



**ESTHETICS INTERNATIONAL GROUP BERHAD**  
(Company No : 408061-P)

**Unaudited Condensed Consolidated Income Statements**  
For The Fourth Quarter Ended 31 March 2013

	Individual Period		Cumulative Periods	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Periods
	31/03/2013 (RM'000)	31/03/2012 (RM'000)	31/03/2013 (RM'000)	31/03/2012 (RM'000)
Revenue	33,556	31,198	134,098	132,340
Cost of sales / services	(15,006)	(11,598)	(56,292)	(54,566)
<b>Gross profit</b>	<b>18,550</b>	<b>19,600</b>	<b>77,806</b>	<b>77,774</b>
Other income	323	81	875	2,277
Other expenses	(16,182)	(17,896)	(69,243)	(75,187)
<b>Results from operating activities</b>	<b>2,691</b>	<b>1,785</b>	<b>9,438</b>	<b>4,864</b>
Finance cost	-	0	-	(130)
Interest income	528	313	1,382	444
Share of profit after tax of equity accounted associates	296	656	183	53
<b>Profit before tax</b>	<b>3,515</b>	<b>2,754</b>	<b>11,003</b>	<b>5,231</b>
Tax expense	(993)	(688)	(3,810)	(3,682)
<b>Profit for the period</b>	<b>2,522</b>	<b>2,066</b>	<b>7,193</b>	<b>1,549</b>
Attributable to:				
Equity holders of the Company	2,523	2,071	7,195	1,751
Non-controlling interests	(1)	(5)	(2)	(202)
<b>Profit for the period</b>	<b>2,522</b>	<b>2,066</b>	<b>7,193</b>	<b>1,549</b>
<b>Earnings / (loss) per share attributable to equity holders of the Company:</b>				
Basic earnings / (loss) per share (sen)	1.37	1.16	3.89	1.22
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes enclosed with the Quarterly Report).

**Esthetics International Group Berhad (408061-P)**

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**ESTHETICS INTERNATIONAL GROUP BERHAD**  
(Company No : 408061-P)

**Unaudited Condensed Consolidated Statements of Comprehensive Income**  
**For The Fourth Quarter Ended 31 March 2013**

	Individual Period		Cumulative Periods	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Periods
	31/03/2013 (RM'000)	31/03/2012 (RM'000)	31/03/2013 (RM'000)	31/03/2012 (RM'000)
<b>Profit for the period</b>	2,522	2,066	7,193	1,549
Other comprehensive (loss) / income:				
Currency translation differences arising from consolidation	(319)	126	(113)	(89)
<b>Total comprehensive income for the period</b>	<b>2,203</b>	<b>2,192</b>	<b>7,080</b>	<b>1,460</b>
Total comprehensive income attributable to:				
Equity holders of the Company	2,204	2,197	7,082	1,662
Non-controlling interest	(1)	(5)	(2)	(202)
	<b>2,203</b>	<b>2,192</b>	<b>7,080</b>	<b>1,460</b>

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes enclosed with the Quarterly Report).

**Esthetics International Group Berhad**  
(Company No : 408061-P)

**Unaudited Condensed Consolidated Statements of Financial Position**  
**As At 31 March 2013**

	<u>As at</u> <u>31/03/13</u> <u>(RM '000)</u>	<u>As at</u> <u>31/03/12</u> <u>(RM '000)</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	35,329	38,804
Intangible assets	3,967	3,992
Investment properties	1,055	1,705
Investments in associates	3,437	3,445
Deferred tax assets	623	691
	<u>44,411</u>	<u>48,637</u>
<b>Current assets</b>		
Inventories	17,592	20,226
Receivables, deposits and prepayments	28,722	23,675
Tax recoverable	369	2,076
Cash and cash equivalents	62,747	49,140
	<u>109,430</u>	<u>95,117</u>
<b>TOTAL ASSETS</b>	<u><u>153,841</u></u>	<u><u>143,754</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	92,400	92,400
Reserves	9,852	9,965
Retained earnings	15,221	8,026
<b>TOTAL EQUITY ATTRIBUTABLE TO</b>	<u>117,473</u>	<u>110,391</u>
<b>EQUITY HOLDERS OF THE COMPANY</b>		
<b>NON-CONTROLLING INTERESTS</b>	<u>41</u>	<u>43</u>
<b>TOTAL EQUITY</b>	<u><u>117,514</u></u>	<u><u>110,434</u></u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	342
	<u>-</u>	<u>342</u>
<b>Current liabilities</b>		
Deferred revenue	20,793	17,853
Payables and accruals	15,011	14,696
Taxation	523	429
	<u>36,327</u>	<u>32,978</u>
<b>TOTAL LIABILITIES</b>	<u>36,327</u>	<u>33,320</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>153,841</u></u>	<u><u>143,754</u></u>
	-	-
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<b>0.64</b>	<b>0.60</b>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements as at 31 March 2012 and the accompanying explanatory notes enclosed with the Quarterly Report).

**Esthetics International Group Berhad**  
(Company No : 408061-P)

**Unaudited Condensed Consolidated Statements of Cash Flow**  
For The Period Ended 31 March 2013

	Period Ended 31/03/2013 (RM '000)	Period Ended 31/03/2012 (RM '000)
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	11,003	5,231
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	6,248	6,539
Amortisation of development cost	25	25
Decrease in fair value of investment property	130	-
Finance costs	-	130
Gain on disposal of property, plant and equipment	(175)	(87)
Loss on disposal of investment property	8	-
Gain on disposal of subsidiary	-	(159)
Interest income	(1,382)	(444)
Property, plant and equipment written off	342	66
Inventories written off	2,141	5,009
Bad debts written off	167	1,465
Share of profit of equity accounted associates	(183)	(53)
Unrealised foreign exchange gain	(591)	(1,764)
Operating profit before changes in working capital	17,733	15,958
Changes in working capital		
Inventories	684	2,487
Receivables, deposits and prepayments	(4,623)	2,144
Payables and accruals	315	1,884
Deferred revenue	2,940	2,083
Cash generated from operating activities	17,049	24,556
Interest received	1,382	444
Tax paid	(2,283)	(1,209)
<b>Net cash generated from operating activities</b>	<b>16,148</b>	<b>23,791</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,098)	(5,561)
Disposal of subsidiary, net of cash	-	(362)
Proceeds from disposal of property, plant and equipment	194	289
Proceeds from disposal of investment property	540	-
<b>Net cash used in investing activities</b>	<b>(2,364)</b>	<b>(5,634)</b>
<b>Cash flows from financing activities</b>		
Rights issues	-	26,400
Rights issues expenses	-	(642)
Repayment of revolving credits	-	(5,300)
Interest paid	-	(130)
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>20,328</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,784</b>	<b>38,485</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(177)</b>	<b>(184)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>49,140</b>	<b>10,839</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>62,747</b>	<b>49,140</b>
 <b>Note :</b>		
<b>Cash and cash equivalents at end of financial period comprise:-</b>		
Cash and bank balances	62,747	49,140

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes enclosed with the Quarterly Report.)

Esthetics International Group Berhad  
(Company No : 408061-P)

Unaudited Condensed Consolidated Statements of Changes in Equity  
For The Period Ended 31 March 2013

	<-----Non-distributable----->				Distributable Retained Earnings (RM '000)	Attributable to Owners Of The Company (RM '000)	Non-controlling Interests (RM '000)	Total Equity (RM '000)
	Share Capital (RM '000)	Share Premium (RM '000)	Warrant Reserve (RM '000)	Translation Reserve (RM '000)				
<b>Twelve (12) months ended 31 March 2013</b>								
At 1 April 2012	92,400	5,571	4,636	(242)	8,026	110,391	43	110,434
Changes in equity for the period to 31/03/13:								
Total comprehensive income for the period	-	-	-	(113)	7,195	7,082	(2)	7,080
<b>At 31 March 2013</b>	<b>92,400</b>	<b>5,571</b>	<b>4,636</b>	<b>(355)</b>	<b>15,221</b>	<b>117,473</b>	<b>41</b>	<b>117,514</b>
<b>Twelve (12) months ended 31 March 2012</b>								
At 1 April 2011	66,000	6,097	-	(153)	11,027	82,971	3,907	86,878
Changes in equity for the period to 31/03/12:								
Total comprehensive income for the period	-	-	-	(89)	1,751	1,662	(202)	1,460
Rights Issues	26,400	(526)	4,636	-	(4,752)	25,758	-	25,758
Disposal of subsidiary	-	-	-	-	-	-	(3,662)	(3,662)
<b>At 31 March 2012</b>	<b>92,400</b>	<b>5,571</b>	<b>4,636</b>	<b>(242)</b>	<b>8,026</b>	<b>110,391</b>	<b>43</b>	<b>110,434</b>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes enclosed with the Quarterly Report.)

**Part A: Explanatory Notes Pursuant to MFRS 134**

**A1. Basis of preparation and accounting policies**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This condensed report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). For the periods up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

This Condensed Report is the Group’s first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The MFRS are effective for the Group from 1 April 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant Condensed Report is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The adoption of the MFRS framework did not result in any substantial change to the Groups’ accounting policies nor any significant impact on its financial statements, as the accounting policies adopted by the Group under the previous FRS framework are consistent with those of the MFRS framework.

**MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

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

<b>MFRS, Amendments to MFRS and IC Interpretation</b>		<b>Effective for annual periods beginning on or after</b>
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

- A2. Auditor's report on preceding annual financial statements**  
The auditors' report on the financial statements for the financial year ended 31 March 2012 was unqualified.
- A3. Comments about seasonal or cyclical factors**  
The business operations of the Group are customarily affected by seasonal and festivity sales.
- 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 a material effect on the current quarter and financial year-to-date results.
- A6. Capital management, issuances, repurchases, and repayments of debt and equity instruments**  
There were no issuances, repurchases and/or repayment of debt and equity instruments for the current quarter and financial year-to-date.
- A7. Dividends paid**  
No dividend was paid during the financial year-to-date.
- A8. Segmental information**

<u>Current Quarter &amp; Year</u> <u>Ended 31 March 2013</u>	<u>Quarter Ended</u> <u>31 March 2013</u>		<u>Year Ended</u> <u>31 March 2013</u>	
	<u>Segment</u> <u>Revenue</u> <u>RM '000</u>	<u>Segment</u> <u>Results</u> <u>RM '000</u>	<u>Segment</u> <u>Revenue</u> <u>RM '000</u>	<u>Segment</u> <u>Results</u> <u>RM '000</u>
Professional services and sales (Corporate Salon)	18,309	778	74,488	2,719
Product distribution	17,822	2,580	76,130	8,357
Others*	7,355	5,592	11,450	4,962
Total	43,486	8,950	162,068	16,038
Elimination	(9,930)	(6,259)	(27,970)	(6,600)
Consolidated	33,556	2,691	134,098	9,438

<u>Quarter &amp; Year Ended</u> <u>31 March 2012</u>	<u>Quarter Ended</u> <u>31 March 2012</u>		<u>Year Ended</u> <u>31 March 2012</u>	
	<u>Segment</u> <u>Revenue</u> <u>RM '000</u>	<u>Segment</u> <u>Results</u> <u>RM '000</u>	<u>Segment</u> <u>Revenue</u> <u>RM '000</u>	<u>Segment</u> <u>Results</u> <u>RM '000</u>
Professional services and sales (Corporate Salon)	14,414	1,037	71,840	1,295
Product distribution	14,755	183	67,787	1,043
Others*	8,758	3,331	8,758	3,161
Total	37,927	4,551	158,126	5,499
Elimination	(6,729)	(2,766)	(16,045)	(635)
Consolidated	31,198	1,785	132,340	4,864

\* Others mainly comprise of investment holding, investment in properties, education and training and information communication technology.

**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 were no material events subsequent to the end of the current quarter and financial year-to-date.

**A11. Changes in composition of the Group**

There were no changes in the composition of the Group during the quarter and financial year-to-date.

**A12. Changes in contingent liabilities**

	31 March 2013 Limit (RM'000)	31 March 2013 Utilised (RM'000)
Guarantees given to financial institutions for facilities granted to subsidiaries	25,500	10,695
Guarantee given to landlord to secure tenancy payments by subsidiaries of EIG for salons (annual rental)	-	39
	<u>25,500</u>	<u>10,734</u>

**A13. Capital commitments**

	31 March 2013 RM'000
<b>Property, plant and equipment</b>	
Approved and contracted for	19,282
Approved but not contracted for	350
	<u>19,632</u>

**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**

**For quarter ended 31/03/13**

The Group reported revenue of RM33.6 million for the financial quarter ended 31 March 2013, in comparison to RM31.2 million for the prior corresponding quarter, representing an increase of RM2.4 million or 7.7%. This increase was mainly due to an increase in Corporate Salon and Product Distribution revenue in Malaysia.

The Group reported a profit before tax of RM3.5 million for the current quarter under review as compared to a profit before tax of RM2.8 million for the prior corresponding quarter. The increase in profit before tax is in line with the above mentioned revenue increase.

The revenue contributed from the regional and export business of the Group for the current period under review was 40%.

**For financial year-to-date ended 31/03/13**

The Group reported year-to-date revenue of RM134.1 million for the financial year ended 31 March 2013, in comparison to RM132.3 million for the prior year corresponding period, representing an increase of RM1.8 million or 1.4%. This was mainly due to an increase in Corporate Salon and Product Distribution sales in Malaysia, which was partially offset by lower export sales for the Product Distribution segment to Vietnam.

The Group reported year-to-date profit before tax of RM11.0 million for the current financial year under review as compared to a profit before tax of RM5.2 million for the prior year corresponding period. The increase was mainly due to the improvement in the operating results of the Corporate Salon and Product Distribution segments resulting from higher sales and reduced operating and overhead expenses.

The revenue contributed from the regional and export business of the Group for the current period under review was 41%.

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

The Group recorded profit before tax of RM3.5 million from revenue of RM33.6 million, as compared to profit before tax of RM4.0 million from revenue of RM36.1 million in the third quarter ended 31 December 2012. The lower result compared to the immediate preceding quarter is mainly due to seasonally peak sales in the December quarter.

**B3. Commentary on prospects**

The wellness and beauty industry in the Group's markets is expected to continue to experience moderate growth in 2013 with global economic uncertainties remaining in spite of accommodative monetary policies in numerous countries.

Barring any adverse developments in local and regional market conditions, the Board is adopting focused and prudent strategies to consolidate the existing business operations 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. Profit before Tax**

	Current Year Quarter Ended 31 March 2013 RM'000	Current Year- to-date Ended 31 March 2013 RM'000
Profit before tax is arrived at after charging/(crediting):		
Depreciation and amortization	1,492	6,273
Inventories written off	1,269	2,141
Bad debts written off	27	167
Interest income	(528)	(1,382)
Gain on disposal of property, plant and equipment	(21)	(175)
Loss on disposal of investment property	-	8
Net foreign exchange gain	(249)	(245)

**B6. Taxation**

Taxation comprises the following:

	Current Year Quarter Ended 31 March 2013 RM'000	Current Year-to-date Ended 31 March 2013 RM'000
<i>Current tax</i>		
Malaysian	2,203	5,553
Overseas	391	391
<i>Deferred tax</i>		
Malaysian	(1,348)	(2,140)
Overseas	(253)	6
	993	3,810

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

**B7. Status of corporate proposal announced**

- (i) The status as at 15 May 2013 of the utilisation of proceeds arising from the Rights 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 10<sup>th</sup> January 2012 is as follows:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Time frame for utilization of proceeds	Explanation
Capital expenditure	15,000	7,958	-	7,042	Within two (2) years	Note 1
Working capital	10,800	10,758	42	-	Within one (1) year	Note 2
Right Issue Expenses	600	642	(42)	-	Within one (1) month	Note 3, Note 4
<b>Total</b>	26,400	19,358	-	7,042		

Notes:

- (1) The amount allocated for capital expenditure shall be utilised for the opening of new Corporate Salons and Dermalogica Consultation Pods (“DCP”) locally and/or overseas as well as the potential acquisition of office space in countries such as Singapore, Thailand and Hong Kong where our Group is currently operating at prices deemed appropriate by our Group.

As at 15 May 2013, a total of RM7.04 million has been utilised as follows:-

- Renovation of 4 new outlets, namely Paradigm Mall, Setia Alam Mall and Dataran Pahlawan Melaka Megamall and Sunway Carnival Mall;
  - Refurbishment of aged outlets; and
  - Payment of the first 20% of the purchase consideration, together with GST and stamping fees, in respect of the acquisition of new office units in Singapore.
- (2) The amount allocated for working capital has been used for payment to suppliers, payment of salaries and operating expenses, and production of skin care products.
- (3) The expenses relating to the Rights Issue comprise of, amongst others, the professional fees and fees payable to the relevant authorities, expenses to convene the EGM, printing, dispatch and advertising expenses as well as other miscellaneous costs.
- (4) The deviation in the defraying of expenses in relation to the Rights Issue mainly resulted from higher printing costs.
- (5) The balance of unutilised proceeds has been placed in short term money market funds with investment management companies.

**B8. Borrowings and debt securities**

There were no borrowings or debt securities as at the reporting date.

**B9. Changes in material litigation**

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

**B10. Disclosure of realised and unrealised profits or losses of the Group**

	As at 31/03/2013 RM	As at 31/03/2012 RM
Total retained profit of the Company and its subsidiaries:		
- Realised	15,052	7,142
- Unrealised	1,215	2,114
	16,267	9,256
Total share of accumulated losses from associated companies:		
- Realised	(1,046)	(1,230)
- Unrealised	-	-
	(1,046)	(1,230)
Total group retained profits as per consolidated accounts	15,221	8,026

**B11. Dividend proposed or declared**

- (a)
- (i) A final dividend for the current financial year ended 31 March 2013 has been recommended by the Directors for approval by shareholders.
  - (ii) The recommended final dividend, if approved, shall amount to 2.50 sen (5%) per ordinary share of 50 sen each, less 25% tax.
  - (iii) There was no dividend paid in respect of the previous financial year ended 31 March 2012.
  - (iv) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date after the Annual General Meeting.
  - (v) No dividend was paid during the financial year-to-date.
- (b) Total dividend payable for the current financial year ended 31 March 2013, including the above recommended final dividend, if approved, would amount to 2.50 sen per ordinary share of 50 sen each, less 25% tax.

**B12. Basic earnings/ (loss) per share (Basis EPS)**

Basis EPS	Current Year Quarter Ended		Current Year To Date Ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Profit/(Loss) attributable to equity holders of the Company (RM'000)	2,523	2,071	7,195	1,751
Weighted average number of ordinary shares in issue ('000)	184,800	178,998	184,800	143,685
Basic EPS (Sen)	1.37	1.16	3.89	1.22

The diluted earnings per ordinary share is not presented as there is no dilutive effect noted during the year. The issue of warrants does not have a dilutive effect to the earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was equivalent to the exercise price of the warrants.

**B13. 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 22 May 2013.

By Order of the Board

**Roderick Chieng Ngee Kai**  
Group Managing Director and Chief Executive Officer