Part A: Explanatory Notes Pursuant to Financial Reporting Standard ("FRS") 134

A1. Basis of preparation and accounting policies

The unaudited interim financial statements for the Third quarter ended 31 March 2012 has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2011 except for the adoption of the following FRSs, Amendments to FRSs and Interpretations with effect from 1 April 2011.

On 1 April 2011, the Group adopted the following new and revised FRSs, Amendments to FRSs and Interpretations which are applicable to its financial statements and are relevant to its operations:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101 FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139 and Amendments to IC Interpretation 13	Improvements to FRSs (2010)

IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

IC Interpretation 12 Service Concession Arrangements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation, is, however, not applicable to the Group.

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

At the date of authorization of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretation and Amendments to IC Interpretation		Effective for annual periods beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation, is, however, not applicable to the Group.

A2. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2011 was unqualified.

A3. Comments about seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the financial period under review; except for the salons operations which are generally affected by the major festive seasons.

A4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

A5. Significant estimates and changes in estimates

There were no changes in estimates that had material effect on the current quarter and financial year-to-date results.

A6. Capital management, issuances, repurchases, and repayments of debts and equity instruments

The details of the issuance and repayment of debt and equity instruments in the current financial year-to-date are as follows:

	31 December 2011 RM'000
(a) Repayment of bank borrowings	8,364

A7. Dividends paid

No dividend was paid during the financial year-to-date.

A8. Segmental information

	Current Year Quarter Ended 31 Dec 2011		Current Year To Date Ended 31 Dec 2011	
	Segment Revenue RM '000	**Segment Results RM '000**	**Segment Revenue RM '000**	**Segment Results RM '000**
Professional services and sales	20,942	1,121	57,426	258
Product distribution	20,525	947	62,773	860
Others*	-	(61)	-	(169)
Total	41,467	2,007	120,199	949
Elimination	(4,967)	368	(19,057)	2,131
Consolidated	36,500	2,375	101,142	3,080

* Others comprise of investment holding and investment in properties.

A9. Property, plant and equipment

The property, plant and equipment of the Group are carried at cost less accumulated depreciation. Accordingly, no valuations have been brought forward from the previous annual financial statements.

A10. Subsequent event

There is no material event subsequent to the end of the current quarter.

A11. Changes in composition of the Group

On 30 Jun 2010, Medklinn International Sdn Bhd, Oxion Pte Ltd, Medklinn Manufacturing Sdn Bhd and Medklinn International Pte Ltd are 100% owned subsidiaries of EIG Medklinn Sdn Bhd (EMSB) which in turn was a 50% owned subsidiary of the Company had ceased to be subsidiary companies.

The cessation arose from the restructuring of the Shareholders Agreement between the Company and Sassicaia Strategic Holdings Sdn Bhd (SSH) in respect of shares in EMSB has been completed with the transfer by EIG of 4,000,000 partly paid shares in EMSB to SSH's nominee for 2,000,000 fully paid share in EMSB from SSH which resulted in the group now holding 25% interest in EMSB.

A12. Changes in contingent liabilities

	31 Dec 2011 Limit (RM'000)	**31 Dec 2011 Utilised (RM'000)**
Guarantees given to financial institutions for facilities granted to subsidiaries	28,500	11,850
Guarantee given to landlord to secure tenancy payments by subsidiaries of EIG for salons (annual rental)	-	118
	28,500	11,968

A13. Capital commitments

	31 Dec 2011 RM'000
Property, plant and equipment	
Approved and contracted for	-
Approved but not contracted for	1,175
	1,175

A14. Related party transactions

There were no material related party transactions during the current financial period under review.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

The Group recorded revenue of RM101.1 million for the financial period ended 31 December 2011, in comparison to RM111.7 million for the preceding year corresponding period, representing a decrease of RM10.6 million or 9.5%. The reduction is mainly due to the discontinuation of certain third party brands which was implemented in the second quarter of last financial year; however the Group recovered to a profit before tax position of RM2.5 million from RM32.6 million loss before tax for the preceding year corresponding period.

The revenue from the regional and export businesses of the Group for the current period under review was 45% (2010: 44%).

B2. Material changes in the quarterly results compared to the results of the preceding quarter

For the quarter ended 31 December 2011, the Group recorded profit before tax of RM2.1 million from revenue of RM36.5 million, as compared to profit before tax of RM2.6 million from revenue of RM32.2 million in the preceding quarter.

B3. Commentary on prospects

The wellness and beauty industry is expected to continue to experience moderate growth in year 2012 while remaining competitive.

The Group's main growth and earnings drivers, both locally and regionally, for the financial year are as follows:

a) continuous extension of professional distribution channel and corporate salons;
b) expansion of the Consumer Care Product Division business; and

Barring adverse development in local and regional market conditions, the Board is adopting focused and prudent strategies to consolidate the existing business operations and resources and expand the geographic coverage of the Group to improve profitability.

B4. Profit forecast

The disclosure requirements for explanatory notes for the variance of actual profit after taxation and minority interest and forecast profit after taxation and minority interest are not applicable.

B5. Tax expense

	Current Year Quarter Ended 31 Dec 2011 RM'000	**Current Year-to-date Ended 31 Dec 2011 RM'000**
Current tax		
Malaysian	1,006	2,278
Overseas	-	-
Deferred tax		
Malaysian	(143)	654
Overseas	(6)	62
	857	2,994

The Group's effective tax rate for the current financial year-to-date presented above are disproportionate to the Malaysian statutory tax rate principally due to group tax relief not being available to off-set Group profits against certain loss making Malaysian and regional subsidiaries for the period.

B6. Unquoted investment and properties

There were no sales of unquoted investment or properties during the current quarter and financial year-to-date.

B7. Quoted investment

There were no purchases and/or disposal of quoted investment for the current financial period under review.

B8. Status of corporate proposal announced

(i) The status as at 28th February 2012 of the utilisation of proceeds raised from the Right Issue of 52,800,000 new ordinary shares of RM0.50 each at an issue price of RM0.50 per share, which was completed on 10th January 2012 is as follows:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Timeframe for utilization of proceeds	Explanation
Capital expenditure	15,000	-	-	15,000	Within two (2) years	Note 1
Working capital	10,800	-	42	10,758	Within one (1) year	Note 1
Right Issue Expenses	600	642	(42)	-	Within one (1) month	Note 2
Total	26,400	642	-	25,758		

Note 1 : The balance of unutilised proceeds has been placed in the short term money market deposit with an investment management company.

Note 2 : The deviation in the defraying of expenses in relation to the Rights Issue was mainly resulting from the underestimation of printing cost.

B9. Borrowings and debt securities

There were no borrowing and debt securities as at the reporting date.

B10. Off Balance Sheet financial instruments

There were no off balance sheet financial instruments as at the reporting date.

B11. Changes in material litigation

There was no material litigation against the Group as at the reporting date.

EIG Pharma Asia Sdn Bhd, a wholly-owned subsidiary of EIG, has filed a complaint with the Third Judicial District Court, In and For Salt Lake County, State of Utah, United States of America, against San Rafael Chemical Services, a Utah Corporation, for negligently issuing a chemical analysis report in connection with the testing of a product sample. EIG is claiming for (i) a sum of USD232,050 paid to the product supplier in reliance of the said chemical analysis report issued by San Rafael Chemical Services; (ii) loss of business reputation, customer good will, and loss of current and future sales, (the amount of which shall be determined at trial); and (iii) such other and further relief as the court may deem appropriate. The matter is currently pending trial in court. Based on the opinion of its legal counsel, the Directors are of the view that there is a good probability of success. The above balance receivable is included in the receivable, deposits and prepayment of the Group.

B12. Disclosure of realised and unrealised profits or losses of the Group

	As at 31/12/2011 RM	As at 31/3/2011 RM
Total retained profit of the Company and its subsidiaries:		
- Realised	10,410	12,279
- Unrealised	2,183	31
	12,593	12,310
Total share of accumulated losses from associated companies:		
- Realised	(1,886)	(1,283)
- Unrealised	-	-
	(1,886)	(1,283)
Total group retained profits as per consolidated accounts	10,707	11,027

B13. Dividends

The Board of Directors do not recommends interim dividend for the current financial year and will review the general dividend policy when the Group has turned into profitability in future.

B14. Basic earnings/ (loss) per share (Basis EPS)

Basic EPS is calculated by dividing the net profit / (loss) for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter Ended		Current Year To Date Ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Profit/(Loss) attributable to equity holders of the Company (RM'000)	1,231	(10,952)	(320)	(32,065)
Weighted average number of ordinary shares in issue ('000)	132,000	132,000	132,000	132,000
Basic EPS (Sen)	0.93	(8.30)	(0.24)	(24.29)

B15. Authorised for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28th February 2012.