audits, and any matter the Auditor may wish to discuss (in the absence of the Management where necessary);
- to review the External Auditors' management letter and the Management's response;
- to do the following, in relation to the Internal Audit function:
 - review the adequacy of the scope, functions, competency and resources of the Internal Audit function and the system of internal controls within the Group and that it has the necessary authority to carry out its work;
 - review the Internal Audit planning memorandum, processes, investigations and results of the Internal Audit processes, and where necessary ensure that appropriate actions are taken on the recommendations of the Internal Audit function;
 - review any appraisal or assessment of the performance of the Internal Audit function;
 - approve any appointment or dismissal of Internal Auditors; and
 - take cognisance of resignations of Internal Auditors and provide the Internal Auditors an opportunity to submit reasons for resigning;
- to review the resignation, dismissal, appointment or reappointment of Internal Auditors and External Auditors of the Group and to consider the nomination of Auditors and the related fees;
- to review any related party transactions and conflict of interest that may arise within the Company or Group;
- to consider other topics as defined by the Board from time to time.

Authority

The Audit and Risk Committee shall:

- have authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Group;
- have direct communication channels with the External Auditors and the Internal Auditors;
- have the right to obtain independent professional or other advice at the Company's expense;
- have the right to convene meetings with the External Auditors and/or Internal Auditors or both, excluding the attendance of the other Directors and the Management, whenever deemed necessary; and
- promptly report to Bursa Malaysia matters which have not been satisfactorily resolved by the Board resulting in a breach of the Listing Requirements.

Meetings

The Audit and Risk Committee shall meet at least once every quarter and such additional meetings as decided by the Chairman of the Audit and Risk Committee. The Company Secretary or any person appointed by the Audit and Risk Committee shall act as the Secretary of the Audit and Risk Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and other explanatory documentation for circulation to members of the Audit and Risk Committee prior to each meeting. The Secretary shall be responsible for keeping the minutes of the meeting of the Audit and Risk Committee, and circulating them to the Audit and Risk Committee members and other Board members. The Audit and Risk Committee shall meet with the External Auditors to consider any matter that the Auditors believe should be brought to the attention of the Directors or shareholders. The attendance of other Directors and the Management at the Audit and Risk Committee meeting shall be at the Audit and Risk Committee's invitation, specific to the relevant meeting.

A quorum shall consist of a majority of members present who must be Independent Directors.

REPORT OF THE AUDIT AND RISK COMMITTEE (CONT'D)

(for the Financial Year Ended 31 March 2024)

SUMMARY OF ACTIVITIES

During the year, the Audit and Risk Committee carried out the following activities:-

Financial Reporting

- Reviewed the unaudited quarterly and annual audited financial statements of the Group before recommending them for approval by the Board of Directors with particular focus on the main factors contributing to the financial performance of the Group in terms of revenue and operating expenses.
- Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as the accounting treatments used in the financial statements.
- Reviewed the annual audited financial statements of the Group and discussed with Management and the external auditors prior to submission to the Board of Directors for their approval.
- Reviewed the Audit and Risk Committee Report and Statement of Risk Management and Internal Control for inclusion in the Annual Report.

Internal Audit

- Reviewed the annual Internal Audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group and ensure that key risk areas are audited.
- Reviewed the effectiveness of the audit process and assessed the performance of the Internal Audit Function.
- Reviewed the internal audit reports which were tabled during the year, the audit recommendations made and Management's response to these recommendations.
- Monitored the corrective actions taken on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed.

External Audit

- Reviewed with the external auditors on their audit plan, audit strategy and scope of work for the year.
- Reviewed the results of external auditors' annual audit and audit report together with Management's response to their findings.
- Assessed the independence and objectivity of the external auditors during the year and prior to the appointment of the external auditors for ad-hoc non-audit services.
- Evaluated the performance and effectiveness of the external auditors and made recommendations to the Board of Directors on their appointment and remuneration.

Risk Management

- Reviewed the adequacy and effectiveness of the risk management framework of the Group.
- Reviewed the risk profile of the Group and the action plan by the Management to mitigate risk.

INTERNAL AUDIT FUNCTION

The Internal Audit function reports independently to the Audit and Risk Committee and its role is to examine and provide reasonable assurance to the members of the Audit and Risk Committee regarding the adequacy and effectiveness of the internal control systems, risk management framework and governance systems of the Group. The role, authority and terms of reference of the Internal Audit function is set out in the Group's Internal Audit Charter.

The Internal Audit function of the Group has been outsourced to an independent professional firm with suitable experience and capabilities, who reports directly to the Committee. The Audit and Risk Committee is of the opinion that the Internal Audit function is appropriate to its size and the nature and scope of its activities. The Internal Audit is performed using a risk-based approach and is guided by, in all material respect, the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors ("IIA"). Besides the internal controls systems, the relevant organisational governances and risk management capability were also assessed and embedded into the respective audit focus areas. The internal audit assessment has included relevant root-cause analysis results (where applicable), and it has been incorporated in the respective internal audit findings.

REPORT OF THE AUDIT AND RISK COMMITTEE (CONT'D)

(for the Financial Year Ended 31 March 2024)

The Engagement Director of the external Internal Auditors possesses the qualification of Certified Internal Auditors (“CIA”), which is the globally recognised professional certification for the internal audit and risk professionals. The staff involved in the internal audit possess professional qualification and/or a university degree. The Internal Auditors prepare their audit plan based on the risk assessment and evaluation framework of the Group. The Internal Audit plan is reviewed and approved by the Audit and Risk Committee.

During the financial year ended 31 March 2024, the activities of the Internal Audit function included the following:

- conducted scheduled Internal Audit assignments focusing on effectiveness of risk management, internal controls and corporate governance and recommended improvements where necessary;
 - conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports; and
 - presented audit findings including recommendations to the Audit and Risk Committee for consideration.
- the areas reviewed by the internal auditors during the year include internal control review of data governance, customer service quality management and supply chain management - warehousing and logistics.

The total cost incurred in managing the Internal Audit function for the financial year under review was RM29,000.

MEETINGS AND ATTENDANCE

The Audit and Risk Committee held four meetings during the financial year ended 31 March 2024 and details of the attendance of the Audit and Risk Committee members are as follows:

Name of Members	Total Meetings Attended
Boh Boon Chiang *	3/4
Dato' Dr Noor Zalmy Azizan Binti Mohd. Ali Azizan	4/4
Corina Loi Wei Sin	4/4
Rosie Hong May Kwee	4/4
Dato' Christopher Chan Choun Sien ^	1/4

* Appointed on 2 June 2023

^ Resigned on 2 June 2023

The Company Secretary as Secretary to the Audit and Risk Committee was present by invitation together with representatives of the External Auditors, Internal Auditors and certain members of the Management. Out of the four meetings held, the Audit and Risk Committee held two (2) meetings with the External Auditors.

This Statement is made in accordance with a resolution of the Board of Directors dated 30 May 2024.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

(In respect of the Audited Financial Statements for the Financial Year Ended 31 March 2024)

The Directors are required to prepare financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards, the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure the financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2024, and of the financial performance and cash flows for the financial year then ended.

In preparing the annual audited financial statements, the Directors have:

- Considered the applicable approved accounting standards in Malaysia;
- Adopted and consistently applied appropriate accounting policies;
- Made judgments and estimates that are prudent and reasonable; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure the Group keep accounting records which disclose with reasonable accuracy the financial position of the Group. The Directors are also responsible for the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 30 May 2024.





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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Directors' report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries include distribution of haircare, beauty and wellness products, operating of beauty and wellness centres, providing beauty and wellness services and retailing of products, development and distribution of fast-moving consumer goods, agent for trade-marks and patents application, offering education and training in beauty and wellness, management services, retailing of beauty and wellness products via e-commerce, investment holding and property investment holding. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Loss for the financial year	<u>(1,552)</u>	<u>(6,872)</u>
Attributable to:		
Owners of the Company	<u>(1,552)</u>	<u>(6,872)</u>

Reserves or provisions

There were no material transfers to or from reserves or provisions during the financial year.

Dividends

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Single tier final dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 March 2023, paid on 17 November 2023	<u>1,186</u>

At the forthcoming Annual General Meeting, a final single-tier dividend of 0.5 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Directors

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chieng Ing Huong ^	
Roderick Chieng Ngee Kai ^	
Brian Chieng Ngee Wen ^	
Janet Chieng Ling Min ^	
Dato' Dr. Noor Zalmy Azizan Binti Mohd Ali Azizan	
Hong May Kwee	
Loi Wei Sin	
Boh Boon Chiang	(Appointed on 2 June 2023)
Dato' Chan Choun Sien	(Resigned on 2 June 2023)

^ Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Julianus Juta	
Jonalyn B. Umali	
Hairol Addy Nizam Bin Hashim	
Dhitibhum Wongkiatkachorn	
John Michael L. Bautista	
Dee-Ann Oyao	(Appointed on 28 June 2023)
Liew Suit Teng, Bernadette	(Appointed on 18 June 2024)
Kristal Jade G. Abarcar	(Resigned on 28 June 2023)
Joanne See Gwee May	(Resigned on 18 June 2024)

Directors' interests

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.4.2023	Bought	Sold	At 31.3.2024
Ultimate holding company				
Providence Capital Sdn. Bhd.				
Direct interests:				
Roderick Chieng Ngee Kai	1,250,000	-	-	1,250,000
Brian Chieng Ngee Wen	1,250,000	-	-	1,250,000
The Company				
Direct interests:				
Roderick Chieng Ngee Kai	2,700,000	-	-	2,700,000
Janet Chieng Ling Min	320,000	-	-	320,000
Indirect interests:				
Chieng Ing Huong *	161,503,352	-	-	161,503,352
Roderick Chieng Ngee Kai **	161,503,352	-	-	161,503,352
Janet Chieng Ling Min ***	161,503,352	-	-	161,503,352
Brian Chieng Ngee Wen ****	163,700,952	-	-	163,700,952

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Directors' interests (Continued)

- * Indirect interest by virtue of his sons through their shareholdings in Providence Capital Sdn. Bhd. pursuant to Section 8(4)(a) of the Companies Act 2016 in Malaysia.
- ** Indirect interest by virtue of his interest in Providence Capital Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016 in Malaysia.
- *** Indirect interest by virtue of her siblings through their shareholdings in Providence Capital Sdn. Bhd. pursuant to Section 8(4)(a) of the Companies Act 2016 in Malaysia.
- **** Indirect interest by virtue of his interest in Providence Capital Sdn. Bhd. and Cornerstone Holdings Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016 in Malaysia.

By virtue of their interests in the ordinary shares of the Company, Chieng Ing Huong, Roderick Chieng Ngee Kai, Janet Chieng Ling Min and Brian Chieng Ngee Wen are also deemed interested in the ordinary shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group 2024 RM'000	Company 2024 RM'000
Directors of the Company		
- Fees	201	201
- Other emoluments	1,784	20
- Contribution to defined contribution plan	209	-
- Estimated monetary value of benefits-in-kind	200	48
	2,394	269

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Indemnity to directors and officers

During the financial year, there were no indemnity given to or insurance effected for any director or officer of the Company.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Auditors' remuneration

The auditors' remuneration of the Group and the Company during the financial year are RM366,000 and RM54,000 respectively.

Issue of shares and debentures

During the financial year, there were no issuance of shares or debentures by the Company.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all bad debts has been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Other statutory information (Continued)

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report was made.

Subsidiaries

The details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
EIG Dermal Wellness (M) Sdn. Bhd.	Malaysia	Distribution of beauty and wellness products	100	100
Leonard Drake (M) Sdn. Bhd.	Malaysia	Dormant	100	100
AsterSpring International Sdn. Bhd.	Malaysia	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	100	100
EIG Pharma Asia Sdn. Bhd.	Malaysia	Development and distribution of fast moving consumer goods	100	100
EIG Haircare Sdn. Bhd.	Malaysia	Distribution of hair care, beauty and wellness products	100	100
Clinelle (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Beuxstar Sdn. Bhd.	Malaysia	Agent for trade-marks and patents application	100	100
Esthetics and Wellness International Sdn. Bhd.	Malaysia	Offering education and training in beauty and wellness	100	100

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Subsidiaries (Continued)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
EIG Prestige Cosmetics Sdn. Bhd.	Malaysia	Dormant	100	100
Averine (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100	100
Head To Toe Skin Care Centre (KL) Sdn. Bhd.	Malaysia	Dormant	100	100
EIG Management Services Sdn. Bhd.	Malaysia	Management services	100	100
EIG Ecommerce Sdn. Bhd.	Malaysia	Retailing of beauty and wellness products via e-commerce	100	100
EIG (Thailand) Co. Ltd.	Thailand	Investment holding	100	100
EIG Dermal Wellness (HK) Ltd.	Hong Kong	Distribution of beauty and wellness products	100	100
Leonard Drake (HK) Limited	Hong Kong	Property investment holding	100	100
AsterSpring International (HK) Co. Ltd.	Hong Kong	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	100	100
Lexwel International Pte. Limited	Hong Kong	Dormant	100	100
EIG Global Pte. Ltd.	Singapore	Investment holding	100	100
Lexwel International (S) Pte. Ltd.	Singapore	Dormant	100	100
EIG Global (US) Inc.	United States of America	Dormant	100	100
EIG Philippines Inc.	Philippines	Dormant	100	100

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Subsidiaries (Continued)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
<i>Interest held through EIG Prestige Cosmetics Sdn. Bhd.</i>				
Klientec Biz-Solution Sdn. Bhd.	Malaysia	Dormant	100	100
<i>Interest held through Lexwel International (S) Pte. Ltd.</i>				
PT EIG Lexwel	Indonesia	Dormant	100	100
<i>Interest held through EIG Global Pte. Ltd.</i>				
AsterSpring International (S) Pte. Ltd.	Singapore	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	100	100
EIG Dermal Wellness (S) Pte. Ltd.	Singapore	Distribution of beauty and wellness products	100	100
<i>Interest held by the Company – 99.94% and through EIG Haircare Sdn. Bhd. – 0.06%</i>				
PT EIG Dermal Wellness Indonesia	Indonesia	Distribution of beauty and wellness products	100	100
<i>Interest held by the Company – 99% and through EIG Prestige Cosmetics Sdn. Bhd. – 1%</i>				
EIG Dermal Wellness (B) Sdn. Bhd.	Brunei	Dormant	100	100

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Holding company

The directors regard Providence Capital Sdn. Bhd., a private limited company incorporated in Malaysia, as the holding company of the Company.

Significant events during the financial year

- (i) On 27 April 2023, EIG Dermal Wellness (S) Pte. Ltd. ("EIGSG"), a wholly-owned subsidiary of the Group signed a Distribution Agreement ("Agreement") with GHD Hong Kong Limited ("GHD"). The Agreement granted EIGSG the exclusive right to distribute GHD hair styling products through the professional hair salon channel in Singapore for an initial period of three (3) years effective from 1 May 2023 to 30 April 2026, and may be further extended or renewed as agreed between the Parties.
- (ii) On 31 May 2023, EIG Haircare Sdn. Bhd. and EIG Dermal Wellness (S) Pte. Ltd., wholly-owned subsidiaries of the Group and its associate company, EIG Dermal Wellness (Thai) Co Ltd, signed the renewal of the exclusive Distribution Agreements (the "Agreements") with Davines SPA for Malaysia and Brunei, Singapore and Thailand (the "Territories") respectively. With the signing of the Agreements, the Group will continue to be the exclusive distributor for Davines professional hair care products in the Territories effective from 1 January 2023 through to 31 December 2027.

Indemnity to auditors

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

Auditors

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
Roderick Chieng Ngee Kai

.....
Brian Chieng Ngee Wen

Shah Alam

Date: 18 July 2024

STATEMENT BY DIRECTORS (PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, Roderick Chieng Ngee Kai and Brian Chieng Ngee Wen, being two of the directors of Esthetics International Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
Roderick Chieng Ngee Kai

.....
Brian Chieng Ngee Wen

Shah Alam

Date: 18 July 2024

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, Roderick Chieng Ngee Kai, being the director primarily responsible for the financial management of Esthetics International Group Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
Roderick Chieng Ngee Kai

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 July 2024.

Before me,

.....
Commissioner for Oaths
Hadinur Mohd Syarif (W761)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTHETICS INTERNATIONAL GROUP BERHAD

(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Esthetics International Group Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 72 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTHETICS INTERNATIONAL GROUP BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Inventories (Notes 3(i) and 12 to the financial statements)

The Group's inventories are measured at the lower of cost or net realisable value. Judgement is required in estimating their net realisable values and identifying slow-moving inventories.

Our response:

Our audit procedures included, among others:

- observing year end physical inventory count to observe physical existence and condition of the finished goods and understanding the design and implementation of controls during the count;
- checking subsequent sales and evaluating directors' assessment on estimated net realisable value on selected inventory items; and
- discussing with the directors whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

Amount owing by an associate (Notes 3(ii) and 10 to the financial statements)

The Group and the Company have significant balance of amount owing by an associate. At the end of the financial year, the directors are required to determine the amount of expected credit losses on the amount owing by the associate.

We focused on this area because the Group's and the Company's expected credit losses assessment requires the exercise of significant judgement to be made by the directors, especially in determining the risk of default and expected credit loss rate, which are based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration of the current economic and business environment in relation to key assumptions;
- testing the mathematical computation of expected credit losses as at the end of the reporting period; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTHETICS INTERNATIONAL GROUP BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

Key Audit Matters (Continued)

Company

Investment in subsidiaries (Notes 3(iii) and 8 to the financial statements)

The Company has a significant balance of investment in subsidiaries. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in the subsidiaries. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investment. We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to understand the performance of the business;
- comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration of the current economic and business environment in relation to key assumptions; and
- testing the mathematical computation of the impairment assessment.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTHETICS INTERNATIONAL GROUP BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTHETICS INTERNATIONAL GROUP BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTHETICS INTERNATIONAL GROUP BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2024 J
Chartered Accountant

Kuala Lumpur

Date: 18 July 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Property, plant and equipment	4	29,401	28,128	-	-
Right-of-use assets	5	93,531	85,343	-	-
Intangible assets	6	1,509	1,618	-	-
Investment properties	7	2,828	2,828	-	-
Investments in subsidiaries	8	-	-	90,464	94,541
Investments in associates	9	-	-	-	-
Receivables	10(a)	38,218	33,909	22,403	25,778
Deferred tax assets	11	5,587	5,351	-	-
Total non-current assets		<u>171,074</u>	<u>157,177</u>	<u>112,867</u>	<u>120,319</u>
Inventories	12	48,440	42,492	-	-
Receivables, deposits and prepayments	10(b)	22,193	22,669	23,744	10,283
Tax recoverable		2,056	934	-	-
Short term cash investments	13	-	14,095	-	14,095
Cash and bank balances		<u>32,414</u>	<u>29,062</u>	<u>378</u>	<u>307</u>
Total current assets		<u>105,103</u>	<u>109,252</u>	<u>24,122</u>	<u>24,685</u>
Total assets		<u>276,177</u>	<u>266,429</u>	<u>136,989</u>	<u>145,004</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024 (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Equity					
Share capital	14	128,768	128,768	128,768	128,768
Reserves	15	5,655	3,488	-	-
Retained earnings	15	26,695	29,433	3,590	11,648
Total equity		<u>161,118</u>	<u>161,689</u>	<u>132,358</u>	<u>140,416</u>
Liabilities					
Borrowings	16	15,550	15,407	-	-
Lease liabilities	17	11,275	9,714	-	-
Deferred tax liabilities	11	8	10	-	-
Contract liabilities	18	3,519	2,792	-	-
Total non-current liabilities		<u>30,352</u>	<u>27,923</u>	<u>-</u>	<u>-</u>
Borrowings	16	3,823	4,242	-	-
Lease liabilities	17	19,380	14,815	-	-
Tax payable		276	261	49	13
Payables and accruals	19	26,580	26,004	4,582	4,575
Contract liabilities	18	34,648	31,495	-	-
Total current liabilities		<u>84,707</u>	<u>76,817</u>	<u>4,631</u>	<u>4,588</u>
Total liabilities		<u>115,059</u>	<u>104,740</u>	<u>4,631</u>	<u>4,588</u>
Total equity and liabilities		<u>276,177</u>	<u>266,429</u>	<u>136,989</u>	<u>145,004</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	20	179,325	165,104	624	520
Cost of sales/services		(89,696)	(83,613)	-	-
Gross profit		89,629	81,491	624	520
Other income		2,443	2,479	151	410
Distribution expenses		(26,715)	(24,696)	-	-
Administrative expenses		(57,866)	(53,781)	(522)	(542)
(Impairment) /Reversal of impairment losses of financial assets		(14)	7	(5,150)	-
Other expenses		(6,698)	(7,715)	(4,077)	-
Results from operating activities		779	(2,215)	(8,974)	388
Finance income		2,113	1,811	2,246	1,661
Finance costs		(1,760)	(1,190)	-	-
Operating profit/(loss)	21	1,132	(1,594)	(6,728)	2,049
Share of results of equity accounted associates, net of tax		-	-	-	-
Profit/(Loss) before tax		1,132	(1,594)	(6,728)	2,049
Tax expense	22	(2,684)	(4,082)	(144)	(61)
(Loss)/Profit for the financial year		(1,552)	(5,676)	(6,872)	1,988
Other comprehensive income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations		2,167	2,327	-	-
Total comprehensive income/(loss) for the financial year		615	(3,349)	(6,872)	1,988

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		<u>(1,552)</u>	<u>(5,676)</u>	<u>(6,872)</u>	<u>1,988</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		<u>615</u>	<u>(3,349)</u>	<u>(6,872)</u>	<u>1,988</u>
Loss per ordinary share attributable to owners of the Company (sen)					
- Basic	23	(0.65)	(2.39)		
- Diluted	23	<u>(0.65)</u>	<u>(2.39)</u>		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Note	← Attributable to owners of the Company →			
		Share Capital RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 April 2022		128,768	1,161	36,295	166,224
Loss for the financial year		-	-	(5,676)	(5,676)
Other comprehensive income, net of tax					
- Exchange differences on translation of foreign operations		-	2,327	-	2,327
Total comprehensive income/(loss) for the financial year		-	2,327	(5,676)	(3,349)
Transaction with owners					
Dividends paid	24	-	-	(1,186)	(1,186)
Total transaction with owners		-	-	(1,186)	(1,186)
At 31 March 2023		128,768	3,488	29,433	161,689
At 1 April 2023		128,768	3,488	29,433	161,689
Loss for the financial year		-	-	(1,552)	(1,552)
Other comprehensive income, net of tax					
- Exchange differences on translation of foreign operations		-	2,167	-	2,167
Total comprehensive income/(loss) for the financial year		-	2,167	(1,552)	615
Transaction with owners					
Dividends paid	24	-	-	(1,186)	(1,186)
Total transaction with owners		-	-	(1,186)	(1,186)
At 31 March 2024		128,768	5,655	26,695	161,118

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Company	Note	←Attributable to owners of the Company→		
		Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 April 2022		128,768	10,846	139,614
Profit for the financial year, representing total comprehensive income for the financial year		-	1,988	1,988
Transaction with owners				
Dividends paid	24	-	(1,186)	(1,186)
At 31 March 2023		128,768	11,648	140,416
Loss for the financial year, representing total comprehensive loss for the financial year		-	(6,872)	(6,872)
Transaction with owners				
Dividends paid	24	-	(1,186)	(1,186)
At 31 March 2024		<u>128,768</u>	<u>3,590</u>	<u>132,358</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		1,132	(1,594)	(6,728)	2,049
Adjustments for:					
Amortisation of development costs	6	123	146	-	-
Bad debts written off		3	2	-	-
Impairment/(Reversal) of impairment loss on receivables	10	14	(7)	5,150	-
COVID-19 related rent concession income		-	(41)	-	-
Depreciation of property, plant and equipment	4	3,345	2,807	-	-
Depreciation of right-of-use assets	5	20,023	18,893	-	-
Impairment loss on investments in subsidiaries	8	-	-	4,077	-
Inventories written off	12	1,212	2,702	-	-
Property, plant and equipment written off	4	88	1	-	-
Dividend income		-	-	(624)	(520)
Gain on disposal of property, plant and equipment		-	(21)	-	-
Income from short-term cash investments		(151)	(411)	(151)	(410)
Interest income		(2,113)	(1,811)	(2,246)	(1,661)
Interest expense		1,760	1,190	-	-
Unrealised gain on foreign exchange		(1,759)	(635)	-	-
Operating profit/(loss) before working capital changes, balance carried down		23,677	21,221	(522)	(542)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (continued)					
Operating profit/(loss) before working capital changes, balance brought down					
		23,677	21,221	(522)	(542)
Changes in working capital:					
Inventories		(7,160)	(10,161)	-	-
Receivables		(348)	(5,675)	-	-
Payables		574	388	7	44
Contract liabilities		3,880	8,498	-	-
Cash generated from/(used in) operations					
		20,623	14,271	(515)	(498)
Tax paid		(4,261)	(2,218)	(119)	(38)
Tax refunded		229	613	11	7
Net cash from/(used in) operating activities					
		16,591	12,666	(623)	(529)
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(4,609)	(2,170)	-	-
Additions of intangible assets	6	(14)	(103)	-	-
Dividends received		-	-	624	520
Advances to subsidiaries		-	-	(14,267)	(11,342)
Advances to associates		(1,781)	(2,355)	(969)	(1,827)
Proceeds from disposal of property, plant and equipment		-	21	-	-
Withdrawal of short-term cash investments		14,095	12,894	14,095	11,679
Interest income		2,113	1,811	2,246	1,661
Income from short-term cash investments		151	411	151	410
Net cash from investing activities					
		9,955	10,509	1,880	1,101
Balance carried down					
		26,546	23,175	1,257	572

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance brought down		26,546	23,175	1,257	572
Cash flows from financing activities					
Dividends paid	24	(1,186)	(1,186)	(1,186)	(1,186)
Payments of lease liabilities	17	(18,537)	(17,997)	-	-
Repayment of term loans	(a)	(1,382)	(1,357)	-	-
Interest paid		(1,760)	(1,190)	-	-
Net cash used in financing activities		<u>(22,865)</u>	<u>(21,730)</u>	<u>(1,186)</u>	<u>(1,186)</u>
Net increase/(decrease) in cash and cash equivalents		3,681	1,445	71	(614)
Cash and cash equivalents at beginning of the financial year		29,062	27,322	307	921
Effect of exchange rates changes on cash and cash equivalents		<u>(329)</u>	<u>295</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the financial year		<u>32,414</u>	<u>29,062</u>	<u>378</u>	<u>307</u>

(a) Reconciliations of liabilities arising from financing activities:

Group	At	Drawdown	Payment	← Non-cash →	At
	1 April 2023			Others	31 March 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	24,529	23,847	(18,537)	816	30,655
Term loans	19,649	-	(1,382)	1,106	19,373
	<u>44,178</u>	<u>23,847</u>	<u>(19,919)</u>	<u>1,922</u>	<u>50,028</u>

Group	At	Drawdown	Payment	← Non-cash →	At
	1 April 2022			Others	31 March 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	26,180	15,692	(17,997)	654	24,529
Term loans	19,840	-	(1,357)	1,166	19,649
	<u>46,020</u>	<u>15,692</u>	<u>(19,354)</u>	<u>1,820</u>	<u>44,178</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)

(b) Total cash outflows for leases as a lessee:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities:				
Payments relating to short-term leases	399	596	-	-
Interest paid in relation to lease liabilities	1,083	811	-	-
Included in net cash from financing activities:				
Payment of lease liabilities	<u>18,537</u>	<u>17,997</u>	<u>-</u>	<u>-</u>
Total cash outflow for leases	<u>20,019</u>	<u>19,404</u>	<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Esthetics International Group Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

Registered office/Principal place of business

Lot 11, Jalan Astaka U8/88
Bukit Jelutong, Seksyen U8
40150 Shah Alam
Selangor Darul Ehsan
Malaysia

The consolidated financial statements as at and for the financial year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as “the Group”). The financial statements of the Company as at and for the financial year ended 31 March 2024 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The holding company of the Company is Providence Capital Sdn. Bhd., a private limited company incorporated in Malaysia.

The financial statements were approved by the Board of Directors in accordance with a resolution of the directors on 18 July 2024.

1. Basis of preparation

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

1.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. Basis of preparation (Continued)

1.2 Adoption of new MFRS and amendments to MFRSs (Continued)

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

1.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. Basis of preparation (Continued)

1.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Continued)

- (b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. The initial application of the applicable new MFRSs and amendments to MFRSs is not expected to have material impact to the current and prior periods financial statements.

1.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand (RM'000), unless otherwise stated.

1.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis except as disclosed.

2. Material accounting policy information

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2024.

- (a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date. When the acquired set of activities meets the definition of a business and control is transferred to the Group.

- (b) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using equity method.

2.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any impairment losses.

Contributions to subsidiaries are amounts which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Material accounting policy information (Continued)

2.3 Financial instruments

Financial assets - subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50 years
Motor vehicles	5 years
Office equipment and fittings	2 - 10 years
Tools and equipment	4 - 7 years
Renovation	Over the initial lease term of 2 to 5 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Material accounting policy information (Continued)

2.5 Leases

(a) Lessee accounting

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less). Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

2.6 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the period in which they arise.

2.7 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	Useful lives (years)
Development costs	3 to 10 years

2.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Material accounting policy information (Continued)

2.9 Revenue and other income

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(i) *Sale of goods*

The Group distributes and sells beauty and wellness products and beauty equipment to customers. Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 14 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Variable considerations - Right of return

The Group's customary business practice is to allow a customer to return goods and receive a full refund, giving rise to a variable consideration. The Group uses the expected value method in estimating the goods to be returned because it is the method that the Group expects to better predict the amount of variable consideration to which the Group will be entitled. With that, upon transfer of control of the goods, instead of recognising revenue for goods that is highly probable to be returned, the Group recognises a refund liability.

The estimated variable consideration recognised is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Customer options for additional goods or services

- Trade incentives

The Group provides incentives to certain customers if the goods purchased exceed a threshold specified in the contract. These incentives are applied prospectively against the additional goods acquired by the customer in future and shall be accounted for as a customer option as it gives rise to a material right to the customer that it would not receive without entering into that contract. Accumulated experience with the customer's purchasing pattern is used to estimate and provide for the incentives. A portion of the transaction price is allocated to the incentives based on a relative stand-alone selling price basis. The Group recognises a contract liability for the estimated incentives in relation to sales made until the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Material accounting policy information (Continued)

2.9 Revenue and other income (Continued)

(i) *Sale of goods (Continued)*

Customer options for additional goods or services (Continued)

- Customer loyalty points programme

The Group has a loyalty points programme which allows customers to accumulate points that can be redeemed for goods or services. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability. Revenue is recognised upon redemption of products or services by the customer or when the points expired. The Group updates its estimates of the points on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Consideration payable to customers

The Group provides compensation to certain customers for advertising and promotional events which that amounts can be applied against amounts owed to the Group. The consideration payable to a customer is accounted as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group. This reduction of revenue should be recognised at the later of when the entity transfers the promised goods or services to the customer or when the entity promises to pay the consideration. A contract liability on the expected consideration payable to customers is recognised by the Group.

(ii) *Services rendered*

The Group provides professional services in relation to beauty and wellness programme. Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the progress towards complete performance of the services (output method).

Where consideration is collected from customer in advance for professional services, a contract liability is recognised for the consideration received. Contract liability would be recognised as revenue upon services rendered to the customer.

(iii) *Rental income*

Rental income from the rental of investment properties is recognised in profit or loss on a straight-line basis over the terms of the lease.

(iv) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(v) *Interest income*

Interest income is recognised as it accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Material accounting policy information (Continued)

2.9 Revenue and other income (Continued)

(vi) *Income from short-term cash investments*

Income from short-term cash investments is recognised when the right to receive payment is established.

(vii) *Management fees*

Management fees are recognised over time as and when services are rendered.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(i) **Write-down of obsolete or slow-moving inventories**

The Group writes down its obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amount of the inventories of the Group is disclosed in Note 12.

(ii) **Impairment of amount owing by an associate**

The Group and the Company perform impairment review based on assumptions about risk of default and expected loss rate.

Significant judgement is required over assumptions about risk of default and expected loss rate. In making the assumptions, the Group and the Company selected inputs to the impairment calculation, existing market conditions as well as forward looking estimates at the end of the reporting period.

The carrying amount of the amount owing by an associate is disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant accounting judgements, estimates and assumptions (Continued)

(iii) Impairment of investment in subsidiaries

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. Reviews are performed if events indicate that this is necessary. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

The carrying amounts of investment in subsidiaries are disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Property, plant and equipment

Group Cost	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment and fittings RM'000	Tools and equipment RM'000	Renovation RM'000	Total RM'000
At 1 April 2022	11,053	19,510	1,593	13,501	17,039	28,128	90,824
Additions	-	-	6	817	180	1,167	2,170
Disposals	-	-	(117)	(13)	(76)	-	(206)
Written off	-	-	-	(915)	(2,791)	(1,852)	(5,558)
Translation differences	-	-	-	201	399	597	1,197
At 31 March 2023/1 April 2023	11,053	19,510	1,482	13,591	14,751	28,040	88,427
Additions	-	-	-	405	1,210	2,994	4,609
Written off	-	(82)	-	(189)	(574)	(1,513)	(2,358)
Translation differences	-	-	1	207	392	564	1,164
At 31 March 2024	11,053	19,428	1,483	14,014	15,779	30,085	91,842

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Property, plant and equipment (Continued)

Group	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment and fittings RM'000	Tools and equipment RM'000	Renovation RM'000	Total RM'000
Accumulated depreciation							
At 1 April 2022	-	5,620	1,332	12,628	15,927	26,636	62,143
Depreciation charge for the financial year	-	383	98	570	558	1,198	2,807
Disposals	-	-	(117)	(13)	(76)	-	(206)
Written off	-	-	-	(914)	(2,791)	(1,852)	(5,557)
Translation differences	-	-	-	190	380	542	1,112
At 31 March 2023/1 April 2023	-	6,003	1,313	12,461	13,998	26,524	60,299
Depreciation charge for the financial year	-	571	73	628	565	1,508	3,345
Written off	-	-	-	(184)	(573)	(1,513)	(2,270)
Translation differences	-	-	-	190	372	505	1,067
At 31 March 2024	-	6,574	1,386	13,095	14,362	27,024	62,441
Carrying amounts							
At 31 March 2024	11,053	12,854	97	919	1,417	3,061	29,401
At 31 March 2023	11,053	13,507	169	1,130	753	1,516	28,128

During the financial year, the Group acquired the property, plant and equipment at aggregate cost of RM4,609,000 (2023: RM2,170,000) which are satisfied by cash payments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Right-of-use assets

The Group leases several assets and the information about leases of the Group as lessee is presented below:

	Leasehold Buildings RM'000	ROU - Retail Outlets RM'000	Total RM'000
Group			
Carrying amount			
At 1 April 2022	59,325	25,380	84,705
Additions	-	15,692	15,692
Depreciation charge for the financial year	(1,056)	(17,837)	(18,893)
Translation differences	3,179	660	3,839
	<u>61,448</u>	<u>23,895</u>	<u>85,343</u>
At 31 March 2023/1 April 2023	61,448	23,895	85,343
Additions	-	23,847	23,847
Depreciation charge for the financial year	(1,111)	(18,912)	(20,023)
Translation differences	3,462	902	4,364
At 31 March 2024	<u>63,799</u>	<u>29,732</u>	<u>93,531</u>

(i) Lease terms

The buildings generally have lease terms between 7 years to 86 years.

The retail outlets have lease terms between 1 to 5 years.

(ii) Assets pledged as security

The net carrying amount of leasehold buildings pledged as security for banking facilities granted to subsidiaries as disclosed in Note 16 to the financial statements are amounting to RM59,315,000 (2023: RM56,933,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Intangible assets

	Goodwill RM'000	Development costs RM'000	Total RM'000
Group			
Cost			
At 1 April 2022	3,477	659	4,136
Additions	-	103	103
Translation differences	-	5	5
At 31 March 2023/1 April 2023	<u>3,477</u>	<u>767</u>	<u>4,244</u>
Additions	-	14	14
Translation differences	-	6	6
At 31 March 2024	<u>3,477</u>	<u>787</u>	<u>4,264</u>
Accumulated amortisation and impairment			
At 1 April 2022	2,022	454	2,476
Amortisation charge for the financial year	-	146	146
Translation differences	-	4	4
At 31 March 2023/1 April 2023	<u>2,022</u>	<u>604</u>	<u>2,626</u>
Amortisation charge for the financial year	-	123	123
Translation differences	-	6	6
At 31 March 2024	<u>2,022</u>	<u>733</u>	<u>2,755</u>
Carrying amounts			
At 31 March 2024	<u>1,455</u>	<u>54</u>	<u>1,509</u>
At 31 March 2023	<u>1,455</u>	<u>163</u>	<u>1,618</u>

(a) Goodwill

Goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indicators of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount. Impairment loss is recognised in profit or loss and subsequent reversal is not allowed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Intangible assets (Continued)

(a) Goodwill (Continued)

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units ("the Units") at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:

	2024 RM'000	2023 RM'000
Singapore professional services and sales	1,455	1,455

The recoverable amount for the goodwill is based on value-in-use calculations using cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period.

Value in use was determined by discounting the future cash flows to be generated from the operations of the cash generating units and was based on the following key assumptions:

- There will be no material changes in the structure and principal activities of the subsidiary.
- Gross margins are based on the average gross margin achieved in the past years.
- There will not be any significant increase in labour costs, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the respective companies.
- Growth rate used to extrapolate cash flows for fourth and fifth year is based on expected growth rate.
- Statutory income tax rates – the rate for Singapore is 17% (2023: 17%). There will be no material changes in the present legislation or regulations, rates of duties, levies and taxes affecting the Units' activities.
- Discount rate was applied on the projected cash flows in determining the recoverable amounts of the Units. The rates for Singapore professional services is 8% (2023: 7%).

The management believes that no reasonable changes in the above key assumptions that would cause the carrying amount of the cash generating unit to exceed its recoverable amounts. The estimated recoverable amount of the cash generating unit exceeded the carrying amount of the cash generating unit. As a result of the analysis, management did not identify an impairment for this cash generating unit.

(b) Development costs

Development costs principally comprise internally generated expenditure on system development where it is reasonably anticipated that the costs will be recovered through future commercial activities.

(c) Amortisation

The amortisation of development costs of the Group amounting to RM123,000 (2023: RM146,000) are included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investment properties

	Group	
	2024 RM'000	2023 RM'000
At fair value		
At beginning/end of the financial year	<u>2,828</u>	<u>2,828</u>

- (i) The above completed investment properties comprise commercial retail units.
- (ii) The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM'000	2023 RM'000
Rental income	108	135
Direct operating expenses	<u>(37)</u>	<u>(36)</u>

- (iii) Fair value information

Fair value of investment properties is categorised as follows:

	Fair Value RM'000	Fair value measurement using		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
2024				
Investment properties	<u>2,828</u>	<u>-</u>	<u>-</u>	<u>2,828</u>
2023				
Investment properties	<u>2,828</u>	<u>-</u>	<u>-</u>	<u>2,828</u>

The valuation of investment properties as at 31 March 2024 has been conducted by an accredited independent valuer. The valuations are based on the comparison method of valuation. The valuation method involves determining the market value by directly comparing the properties with similar properties that have been sold, finding its value from these transactions. This method is based on the principle that the market value of a property would align with the market values of similar properties transacted recently in the same locality as the subject property. Adjustments are then made for differences in location, size, facilities available, market conditions, and other relevant factors to arrive at a common basis for comparison.

There are no Level 1 and Level 2 investment properties or transfer between Level 1 and Level 2 during the financial years ended 31 March 2024 and 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in subsidiaries

	Company	
	2024 RM'000	2023 RM'000
At cost		
Unquoted shares	114,712	114,712
Less: Accumulated impairment loss	(24,248)	(20,171)
	<u>90,464</u>	<u>94,541</u>
Quasi loans	3,888	3,888
Less: Accumulated impairment loss	(3,888)	(3,888)
	<u><u>90,464</u></u>	<u><u>94,541</u></u>

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
EIG Dermal Wellness (M) Sdn. Bhd.	Malaysia	Distribution of beauty and wellness products	100	100
Leonard Drake (M) Sdn. Bhd.	Malaysia	Dormant	100	100
AsterSpring International Sdn. Bhd.	Malaysia	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	100	100
EIG Pharma Asia Sdn. Bhd.	Malaysia	Development and distribution of fast moving consumer goods	100	100
EIG Haircare Sdn. Bhd.	Malaysia	Distribution of hair care, beauty and wellness products	100	100
Clinelle (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Beuxstar Sdn. Bhd.	Malaysia	Agent for trade-marks and patents application	100	100
Esthetics and Wellness International Sdn. Bhd.	Malaysia	Offering education and training in beauty and wellness	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
EIG Prestige Cosmetics Sdn. Bhd.	Malaysia	Dormant	100	100
Averine (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100	100
Head To Toe Skin Care Centre (KL) Sdn. Bhd.	Malaysia	Dormant	100	100
EIG Management Services Sdn. Bhd.	Malaysia	Management services	100	100
EIG Ecommerce Sdn. Bhd.	Malaysia	Retailing of beauty and wellness products via e-commerce	100	100
EIG (Thailand) Co. Ltd.*	Thailand	Investment holding	100	100
EIG Dermal Wellness (HK) Ltd.*	Hong Kong	Distribution of beauty and wellness products	100	100
Leonard Drake (HK) Limited*	Hong Kong	Property investment holding	100	100
AsterSpring International (HK) Co. Ltd.*	Hong Kong	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	100	100
Lexwel International Pte. Limited*	Hong Kong	Dormant	100	100
EIG Global Pte. Ltd.*	Singapore	Investment holding	100	100
Lexwel International (S) Pte. Ltd.*	Singapore	Dormant	100	100
EIG Global (US) Inc.^	United States of America	Dormant	100	100
EIG Philippines Inc.*	Philippines	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
<i>Interest held through EIG Prestige Cosmetics Sdn. Bhd.</i>				
Klientec Biz-Solution Sdn. Bhd.	Malaysia	Dormant	100	100
<i>Interest held through Lexwel International (S) Pte. Ltd.</i>				
PT EIG Lexwel [^]	Indonesia	Dormant	100	100
<i>Interest held through EIG Global Pte. Ltd.</i>				
AsterSpring International (S) Pte. Ltd.*	Singapore	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	100	100
EIG Dermal Wellness (S) Pte. Ltd.*	Singapore	Distribution of beauty and wellness products	100	100
<i>Interest held by the Company – 99.94% and through EIG Haircare Sdn. Bhd. – 0.06%</i>				
PT EIG Dermal Wellness Indonesia*	Indonesia	Distribution of beauty and wellness products	100	100
<i>Interest held by the Company – 99% and through EIG Prestige Cosmetics Sdn. Bhd. – 1%</i>				
EIG Dermal Wellness (B) Sdn. Bhd.*	Brunei	Dormant	100	100

* Audited by auditors other than Messrs Baker Tilly Monteiro Heng PLT

[^] Companies not required to be audited in their countries of incorporation. The unaudited financial statements have been reviewed for consolidation purpose.

There are no restrictions to access or use the assets and settle the liabilities of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Investments in associates

	Group	
	2024 RM'000	2023 RM'000
At cost		
Unquoted shares	4,286	4,286
Less: Accumulated impairment loss	(12)	(12)
	4,274	4,274
Share of results in associates	(4,274)	(4,274)
	-	-

Details of the associates are as follows:

Name of associate	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2024 %	2023 %
<i>Interest held through EIG (Thailand) Co. Ltd.</i>				
Wellnax (Thai) Co. Ltd.*	Thailand	Investment holding	49	49
Dermal Wellness International Co. Ltd. ("DWI")*	Thailand	Investment holding	48.9	48.9
<i>Interest held through Wellnax (Thai) Co. Ltd.</i>				
Dermal Wellness International Co. Ltd. ("DWI")*	Thailand	Investment holding	46	46
<i>Interest held through Dermal Wellness International Co. Ltd.</i>				
EIG Dermal Wellness (Thai) Co. Ltd.*	Thailand	Distribution of beauty and wellness products	48.9	48.9
<i>Interest held through EIG Dermal Wellness (Thai) Co. Ltd.</i>				
AsterSpring International (Thai) Co. Ltd.*	Thailand	Operating of beauty and wellness centres, providing beauty and wellness services and retailing of products	48.9	48.9

* Audited by auditors other than Messrs Baker Tilly Monteiro Heng PLT

All the associates are accounted for using the equity method in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Investments in associates (Continued)

The Group has not recognised its share of losses of all associates amounting to RM1,520,639 (2023: RM2,368,347) because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM16,307,791 (2023: RM14,787,152).

The Group's associates are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group. Therefore, the summarised financial information of the associates are not presented.

There are no restrictions on the ability of associates to transfer funds to the Group in the form of dividend.

There are no contingent liabilities that are incurred jointly with other investors and those that arise because the investor is severally liable for all or part of the liabilities of the associates.

10. Receivables, deposits and prepayments

(a) Non-current receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Amounts due from associates	(i)	13,308	10,780	-	-
Less:					
Allowance for impairment loss		(511)	(511)	-	-
		<u>12,797</u>	<u>10,269</u>	<u>-</u>	<u>-</u>
Non-trade					
Amounts due from subsidiaries	(ii)	-	-	10,018	9,212
Less:					
Allowance for impairment loss		-	-	(5,437)	(287)
		<u>-</u>	<u>-</u>	<u>4,581</u>	<u>8,925</u>
Amounts due from associates	(iii)	25,421	23,640	17,822	16,853
		<u>25,421</u>	<u>23,640</u>	<u>22,403</u>	<u>25,778</u>
		<u>38,218</u>	<u>33,909</u>	<u>22,403</u>	<u>25,778</u>

- (i) The trade amounts due from associates of the Group are unsecured, bear interest at 5% per annum and are not expected to be repayable within the next 12 months.
- (ii) The non-trade amounts due from subsidiaries of the Company are unsecured, bear interest ranging from 3.5% - 6.75% (2023: 3.5% - 6.75%) per annum and are not expected to be repayable within the next 12 months except for an amount of RM4,486,000 (2023: RM8,848,000) which is repayable in year 2030. The amounts due are expected to be settled in cash.
- (iii) The non-trade amounts due from associates of the Group and the Company are unsecured, bear interest at 6% (2023: 6%) per annum and are not expected to be repayable within the next 12 months. The amounts due are expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Receivables, deposits and prepayments (Continued)

(b) Current receivables, deposits and prepayments

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade receivables	(i)	12,920	12,502	-	-
Less:					
Allowance for impairment loss		(102)	(88)	-	-
		<u>12,818</u>	<u>12,414</u>	<u>-</u>	<u>-</u>
Non-trade					
Amounts due from subsidiaries	(ii)	-	-	23,727	10,266
Other receivables		149	101	-	-
Deposits	(iii)	7,299	7,052	2	2
Prepayments		1,927	3,102	15	15
		<u>9,375</u>	<u>10,255</u>	<u>23,744</u>	<u>10,283</u>
		<u>22,193</u>	<u>22,669</u>	<u>23,744</u>	<u>10,283</u>

- (i) The normal trade credit terms granted are as follows:
- Beauty and wellness products: 14 to 90 days (2023: 14 to 90 days)
 - Beauty equipment: case-by-case basis
- (ii) The non-trade amounts due from subsidiaries of the Company are unsecured, bear interest from 3.5% to 5% (2023: 3.5% to 5%) per annum, repayable on demand and are expected to be settled in cash.
- (iii) Included in deposits of the Group is a refundable rental deposit of RM6,302,000 (2023: RM5,982,000).

11. Deferred tax assets/(liabilities)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Property, plant and equipment RM'000	Contract liabilities RM'000	Others RM'000	Total RM'000
Group				
Assets				
At 1 April 2022	(276)	3,114	3,893	6,731
Recognised in profit or loss (Note 22)	(53)	1,204	(2,548)	(1,397)
Translation differences	-	-	17	17
At 31 March 2023/1 April 2023	(329)	4,318	1,362	5,351
Recognised in profit or loss (Note 22)	13	500	(274)	239
Translation differences	-	-	(3)	(3)
At 31 March 2024	<u>(316)</u>	<u>4,818</u>	<u>1,085</u>	<u>5,587</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Deferred tax assets/(liabilities) (Continued)

	Others RM'000	Total RM'000
Group		
Liabilities		
At 1 April 2022	(9)	(9)
Recognised in profit or loss (Note 22)	<u>(1)</u>	<u>(1)</u>
At 31 March 2023/1 April 2023	(10)	(10)
Recognised in profit or loss (Note 22)	<u>2</u>	<u>2</u>
At 31 March 2024	<u>(8)</u>	<u>(8)</u>

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group	
	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	402	348
Unused tax losses	79,086	65,403
Others	<u>2,513</u>	<u>2,419</u>
	<u>82,001</u>	<u>68,170</u>

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which are available for utilisation up to the following financial years:

	Group 2024 RM'000
2028	12,126
2029	1,031
2030	613
2031	1,031
2032	648
2034	<u>2,041</u>
	<u>17,490</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Inventories

	Group	
	2024 RM'000	2023 RM'000
At cost		
Raw materials and consumables	3,978	4,816
Goods in transit	12,496	12,889
Trading goods	31,966	24,787
	<u>48,440</u>	<u>42,492</u>

- (i) The cost of inventories of the Group recognised as expense in cost of sales during the financial year was RM52,860,000 (2023: RM48,571,000).
- (ii) The cost of inventories of the Group recognised as expense in other operating expenses during the financial year in respect of written off of inventories was RM1,212,000 (2023: RM2,702,000).

13. Short-term cash investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
Cash management fund investments with investment management companies	-	14,095	-	14,095
	<u>-</u>	<u>14,095</u>	<u>-</u>	<u>14,095</u>

14. Share capital

	Group and Company			
	2024		2023	
	Number of shares Unit'000	Amounts RM'000	Number of shares Unit'000	Amounts RM'000
Issued and fully paid up (no par value):				
At beginning/end of the financial year	<u>237,194</u>	<u>128,768</u>	<u>237,194</u>	<u>128,768</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Reserves and retained earnings

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable					
Translation reserve	(a)	<u>5,655</u>	<u>3,488</u>	<u>-</u>	<u>-</u>
Distributable					
Retained earnings	(b)	<u>26,695</u>	<u>29,433</u>	<u>3,590</u>	<u>11,648</u>

(a) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of each entity in the Group with functional currencies other than RM as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in RM.

(b) Retained earnings

The Company may distribute dividends out of its retained earnings under the single tier system.

16. Borrowings

	Group	
	2024 RM'000	2023 RM'000
Non-current:		
Secured		
Term loans	15,550	15,407
Current:		
Secured		
Term loans	<u>3,823</u>	<u>4,242</u>
	<u>19,373</u>	<u>19,649</u>

(i) Term loan I – Hong Kong Dollar

Term loan I of a subsidiary of RM3,001,000 (2023: RM3,377,000) bears interest at 2.85% (2023: 2.73%) per annum and is secured by legal charges over the properties as disclosed in Note 5 to the financial statements.

(ii) Term loan II – Singapore Dollar

Term loan II of a subsidiary of RM12,217,000 (2023: RM12,127,000) bears interest at 1.7% from 1 June 2021 to 31 May 2023, thereafter at 3 months compounded Singapore Overnight Rate Average ("SORA") in advance plus 4% per annum (2023: 1.7% from 1 June 2021 to 31 May 2023, thereafter at 3 months compounded SORA in advance plus 4% per annum) and is secured by legal charges over the properties as disclosed in Note 5 to the financial statements and corporate guarantee by its wholly-owned subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Borrowings (Continued)

(iii) Term loan III – Singapore Dollar

Term loan III of a subsidiary of RM4,155,000 (2023: RM4,145,000) bears fixed interest at 1.88% per annum from 6 May 2022 to 5 May 2025 and subsequently at 3% per annum above prevailing SORA (2023: 1.88% per annum from 6 May 2022 to 5 May 2025 and subsequently at 3% per annum above prevailing SORA). The term loan is secured by legal charges over the properties as disclosed in Note 5 to the financial statements and corporate guarantee by its wholly-owned subsidiaries.

17. Lease liabilities

	Group	
	2024	2023
	RM'000	RM'000
Minimum lease payments:		
- Not later than one year	16,944	13,916
- Later than one year and not later than five years	14,767	11,490
	<u>31,711</u>	<u>25,406</u>
Less: Future finance charges	(1,056)	(877)
Present value of minimum lease payments	<u>30,655</u>	<u>24,529</u>
Represented by:		
Current		
- Not later than one year	19,380	14,815
Non-current		
- Later than one year and not later than five years	11,275	9,714
	<u>30,655</u>	<u>24,529</u>

Set out below is the movements of lease liabilities during the financial year:

	Group
	RM'000
At 1 April 2022	26,180
Addition	15,692
Payments	(17,997)
Rent concession	(41)
Translation difference	695
At 31 March 2023	<u>24,529</u>
Addition	23,847
Payments	(18,537)
Translation difference	816
At 31 March 2024	<u>30,655</u>

The lease payments are discounted using the Group's weighted average incremental borrowing rate ranging from 3.4% to 5% (2023: 3.4% to 5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Contract liabilities

	Note	Group	
		2024 RM'000	2023 RM'000
Current			
Cash received from customers for products and services not yet rendered		31,402	28,059
Others	(a)	3,246	3,436
		<u>34,648</u>	<u>31,495</u>
Non-current			
Cash received from customers for products and services not yet rendered			
- Later than one year and not later than two years		3,519	2,792
		<u>38,167</u>	<u>34,287</u>

- (a) Others comprise customer loyalty points, consideration payable to customers, refund liabilities, rebate liabilities and trade incentives.

Significant changes in contract liabilities

	Contract liabilities (Increase)/Decrease	
	2024 RM'000	2023 RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	34,287	25,789
Increase due to cash received, excluding amounts recognised as revenue during the financial year	<u>(38,167)</u>	<u>(34,287)</u>

Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year represented primarily revenue from the cash received from customers for products and services that had been rendered.

19. Payables and accruals

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade payables	(a)	<u>16,568</u>	<u>14,463</u>	-	-
Non-trade					
GST payable		517	629	-	-
Other payables		1,888	2,750	-	-
Amounts due to subsidiaries	(b)	-	-	4,248	4,251
Accruals	(c)	<u>7,607</u>	<u>8,162</u>	<u>334</u>	<u>324</u>
		<u>10,012</u>	<u>11,541</u>	<u>4,582</u>	<u>4,575</u>
		<u>26,580</u>	<u>26,004</u>	<u>4,582</u>	<u>4,575</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Payables and accruals (Continued)

- (a) The normal trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days).
- (b) Amounts due to subsidiaries are non-trade in nature, unsecured, interest-free, repayable upon demand and are expected to be settled in cash.
- (c) Included in accruals of the Group are staff expenses of RM4,295,000 (2023: RM4,743,000).

20. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract customers:				
Management fees	76	73	-	-
Product distribution	64,270	63,227	-	-
Professional services and sales	104,811	93,448	-	-
E-commerce	10,168	8,356	-	-
	<u>179,325</u>	<u>165,104</u>	<u>-</u>	<u>-</u>
Revenue from other sources:				
Dividend from a subsidiary	-	-	624	520
	<u>179,325</u>	<u>165,104</u>	<u>624</u>	<u>520</u>
Timing of revenue recognition from contract customers:				
At a point in time	74,438	71,583	624	520
Over time	104,887	93,521	-	-
	<u>179,325</u>	<u>165,104</u>	<u>624</u>	<u>520</u>

Disaggregation of revenue

The Group reports the following major segments: professional services and sales, product distribution and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary geographical markets, major goods or services, timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

The information on disaggregation of revenue into primary geographical markets is disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Operating profit/(loss)

(a) Operating profit/(loss) has been arrived at:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
After charging:				
Auditors' remuneration - statutory audit:				
- Baker Tilly Monteiro Heng PLT	182	162	54	42
- Other auditors	184	182	-	-
Other services				
- Baker Tilly Monteiro Heng PLT	12	9	6	5
Amortisation of development costs	123	146	-	-
Bad debts written off	3	2	-	-
Depreciation of property, plant and equipment	3,345	2,807	-	-
Depreciation of right-of-use assets	20,023	18,893	-	-
Expenses relating to short-term leases	399	596	-	-
Interest expense:				
- Term loan	677	379	-	-
- Lease liabilities	1,083	811	-	-
Impairment loss on receivables				
- Trade receivables	14	-	-	-
- Amount due from subsidiary	-	-	5,150	-
Impairment loss on investment in subsidiary	-	-	4,077	-
Inventories written off	1,212	2,702	-	-
Property, plant and equipment written off	88	1	-	-
Realised loss on foreign exchange	471	532	-	-
Rental commission	2,223	1,708	-	-
Staff costs:				
- Wages, salaries and others	55,057	53,397	-	-
- Contribution to defined contribution plan	5,405	5,442	-	-
After crediting:				
COVID-19 related rent concession income	-	41	-	-
Gain on disposal of property, plant and equipment	-	21	-	-
Government subsidy	101	723	-	-
Income from short-term cash investments	151	411	151	410
Interest income	2,113	1,811	2,246	1,661
Rental income from investment properties	108	135	-	-
Reversal of impairment loss on receivables	-	7	-	-
Unrealised gain on foreign exchange	1,759	635	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Operating profit/(loss) (Continued)

(b) Directors' remuneration:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company				
- Fees	201	201	201	201
- Other emoluments	1,784	1,560	20	20
- Contribution to defined contribution plan	209	183	-	-
- Estimated monetary value of benefits-in-kind	200	164	48	56
	<u>2,394</u>	<u>2,108</u>	<u>269</u>	<u>277</u>

22. Tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statements of comprehensive income				
Current tax:				
- current income tax change	3,048	2,920	154	61
- adjustment in respect of prior years	(123)	(236)	(10)	-
	<u>2,925</u>	<u>2,684</u>	<u>144</u>	<u>61</u>
Deferred tax (Note 11):				
- (Reversal)/Origination of temporary differences	(205)	1,360	-	-
- adjustment in respect of prior years	(36)	38	-	-
	<u>(241)</u>	<u>1,398</u>	<u>-</u>	<u>-</u>
	<u>2,684</u>	<u>4,082</u>	<u>144</u>	<u>61</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Tax expense (Continued)

The reconciliations of the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before tax	<u>1,132</u>	<u>(1,594)</u>	<u>(6,728)</u>	<u>2,049</u>
Tax at the statutory tax rate of 24% (2023: 24%)	272	(383)	(1,615)	492
Effect of different tax rates in foreign jurisdictions	(106)	(130)	-	-
Non-deductible expenses	607	5,572	2,320	120
Non-taxable income	(1,249)	(876)	(551)	(551)
Deferred tax assets not recognised	3,319	97	-	-
Adjustment in respect of prior years:				
- current tax	(123)	(236)	(10)	-
- deferred tax	(36)	38	-	-
Tax expense	<u>2,684</u>	<u>4,082</u>	<u>144</u>	<u>61</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

23. Loss per share

The basic loss per share of the Group is calculated by dividing the Group's loss attributable to owners of the Company by the number of ordinary shares in issue during the financial year.

Basic loss per share is calculated based on the following information:

	Group	
	2024	2023
Loss attributable to owners of the Company (RM'000)	<u>(1,552)</u>	<u>(5,676)</u>
Number of shares in issue ('000)	<u>237,194</u>	<u>237,194</u>
Basic loss per ordinary share (sen)	<u>(0.65)</u>	<u>(2.39)</u>

The basic and diluted loss per ordinary share are equal as the Group does not have dilutive potential ordinary shares as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. Dividends

	Group and Company	
	2024	2023
Recognised during the financial year:	RM'000	RM'000
Final single-tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 March 2023	1,186	-
Final single-tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 March 2022	-	1,186
	<u>1,186</u>	<u>1,186</u>

At the forthcoming Annual General Meeting, a final single-tier dividend of 0.5 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

25. Operating segments

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, are based on the Group's management and internal reporting structure. The accounting policies of the segments are the same as the Group's accounting policies described in Note 2 to the financial statements. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly related loans and borrowings and lease liabilities, tax assets and liabilities.

Segment addition in non-current assets (excluding financial instruments and deferred tax assets) is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Operating segments (Continued)

Business segments

The Group comprises the following main segments:

Segments	Products and services
Professional services and sales	The professional services rendered in respect of beauty and wellness programs and sales of related products.
Product distribution	The distribution of beauty and wellness products and beauty equipment.
E-commerce	The retailing of beauty and wellness products via e-commerce
Others	Investment holding, management services, education and training.

Geographical segments

The professional services and sales segment of the Group operated in Singapore, Hong Kong and Indonesia apart from its home country, Malaysia.

The product distribution segment, e-commerce segment and other business segments are operated in Malaysia, Singapore, Hong Kong, Thailand and Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets (excluding financial instruments and deferred tax assets) are based on the geographical location of the assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Operating segments (Continued)

	Professional services and sales		Product distribution		Ecommerce		Others		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business segments												
Revenue from external customers	104,810	93,447	64,271	63,228	10,168	8,356	76	73	-	-	179,325	165,104
Inter-segment revenue	-	-	36,880	35,557	-	-	12,015	11,427	(48,895)	(46,984)	-	-
Total revenue	104,810	93,447	101,151	98,785	10,168	8,356	12,091	11,500	(48,895)	(46,984)	179,325	165,104
Segment results	5,390	2,672	(6,239)	(5,134)	1,072	(799)	405	635	-	-	628	(2,626)
Interest income and income from short-term cash investments	123	78	551	414	23	13	1,567	1,717			2,264	2,222
Finance costs	(1,083)	(811)	-	-	-	-	(677)	(379)			(1,760)	(1,190)
Profit/(Loss) before tax											1,132	(1,594)
Tax expense											(2,684)	(4,082)
Loss for the financial year											(1,552)	(5,676)
Segment assets	75,037	62,771	104,807	98,999	2,031	1,665	86,659	96,709			268,534	260,144
Unallocated assets											7,643	6,285
Total assets											276,177	266,429
Segment liabilities	39,492	35,996	23,933	22,987	225	230	1,097	1,078			64,747	60,291
Unallocated liabilities											50,312	44,449
Total liabilities											115,059	104,740

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Operating segments (Continued)

	Professional services and sales		Product distribution		Ecommerce		Others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Amortisation of development costs	34	33	9	-	80	113	-	-	123	146
Impairment/(Reversal) of impairment loss on receivables	-	-	14	(7)	-	-	-	-	14	(7)
Additions in capital expenditure	4,506	1,535	76	500	13	20	14	115	4,609	2,170
Bad debts written off	-	-	3	2	-	-	-	-	3	2
Gain on disposal of property, plant and equipment	-	(1)	-	(20)	-	-	-	-	-	(21)
Depreciation of property, plant and equipment	2,311	1,889	908	783	26	30	100	105	3,345	2,807
Depreciation of right-of-use assets	18,912	17,837	108	106	-	-	1,003	950	20,023	18,893
Inventories written off	39	184	1,164	2,489	9	29	-	-	1,212	2,702
Property, plant and equipment written off	4	1	84	-	-	-	-	-	88	1
Unrealised (gain)/loss on foreign exchange	(11)	16	(1,748)	(651)	-	-	-	-	(1,759)	(635)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Operating segments (Continued)

Segment revenue based on geographical location of the Group's customers:

Revenue	2024	2023
	RM'000	RM'000
Malaysia	108,744	101,880
Singapore	44,008	39,682
Hong Kong	16,698	14,724
Others*	9,875	8,818
	<u>179,325</u>	<u>165,104</u>

* Included in the segment are Thailand and Indonesia.

Non-current assets (other than financial instruments and deferred tax assets) information based on geographical location of the Group's operations:

	2024	2023
	RM'000	RM'000
Malaysia	42,799	38,765
Singapore	58,466	53,917
Hong Kong	21,418	20,547
Indonesia	4,586	4,688
	<u>127,269</u>	<u>117,917</u>

Non-current assets (other than financial instruments and deferred tax assets) information presented above consists of the following items as presented in the consolidated statements of financial position:

	2024	2023
	RM'000	RM'000
Property, plant and equipment	29,401	28,128
Right-of-use assets	93,531	85,343
Intangible assets	1,509	1,618
Investment properties	2,828	2,828
	<u>127,269</u>	<u>117,917</u>

Major customer information

There is no single customer with revenue equal or more than 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Capital commitments

	Group	
	2024 RM'000	2023 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Approved and contracted for	<u>896</u>	<u>1,657</u>

27. Related parties

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability directly or indirectly, to control the party or exercise significant influence over the party in making and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individual or other parties.

Related parties of the Group and the Company include:

- (a) its holding company;
- (b) its subsidiaries and associates as disclosed in Note 8 and Note 9 to the financial statements;
- (c) companies in which certain directors have substantial financial interests; and
- (d) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Related parties (Continued)

(b) Significant related parties transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

Transactions with subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Dividend received from:		
- AsterSpring International Sdn. Bhd.	624	520
Interest income received and receivable from:		
- EIG Pharma Asia Sdn. Bhd.	52	25
- EIG Dermal Wellness (M) Sdn. Bhd.	604	201
- EIG Dermal Wellness (HK) Ltd.	56	49
- EIG Prestige Cosmetics Sdn. Bhd.	1	1
- Klientec Biz-Solution Sdn. Bhd.	1	1
- Beuxstar Sdn Bhd	1	1
- PT EIG Dermal Wellness Indonesia	550	469

Transactions with associates

	Company	
	2024 RM'000	2023 RM'000
Interest income received and receivable from:		
- Dermal Wellness International Co. Ltd.	608	571
- EIG Dermal Wellness (Thai) Co. Ltd.	361	327

	Group	
	2024 RM'000	2023 RM'000
Sales to:		
- EIG Dermal Wellness (Thai) Co. Ltd.	2,747	2,482
Interest income received and receivable from:		
- Dermal Wellness International Co. Ltd.	608	571
- EIG Dermal Wellness (Thai) Co. Ltd.	1,269	1,082
Management fee received and receivable from:		
- EIG Dermal Wellness (Thai) Co. Ltd.	76	73
Maintenance fee received and receivable from:		
- Asterspring International (Thai) Co. Ltd.	28	27

Transactions with holding company

	Group	
	2024 RM'000	2023 RM'000
Management services fees paid to:		
- Providence Capital Sdn. Bhd.	729	864

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Related parties (Continued)

(b) Significant related parties transactions (Continued)

Related party balances

Information on outstanding balances with related parties of the Group is disclosed in Note 10 and Note 19 to the financial statements.

(c) Compensation of key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company				
- Fees	201	201	201	201
- Other emoluments	1,784	1,560	20	20
- Estimated monetary value of benefits-in-kind	200	164	48	56
Total short-term employee benefits	2,185	1,925	269	277
Contribution to defined contribution plan	209	183	-	-
	<u>2,394</u>	<u>2,108</u>	<u>269</u>	<u>277</u>

28. Financial instruments

(a) Financial risk management policies

The Group's activities are exposed to a variety of market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance.

The policies in respect of the major areas of treasury activity are as follows:

(i) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates.

The Group has subsidiaries operating in foreign countries whose revenue and expenses are denominated in their respective functional currencies. The Group is also exposed to foreign currency risk on sales and purchases that are denominated in foreign currencies. The currency giving rise to this risk is primarily the United States Dollar. Foreign currency risk is monitored closely and managed to an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(a) Financial risk management policies (Continued)

(i) Market risk (Continued)

(i) Foreign currency risk (Continued)

Financial assets and liabilities denominated in foreign currency are as follows:

	Group	
	2024 RM'000	2023 RM'000
United States Dollar ("USD")		
Amounts due from associates	13,130	10,304
Cash and bank balances	583	460
Trade payables	(16,124)	(14,124)
	<u>(2,411)</u>	<u>(3,360)</u>

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency as at the end of the reporting period, with all other variables held constant:

	Group	
	2024 RM'000	2023 RM'000
Effects on profit for the financial year, net of tax		
United States Dollar:		
- strengthened by 5%	(92)	(128)
- weakened by 5%	92	128
	<u>92</u>	<u>128</u>

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its bank borrowings at floating rates amounting to RM19,373,000 (2023: RM19,649,000) relating to the purchase of the Group's corporate offices in Singapore and Hong Kong where the borrowings were secured to maximise the Group's capital efficiency.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the financial year ended 31 March 2024 would increase/decrease by RM80,000 (2023: RM82,000) as a result of exposure to floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(a) Financial risk management policies (Continued)

(ii) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 14 to 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts due from the associates which constituted approximately 65% (2023: 63%) of its receivables as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(a) Financial risk management policies (Continued)

(ii) Credit risk (Continued)

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Exposure to credit risk

The exposure of credit risk for trade receivables by geographical region is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Malaysia	8,293	8,082
Singapore	2,085	1,655
Hong Kong	1,265	1,373
Indonesia	1,175	1,304
Thailand	12,797	10,269
Total	25,615	22,683

Recognition and measurement of impairment losses

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(a) Financial risk management policies (Continued)

(ii) Credit risk (Continued)

Trade receivables (Continued)

The information about the exposure to credit risk and impairment losses for trade receivables are as follows:

Group	Gross amount RM'000	Credit impaired RM'000	Carrying amount RM'000
2024			
Not past due	13,325	-	13,325
Past due:			
- less than 3 months	1,411	-	1,411
- 3 to 6 months	711	-	711
- over 6 months	10,781	(613)	10,168
	<u>26,228</u>	<u>(613)</u>	<u>25,615</u>
2023			
Not past due	11,595	-	11,595
Past due:			
- less than 3 months	1,908	-	1,908
- 3 to 6 months	1,077	-	1,077
- over 6 months	8,702	(599)	8,103
	<u>23,282</u>	<u>(599)</u>	<u>22,683</u>

The movement in allowance for impairment losses on trade and other receivables are as follows:

	Group	
	2024 RM'000	2023 RM'000
Trade receivables		
Credit impaired		
At 1 April	599	606
Charge/(Reversal) for the financial year	14	(7)
At 31 March	<u>613</u>	<u>599</u>
	Company	
	2024 RM'000	2023 RM'000
Other receivables		
Credit impaired		
At 1 April	287	287
Charge for the financial year	5,150	-
At 31 March	<u>5,437</u>	<u>287</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(a) Financial risk management policies (Continued)

(ii) Credit risk (Continued)

Trade receivables (Continued)

Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents and short term cash investment), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other financial assets as low risk and any loss allowance would be negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(a) Financial risk management policies (Continued)

(iii) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The Group's and the Company's financial liabilities at the reporting date mature or payable within one year except for lease liabilities and term loans are as follows:

	Carrying amount	Contractual cash flow	On demand or within 1 year	Between 1 and 5 years	Over 5 years
	RM'000	RM'000	RM'000	RM'000	RM'000
2024					
Financial liabilities:					
Lease Liabilities	30,655	31,711	16,944	14,767	-
Secured Term loans	19,373	24,565	4,395	5,576	14,594
	<u>50,028</u>	<u>56,276</u>	<u>21,339</u>	<u>20,343</u>	<u>14,594</u>
2023					
Financial liabilities:					
Lease Liabilities	24,529	25,406	13,916	11,490	-
Secured Term loans	19,649	22,118	4,511	4,539	13,068
	<u>44,178</u>	<u>47,524</u>	<u>18,427</u>	<u>16,029</u>	<u>13,068</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(b) Capital risk management

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio, which is total debts divided by total equity. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio of the Group's and the Company's at 31 March 2024 and 31 March 2023 are as follows:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Payables and accruals	19	26,580	26,004	4,582	4,575
Lease Liabilities	17	30,655	24,529	-	-
Borrowings	16	19,373	19,649	-	-
Total debts		<u>76,608</u>	<u>70,182</u>	<u>4,582</u>	<u>4,575</u>
Total equity		<u>161,118</u>	<u>161,689</u>	<u>132,358</u>	<u>140,416</u>
Debt-to-equity ratio		<u>48%</u>	<u>43%</u>	<u>3%</u>	<u>3%</u>

There were no changes in the Group approach to capital management during the financial years ended 31 March 2024 and 31 March 2023.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(c) Classification of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost ("AC")
- (ii) Fair value through profit or loss ("FVTPL")

The table below provides an analysis of financial instruments categories as follows:

	Carrying amounts RM'000	AC RM'000	FVTPL RM'000
2024			
Financial assets			
Group			
Receivables and deposits, net of prepayments	58,484	58,484	-
Cash and bank balances	32,414	32,414	-
	<u>90,898</u>	<u>90,898</u>	<u>-</u>
Company			
Receivables and deposits, net of prepayments	46,132	46,132	-
Cash and bank balances	378	378	-
	<u>46,510</u>	<u>46,510</u>	<u>-</u>
Financial liabilities			
Group			
Payables and accruals, net of GST payable	26,063	26,063	-
Lease liabilities	30,655	30,655	-
Borrowings	19,373	19,373	-
	<u>76,091</u>	<u>76,091</u>	<u>-</u>
Company			
Payables and accruals	4,582	4,582	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Financial instruments (Continued)

(c) Classification of financial instruments (Continued)

The table below provides an analysis of financial instruments categories as follows:
(Continued)

	Carrying amounts RM'000	AC RM'000	FVTPL RM'000
2023			
Financial assets			
Group			
Receivables and deposits, net of prepayments	53,476	53,476	-
Cash and bank balances	29,062	29,062	-
Short-term cash investments	14,095	-	14,095
	<u>96,633</u>	<u>82,538</u>	<u>14,095</u>
Company			
Receivables and deposits, net of prepayments	36,046	36,046	-
Cash and bank balances	307	307	-
Short-term cash investments	14,095	-	14,095
	<u>50,448</u>	<u>36,353</u>	<u>14,095</u>
Financial liabilities			
Group			
Payables and accruals, net of GST payable	25,375	25,375	-
Lease liabilities	24,529	24,529	-
Borrowings	19,649	19,649	-
	<u>69,553</u>	<u>69,553</u>	<u>-</u>
Company			
Payables and accruals	4,575	4,575	-

(d) Fair values of financial instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements are reasonable approximation of fair values.

The following summarises the methods used in determining the fair values of the financial instruments:

- (i) The financial assets and financial liabilities maturing within the next 12 months are reasonable approximation of fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The carrying amounts of the long-term amounts due from subsidiaries, associates and borrowings approximate fair values as these instruments bear interest at variable rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. Fair value hierarchy

The fair values of the assets and liabilities are analysed into level 1 to 3 as follows:

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities:

	Fair Value RM'000	Fair value of financial instruments not carried at fair value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2024				
Assets				
Group				
Amounts due from associates	38,218	-	-	38,218
Company				
Amounts due from subsidiaries	4,581	-	-	4,581
Amounts due from associates	17,822	-	-	17,822
2023				
Assets				
Group				
Amounts due from associates	33,909	-	-	33,909
Company				
Amounts due from subsidiaries	8,925	-	-	8,925
Amounts due from associates	16,853	-	-	16,853

During the financial years ended 31 March 2024 and 31 March 2023, there was no transfer between Level 1 and Level 2 of the fair value measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. Significant events during the financial year

- (i) On 27 April 2023, EIG Dermal Wellness (S) Pte. Ltd. ("EIGSG"), a wholly-owned subsidiary of the Group signed a Distribution Agreement ("Agreement") with GHD Hong Kong Limited ("GHD"). The Agreement granted EIGSG the exclusive right to distribute GHD hair styling products through the professional hair salon channel in Singapore for an initial period of three (3) years effective from 1 May 2023 to 30 April 2026, and may be further extended or renewed as agreed between the Parties.
- (ii) On 31 May 2023, EIG Haircare Sdn. Bhd. and EIG Dermal Wellness (S) Pte. Ltd., wholly-owned subsidiaries of the Group and its associate company, EIG Dermal Wellness (Thai) Co Ltd, signed the renewal of the exclusive Distribution Agreements (the "Agreements") with Davines SPA for Malaysia and Brunei, Singapore and Thailand (the "Territories") respectively. With the signing of the Agreements, the Group will continue to be the exclusive distributor for Davines professional hair care products in the Territories effective from 1 January 2023 through to 31 December 2027.

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2024

Issued & Paid-Up Capital	: RM128,768,000
Class of Shares	: Ordinary Shares
Voting Rights	: One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

as at 28 June 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	95	9.21	1,831	0.00
100 to 1,000	308	29.87	171,310	0.07
1,001 to 10,000	345	33.46	1,751,066	0.74
10,001 to 100,000	224	21.73	7,187,281	3.03
100,001 to less than 5% of issued shares	58	5.63	70,295,980	29.64
5% and above of issued shares	1	0.10	157,786,552	66.52
	1031	100.00	237,194,020	100.00

SUBSTANTIAL SHAREHOLDERS

as at 28 June 2024

	Name of Shareholders	No. of Shares					
		Direct	%	Indirect	%	Total	%
1	Providence Capital Sdn Bhd	161,503,352	68.09	–	–	161,503,352	68.09
2	Chieng Ing Huong	–	–	161,503,352 ⁽¹⁾	68.09	161,503,352	68.09
3	Roderick Chieng Ngee Kai	2,700,000	1.14	161,503,352 ⁽²⁾	68.09	164,203,352	69.23
4	Brian Chieng Ngee Wen	–	–	163,700,952 ⁽³⁾	69.02	163,700,952	69.02
5	Janet Chieng Ling Min	320,000	0.13	161,503,352 ⁽⁴⁾	68.09	161,823,352	68.22

⁽¹⁾ Deemed interest by virtue of his sons through their shareholdings in Providence Capital Sdn Bhd

⁽²⁾ Deemed interest by virtue of interest in Providence Capital Sdn Bhd

⁽³⁾ Deemed interest by virtue of interest in Providence Capital Sdn Bhd and Cornerstone Holdings Sdn Bhd

⁽⁴⁾ Deemed interest by virtue of her siblings through their shareholdings in Providence Capital Sdn Bhd

DIRECTORS' SHAREHOLDINGS

as at 28 June 2024

	Name of Shareholders	No. of Shares held					
		Direct	%	Indirect	%	Total	%
1	Chieng Ing Huong	–	–	161,503,352 ⁽¹⁾	68.09	161,503,352	68.09
2	Roderick Chieng Ngee Kai	2,700,000	1.14	161,503,352 ⁽²⁾	68.09	164,203,352	69.23
3	Brian Chieng Ngee Wen	–	–	163,700,952 ⁽³⁾	69.02	163,700,952	69.02
4	Janet Chieng Ling Min	320,000	0.13	161,503,352 ⁽⁴⁾	68.09	161,823,352	68.22

⁽¹⁾ Deemed interest by virtue of his sons through their shareholdings in Providence Capital Sdn Bhd

⁽²⁾ Deemed interest by virtue of interest in Providence Capital Sdn Bhd

⁽³⁾ Deemed interest by virtue of interest in Providence Capital Sdn Bhd and Cornerstone Holdings Sdn Bhd

⁽⁴⁾ Deemed interest by virtue of her siblings through their shareholdings in Providence Capital Sdn Bhd

ANALYSIS OF SHAREHOLDINGS (CONT'D)

as at 28 June 2024

LIST OF THIRTY LARGEST SHAREHOLDERS

as at 28 June 2024

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	PROVIDENCE CAPITAL SDN BHD	157,786,552	66.52
2	TEH WAN SANG & SONS SDN BERHAD	7,600,000	3.20
3	CBG HOLDINGS SDN BHD	6,000,000	2.53
4	TEH LIP KIM	5,557,500	2.34
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING (CEB)	5,191,400	2.19
6	HUNG HIN CHEONG	4,000,000	1.69
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR PROVIDENCE CAPITAL SDN BHD (PB)	3,716,800	1.57
8	TEO KWEE HOCK	3,021,000	1.27
9	SONG BAK HOLDINGS SDN. BHD.	3,000,000	1.26
10	RODERICK CHIENG NGEE KAI	2,700,000	1.14
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD MOHAMMED ZHARIF BIN MOHAMMED AZLAN	2,366,700	1.00
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CORNERSTONE HOLDINGS SDN BHD (PB)	2,197,600	0.93
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	2,078,700	0.88
14	CHOW SHUK WAH KAREN	2,000,000	0.84
15	LOH KOK WAI	1,776,500	0.75
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KAN YOW KHEONG	1,680,000	0.71
17	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	1,584,100	0.67
18	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUBUR RAHMAT SDN BHD	1,343,800	0.57
19	LEE CHEE BENG	1,303,000	0.55
20	SUSY DING	1,201,200	0.51
21	ABDUL HAMID BIN SH MOHAMED	1,000,000	0.42
22	CHOW SHUK WAH KAREN	1,000,000	0.42
23	HUNG HIN CHEONG	1,000,000	0.42
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	1,000,000	0.42
25	HANS PETER HOLST	650,000	0.27
26	TEE KENG HOON	500,000	0.21
27	TEO AH SENG	477,700	0.20
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NONADIAH BINTI ABDULLAH (7001174)	456,500	0.19
29	AU YONG MUN YUE	378,000	0.16
30	PANG SWEE CHIEN	320,400	0.14

LIST OF PROPERTIES

As at 31 March 2024

Location	Description/ existing use	Land Area (sq. m.)	Built up area of building (sq. m.)	Age of building (years)	Tenure	Net book value as at 31.03.24 (RM '000)
EIG Dermal Wellness (M) Sdn Bhd						
Lot 11, Jalan Astaka U8/88, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan	Industrial and office building - Occupied by owner	13,330	9,078.49	18	Freehold	Land 10,032 Building 10,676
Master title held under: GRN 58804 Mukim of Damansara District of Petaling, Selangor Darul Ehsan						
Villa Putra Condominium (D'Village) Unit 33B-9-1, Jalan Tun Ismail, 50480 Kuala Lumpur	Condominium unit with 3 bedrooms & 2 bathrooms - Occupied by owner	N/A	150	29	Freehold	171
Strata title held under: Geran 73501 Bandar Kuala Lumpur Wilayah Persekutuan						
The Summit Subang USJ Lot No. LG47 Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan	Retail lot - Vacant	N/A	54.19	23.5	Freehold	575
Strata title held under: Geran 43528 Pekan Subang Jaya District of Petaling Selangor Darul Ehsan						
Queensbay Mall Penang GF-15, Ground Floor Strata title held under: Geran 97433 Mukim 12 District of Barat Daya Pulau Pinang	Retail lot - Occupied by owner	N/A	46.00	17.5	Freehold	295
Queensbay Mall Penang GF-12B, Ground Floor Strata title held under: Geran 97433 Mukim 12 District of Barat Daya Pulau Pinang	Retail lot - Occupied by owner	N/A	46.00	17.5	Freehold	295

LIST OF PROPERTIES (CONT'D)

As at 31 March 2024

Location	Description/ existing use	Land Area (sq. m.)	Built up area of building (sq. m.)	Age of building (years)	Tenure	Net book value as at 31.03.24 (RM '000)
AsterSpring International Sdn Bhd						
No. 26-R, Jalan Masjid Negeri 11600 Penang	Double storey semi-detached corner house - Occupied by owner	369	322.76	16	Freehold	Land 1,021 Building 1,143
Title held under: Geran 106022 Mukim of Bandar George Town District of Timor Laut Pulau Pinang						
A-09-09 Empire Office Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan	Commercial unit - Tenanted	N/A	225.66	15	Freehold	2,253
Title held under: Geran 238145 Mukim of Bandar Subang Jaya District of Petaling Selangor						
The above properties are located in Malaysia and have not been revalued and do not have any breach of land use conditions.						
Leonard Drake (HK) Limited						
Suite 1808, 18/F, Elite Centre, 22 Hung To Road, Kwun Tong, Kowloon, Hong Kong	Industrial and office building - Occupied by owner	N/A	394	13	50 years lease expiring 12.02.2058	18,736
EIG Global Pte Ltd						
Paya Lebar Square #09-27 to #09-31 60 Paya Lebar Road 409051 Singapore	Office building - Occupied by owner	N/A	505	9.5	99 years lease expiring 24.07.2110	40,579
PT EIG Dermal Wellness Indonesia						
Rukan Puri Niaga II, Jl. Puri Kencana Blok J1 No. 3P & 3Q, Kembangan Selatan, Jakarta Barat 11610, Indonesia	Office building - Occupied by owner	N/A	166	22	30 years lease expiring March 2029 and Aug 2035	4,484
Land certificate No. 2956 & 05535 Kembangan Selatan District of Kembangan, Jakarta Barat						

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be held at the Auditorium, Lot 11, Jalan Astaka U8/88, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 26 September 2024 at 2.30 p.m. to transact the following businesses:-

AGENDA

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2024 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 0.5 sen per ordinary share in respect of the financial year ended 31 March 2024. | Resolution 1 |
| 3. | To re-elect the following Directors who are retiring pursuant to Article 103 of the Company's Constitution: | |
| | a) Mr. Brian Chieng Ngee Wen | Resolution 2 |
| | b) Ms. Hong May Kwee, Rosie | Resolution 3 |
| 4. | Dato' Dr Noor Zalmy Azizan Binti Mohd Ali Azizan retires pursuant to Article 103 of the Company's Constitution and had indicated that she does not wish to seek re-election, having served nine (9) years as an Independent Non-Executive Director. | |
| 5. | To approve the payment of Directors' fees of RM201,000 for the financial year ended 31 March 2024. | Resolution 4 |
| 6. | To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM129,000 from 26 September 2024 until the next AGM of the Company. | Resolution 5 |
| 7. | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the company for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 6 |
| 8. | To consider any other business that can be transacted in an annual general meeting of which due notice shall have been received. | |

As Special Business

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

9. ORDINARY RESOLUTION

Authority to Issue and Allot Shares

Resolution 7

THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("MMLR") and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75(1) and 76(1) of the Act, to issue and allot shares in the Company to such persons, at any time, and 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 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

Please refer to Explanatory Notes to the Special Business

AND THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 59 of the Constitution of the Company, the shareholders of the Company do hereby approve that the pre-emptive rights to new shares that may be issued and allotted as above shall not apply.

BY ORDER OF THE BOARD

LEE WAI NGAN (PC 201908003497 / LS 0000184)

Secretary

Shah Alam, Malaysia

31 July 2024

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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.
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. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. 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.
5. 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.
6. 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 September 2024 ("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

7. This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 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 NOTE ON RESOLUTION 7

8. Resolution 5 – Directors' Benefits

Section 230(1) of the Act requires that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this AGM for the payment of benefits payable to Non-Executive Directors ("NEDs") for the period from 26 September 2024 up to the next AGM. The estimated amount of Directors' Benefits for the period from 26 September 2024 up to the next AGM amounts to RM129,000. The benefits comprise meetings allowance and service vouchers. In the event that the proposed Directors' fees and benefits payable to NEDs are insufficient due to an enlarged size of the board of directors, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

EXPLANATORY NOTES TO THE SPECIAL BUSINESS

9. Resolution 7 - Authority to Issue and Allot 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 per centum (10%) of the issued Share Capital of the Company for such purposes as the Directors consider would be in the best 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 Twenty-Sixth Annual General Meeting held on 27 September 2023.

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

(Company No. 199601035708/408061-P)

(Incorporated in Malaysia)

**PROXY FORM**

CDS Account No.	No. of Shares Held

I/We,

NRIC/Company No.

being a member/members of ESTHETICS INTERNATIONAL GROUP BERHAD hereby appoint

Full Name (IN BLOCK LETTERS)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

and/or failing him/her

Full Name (IN BLOCK LETTERS)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at the Auditorium, Lot 11, Jalan Astaka U8/88, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 26 September 2024 at 2.30 p.m. and at any adjournment thereof in respect of my/our shareholdings in the manner indicated below:

No.	Resolution	For	Against
Resolution 1	To approve the payment of a Final Dividend for the financial year ended 31 March 2024		
Resolution 2	To re-elect Brian Chieng Ngee Wen as Director of the Company		
Resolution 3	To re-elect Hong May Kwee, Rosie as Director of the Company		
Resolution 4	To approve the payment of Directors' fees for the financial year ended 31 March 2024		
Resolution 5	To approve the payment of Directors' benefits up to an amount of RM129,000 from 26 September 2024 until the next AGM of the Company.		
Resolution 6	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company.		
Resolution 7	To authorise the Directors to Issue and Allot Shares		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit).

Dated thisday of 2024

.....
Signature of Member / Common Seal**NOTES:**

- 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.
- 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.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
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- 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.
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Then Fold here

AFFIX
STAMP

The Company Secretary
ESTHETICS INTERNATIONAL GROUP BERHAD (199601035708/408061-P)
Lot 11 Jalan Astaka U8/88
Bukit Jelutong, Seksyen U8
40150 Shah Alam
Selangor Darul Ehsan Malaysia.

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ESTHETICS INTERNATIONAL GROUP BERHAD (Company No. 199601035708/408061-P)

Lot 11, Jalan Astaka U8/88

Bukit Jelutong, Seksyen U8

40150 Shah Alam

Selangor Darul Ehsan

Malaysia

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