



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

**Unaudited Condensed Statements of Comprehensive Income  
For The Financial Year Ended 31 March 2016**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2016 (RM'000)	Prior Year Quarter Ended 31/03/2015 (RM'000)	Current Year To Date 31/03/2016 (RM'000)	Prior Year-To-Date 31/03/2015 (RM'000)
Revenue	38,872	41,165	158,342	150,779
Cost of sales / services	(13,623)	(15,787)	(62,530)	(59,925)
<b>Gross profit</b>	<b>25,249</b>	<b>25,378</b>	<b>95,812</b>	<b>90,854</b>
Other income	387	248	856	2,178
Other (losses)/gains	(875)	601	3,198	1,020
Other expenses	(18,653)	(19,635)	(79,890)	(74,432)
<b>Results from operating activities</b>	<b>6,108</b>	<b>6,592</b>	<b>19,976</b>	<b>19,620</b>
Finance costs	(145)	(88)	(448)	(198)
Interest income	383	548	1,740	1,719
Share of results after tax of equity accounted associates	(221)	40	255	(169)
<b>Profit before tax</b>	<b>6,125</b>	<b>7,092</b>	<b>21,523</b>	<b>20,972</b>
Tax expense	(1,421)	(2,122)	(5,146)	(4,810)
<b>Profit for the financial period/year attributable to the owners of the Company</b>	<b>4,704</b>	<b>4,970</b>	<b>16,377</b>	<b>16,162</b>
<b>Other comprehensive expenses, net of tax Item that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	(2,157)	917	(784)	1,819
<b>Total comprehensive income for the period/year attributable to the owners of the Company</b>	<b>2,547</b>	<b>5,887</b>	<b>15,593</b>	<b>17,981</b>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	2.42	2.68	8.72	8.73
Diluted (sen)	2.40	2.34	8.62	7.53

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

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

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

Website: [www.estheticsgroup.com](http://www.estheticsgroup.com)

Tel : +603 7809 6688  
Fax: +603 7809 6699

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

**Unaudited Condensed Consolidated Statements of Financial Position**  
**As At 31 March 2016**

	<b>As at</b> <b>31/03/2016</b> <b>(Unaudited)</b> <b>(RM '000)</b>	<b>As at</b> <b>31/03/2015</b> <b>(Audited)</b> <b>(RM '000)</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	105,703	85,761
Intangible assets	3,558	3,612
Investment properties	1,055	1,055
Investments in associates	1,555	2,995
Receivables	13,083	10,680
Deferred tax assets	4,323	1,020
	<u>129,277</u>	<u>105,123</u>
<b>Current assets</b>		
Inventories	37,589	23,021
Receivables, deposits and prepayments	20,760	20,668
Tax recoverable	-	80
Short term cash investments	34,373	40,007
Cash and cash equivalents	28,648	23,898
	<u>121,370</u>	<u>107,674</u>
<b>TOTAL ASSETS</b>	<u><u>250,647</u></u>	<u><u>212,797</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	116,200	92,750
Reserves	9,985	10,769
Retained earnings	45,749	35,866
<b>TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>171,934</u>	<u>139,385</u>
<b>Non-current liabilities</b>		
Borrowings	18,028	10,491
Deferred tax liabilities	187	179
	<u>18,215</u>	<u>10,670</u>
<b>Current liabilities</b>		
Deferred revenue	26,832	27,423
Payables and accruals	22,971	25,658
Borrowings	7,134	6,895
Taxation	3,561	2,766
	<u>60,498</u>	<u>62,742</u>
<b>TOTAL LIABILITIES</b>	<u>78,713</u>	<u>73,412</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>250,647</u></u>	<u><u>212,797</u></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.74</b>	<b>0.75</b>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

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

**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For The Financial Year Ended 31 March 2016**

	<b>As at</b> <b>31/03/2016</b> <b>(Unaudited)</b> <b>(RM '000)</b>	<b>As at</b> <b>31/03/2015</b> <b>(Audited)</b> <b>(RM '000)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	21,523	20,972
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	8,374	7,334
Amortisation of development cost	59	26
Fair value loss derivative financial instrument	-	(8)
Gain on disposal of property, plant and equipment	(39)	(76)
Gain on disposal of an associate	(424)	-
Loss on deregistration of a subsidiary	412	2
Interest expense	448	198
Income from short term money market	(905)	(1,310)
Interest income	(835)	(409)
Property, plant and equipment written off	65	377
Impairment loss on property, plant and equipment	160	-
Inventories written off	1,416	1,376
Impairment loss on trade receivables	25	15
Bad debts recovered	(38)	-
Write back of amount owing to a former subsidiary	-	(1,644)
Share of results of equity accounted associates	(255)	169
Unrealised gain on foreign exchange	(2,791)	(1,277)
Operating profit before working capital changes	27,195	25,745
Changes in working capital		
Inventories	(15,984)	(1,975)
Receivables, deposits and prepayments	721	(738)
Payables and accruals	(3,653)	6,594
Deferred revenue	(591)	4,300
Cash generated from operating activities	7,688	33,926
Interest and short term money market income received	1,740	1,719
Tax paid	(7,617)	(4,124)
Tax refunded	51	15
<b>Net cash from operating activities</b>	<b>1,862</b>	<b>31,536</b>
<b>Cash flows used in investing activities</b>		
Acquisition of property, plant and equipment	(25,232)	(24,878)
Acquisition of intangible assets	(39)	(86)
Liquidation of a subsidiary, net of cash	(412)	(2)
Proceeds from disposal of an associate	2,100	-
Advances to associates	(2,403)	(7,820)
Proceeds from disposal of property, plant and equipment	39	76
Placement in / (withdrawal from) short term cash investments	5,634	(311)
<b>Net cash used in investing activities</b>	<b>(20,313)</b>	<b>(33,021)</b>
<b>Cash flows from financing activities</b>		
Proceed from issuance of ordinary shares pursuant to warrants	23,450	291
Interest paid	(448)	(198)
Dividends paid to owners of the Company	(6,494)	(5,557)
Drawdown of term loan	7,497	10,962
Repayment of term loan	(1,178)	(601)
<b>Net cash generated from financing activities</b>	<b>22,827</b>	<b>4,897</b>
<b>Net decrease in cash and cash equivalents</b>	<b>4,376</b>	<b>3,412</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>374</b>	<b>265</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>23,898</b>	<b>20,221</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>28,648</b>	<b>23,898</b>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015 and the accompanying explanatory attached to the Interim Financial Statements)

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

Unaudited Condensed Consolidated Statements of Changes in Equity  
For The Financial Year Ended 31 March 2016

	<-----Non-distributable----->				Distributable Retained Earnings	Attributable to Owners Of The Company/Total Equity
	Share Capital	Share Premium	Warrant Reserve	Translation Reserve		
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
<b>At 1 April 2015</b>	92,750	5,632	4,575	562	35,866	139,385
Profit for the financial year	-	-	-	-	16,377	16,377
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	-	-	(784)	-	(784)
<b>Total comprehensive income for the period</b>	-	-	-	(784)	16,377	15,593
<b>Transactions with owners</b>						
Issuance of ordinary shares pursuant to warrant	23,450	4,119	(4,119)	-	-	23,450
Dividends paid	-	-	-	-	(6,494)	(6,494)
<b>At 31 March 2016</b>	<b>116,200</b>	<b>9,751</b>	<b>456</b>	<b>(222)</b>	<b>45,749</b>	<b>171,934</b>
<b>At 1 April 2014</b>	92,459	5,581	4,626	(1,257)	25,261	126,670
Profit for the financial year	-	-	-	-	16,162	16,162
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	-	-	1,819	-	1,819
<b>Total comprehensive income for the period</b>	-	-	-	1,819	16,162	17,981
<b>Transactions with owners</b>						
Issuance of ordinary shares pursuant to warrant	291	51	(51)	-	-	291
Dividends paid	-	-	-	-	(5,557)	(5,557)
<b>At 31 March 2015</b>	<b>92,750</b>	<b>5,632</b>	<b>4,575</b>	<b>562</b>	<b>35,866</b>	<b>139,385</b>

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

### 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 issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015. The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements of the Group for the financial year ended 31 March 2015 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2015:

#### **Amendments/Improvements to MFRSs**

<u>Amendments/Improvements to MFRSs</u>	<b>Effective Date</b>
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2 Share-based Payment	1 July 2014
MFRS 3 Business Combinations	1 July 2014
MFRS 8 Operating Segments	1 July 2014
MFRS 13 Fair Value Measurement	1 July 2014
MFRS 116 Property, Plant and Equipment	1 July 2014
MFRS 119 Employees Benefits	1 July 2014
MFRS 124 Related Party Disclosures	1 July 2014
MFRS 138 Intangible Assets	1 July 2014
MFRS 140 Investment Property	1 July 2014

#### **New and amendments/improvement to MFRSs that are issued, but not yet effective**

<u>New MFRSs</u>	<b>Effective for financial periods beginning on or after</b>
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019

#### Amendments/Improvements to MFRSs

MFRS 5 Non-Current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7 Financial Instruments: Disclosures	1 January 2016
MFRS 10 Consolidated Financial Statements	Deferred/ 1 January 2016
MFRS 11 Joint Arrangement	1 January 2016
MFRS 12 Disclosure of Interests in Other Entities	1 January 2016
MFRS 101 Presentation of Financial Statements	1 January 2016

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

MFRS 107      Statement of Cash Flows      1 January 2017

### A1. Basis of preparation and accounting policies (cont'd)

MFRS 112	Income Taxes	1 January 2017
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
MFRS 138	Intangible Assets	1 January 2016

The adoption of the above new and amendments/improvements to MFRSs, are not expected to have any material financial impact to the current financial year upon their initial adoption.

### A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 31 March 2015 was not subject to any qualification.

### A3. Seasonal or cyclical factors

The business operations of the Group are customarily affected by seasonal and festivity sales.

### A4. Exceptional Items

There were no exceptional items during the quarter under review.

### A5. Material changes in accounting estimates

There were no changes in estimates of amounts reported in the annual financial statements of the Group for the financial year ended 31 March 2015 that may have a material effect on the current quarter or financial year ended 31 March 2016.

### A6. Issuance and / or repayment of debt and equity instruments

During the quarter under review, 46,800,576 Warrants were exercised which resulted in the issuance of 46,800,576 new ordinary shares of RM0.50 each which were thereafter listed on the Main Market of Bursa Malaysia Securities Berhad.

Subsequent to the financial year ended 31 March 2016 and up to 23 May 2016, a total of 5,198,824 Warrants remained unexercised.

Save for the above, there were no other issuance, repurchase and/or repayment of debt and equity instruments for the financial year ended 31 March 2016.

### A7. Dividends paid

During the financial year ended 31 March 2016:-

- (a) The shareholders of the Company approved a final single-tier dividend of 4.0% (2.0 sen per ordinary share), amounting to RM3.71 million in respect of the previous financial year ended 31 March 2015, at the 2015 Annual General Meeting, which was paid on 12 October 2015.

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

- (b) An interim dividend of 3.0% (1.5 sen per ordinary share), amounting to RM2.78 million in respect of the current financial year ended 31 March 2016, was paid on 12 January 2016.

**A8. Segmental information**

**Quarter ended 31 March**

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
<b>Revenue</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Total revenue	22,961	24,545	22,348	21,938	7,197	2,102	52,506	48,585
Inter-segment revenue	-	-	(6,551)	(5,385)	(7,083)	(2,035)	(13,634)	(7,420)
External revenue	22,961	24,545	15,797	16,553	114	67	38,872	41,165
<b>Segment results</b>	4,329	3,903	1,098	2,174	681	515	6,108	6,592
Finance costs							(145)	(88)
Interest income							383	548
Share of results of equity accounted associates							(221)	40
Profit before tax							6,125	7,092
Taxation							(1,421)	(2,122)
Profit after tax							4,704	4,970

**Year ended 31 March**

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
<b>Revenue</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Total revenue	90,518	87,330	97,652	84,020	12,599	11,524	200,769	182,874
Inter-segment revenue	-	-	(30,183)	(20,790)	(12,244)	(11,305)	(42,427)	(32,095)
External revenue	90,518	87,330	67,469	63,230	355	219	158,342	150,779
<b>Segment results</b>	11,088	9,555	7,206	8,294	1,682	1,771	19,976	19,620
Finance costs							(448)	(198)
Interest income							1,740	1,719
Share of results of equity accounted associates							255	(169)
Profit before tax							21,523	20,972
Taxation							(5,146)	(4,810)
Profit after tax							16,377	16,162

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

\* Others mainly consist of investment holding, education and training.

### A9. Valuation of property, plant and equipment

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

### A10. Subsequent events

There were no significant events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the financial statements for the current quarter under review and financial year end.

### A11. Changes in composition of the Group

In March 2016, the Group completed the disposal of its entire 25% holding of the share capital in Medklinn Holdings Sdn. Bhd. (“MHSB”) for a total cash consideration of RM2.1 million, resulting in a gain of RM0.4 million. The disposal does not have any material impact on the net assets and earnings of the Group.

Other than the above, there were no other material changes in the composition of the Group for the financial year ended 31 March 2016.

### A12. Changes in contingent liabilities and contingent assets

There were no major contingent liabilities or contingent assets as at 31 March 2016.

### A13. Commitments

#### (a) Capital commitments

	As at 31/3/2016 RM'000	As at 31/3/2015 RM'000
<b>Property, plant and equipment</b>		
Approved and contracted for	225	9,269
Approved but not contracted for	1,145	3,447
	<u>1,370</u>	<u>12,716</u>

#### (b) Non-cancellable operating lease commitments in respect of certain rented premises by subsidiaries as follows:

	As at 31/3/2016 RM'000	As at 31/3/2015 RM'000
Less than one year	17,155	15,998
Between one and five years	9,396	11,795
	<u>26,551</u>	<u>27,793</u>

### A14. Related party transactions

There were no material related party transactions during the current financial year ended 31 March 2016.



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

**B1. Review of performance**

**Quarter ended 31 March 2016 ('4Q16') compared with quarter ended 31 March 2015 ('4Q15')**

Trading conditions for the Group continued to be challenging during 4Q16 as consumer sentiment and economic growth remained weak. The Group recorded revenue of RM38.9 million, which was 5.6% lower than 4Q15, where there was some elevated pre-Goods and Services Tax ("GST") spending by consumers in 4Q15 before the commencement of the GST on 1 April 2015. Correspondingly, profit before tax of RM6.1 million for 4Q16 was comparatively lower by RM1.0 million than 4Q15.

Professional Services and Sales (Corporate Outlets) revenue of RM23.0 million was 6.5% lower than 4Q15, while operating profit was RM0.4 million higher to RM4.3 million. During the quarter, the Group opened 1 new retail kiosk and the Group's network of Corporate Outlets as at 31 March 2016 comprised of 74 professional skin care salons and retail kiosks across Malaysia, Singapore, Hong Kong and Thailand.

For the Product Distribution segment (Professional Distribution and Fast Moving Consumer Goods (FMCG)), 4Q16 revenue of RM15.8 million was 4.6% lower than 4Q15 while operating profit was lower by RM1.1 million. This was mainly due to a higher unrealised foreign exchange loss resulting in a net foreign exchange loss of RM1.2 million for 4Q16, as compared to a net foreign exchange gain of RM0.4 million in 4Q15.

On a geographic basis, the proportion of revenue from the regional and export business against the domestic business of the Group was 43% and 57% respectively.

**Financial year ended 31 March 2016 ('FY16') compared with previous year ended 31 March 2015 ('FY15')**

Against the challenging trading conditions of weaker consumer sentiment, slower economic growth and a weaker economic outlook regionally, Group revenue increased by 5.0% to RM158.3 million for FY16, while profit before tax was 2.6% higher at RM21.5 million. This was partly contributed by the Group's new brands and products, brand building and promotional activities, as well as higher contributions from the Group's operations in Singapore and Hong Kong due to organic growth as well as the strengthening of the HKD and SGD against the MYR.

Professional Services and Sales (Corporate Outlets) revenue increased by 3.7% to RM90.5 million for FY16, while profit before tax of RM11.1 million was higher by RM1.5 million. During FY16, the Group opened 9 new outlets comprising of 6 AsterSpring salons as well as 3 retail kiosks across Malaysia, Singapore, Hong Kong and Thailand. The Group also rationalised and closed 3 AsterSpring salons and 6 retail kiosks where the business potential was not as expected in order to refocus the Group's resources to areas with higher potential. Consequently, the Group owned and operated 74 professional skin care salons and retail kiosks across Malaysia, Singapore, Hong Kong and Thailand as at 31 March 2016.

Product Distribution (Professional Distribution and FMCG) revenue for FY16 was 6.7% higher at RM67.5 million, while operating profit was lower by 13.1% or RM1.1 million due to higher

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

inventory costs from the strengthening of the USD, as well as brand building and promotional activities required as competitors continued aggressive discounting and promotions given the challenging trading conditions.

The revenue contributed from the regional and export business against the domestic business of the Group was 44% and 56% respectively.

### **B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter ended 31 December 2015 ('3Q16')**

The Group recorded revenue of RM38.9 million for 4Q16 as compared to revenue of RM43.4 million for 3Q16 due to the seasonally higher revenue in 3Q16. Profit before tax was higher by RM0.5 million, partly due to the gain on the disposal of the Group's 25% equity interest in MHSB and prudent cost management.

### **B3. Commentary on prospects**

The beauty and wellness industry in the Group's markets is expected to achieve moderate growth over the longer term. However, should economic conditions continue to deteriorate further, consumer spending, including spending for the beauty and wellness industry in the Group's markets, may be impacted over the short term.

Barring any adverse developments in local and regional market conditions, the Board continues to adopt focused and prudent strategies to execute the Group's strategic long-term priorities to grow the core brands and businesses of the Group.

### **B4. Profit forecast**

The Group does not provide profit forecasts.

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

**B5. Profit before Tax**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/3/2016 RM'000	Prior Quarter Ended 31/3/2015 RM'000	Current Year-To- Date 31/3/2016 RM'000	Prior Year-To- Date 31/3/2015 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	1,927	2,002	8,374	7,334
Amortisation of development cost	17	8	59	26
Fair value (gain)/loss derivative financial instrument	-	-	-	(8)
Gain on disposal of property, plant and equipment	(17)	2	(39)	(76)
Property, plant and equipment written off	5	377	65	377
Impairment loss on property, plant and equipment	160	-	160	-
Inventories written off	587	944	1,416	1,376
Bad debts recovered	(1)	-	(38)	-
Impairment loss on trade receivables	25	15	25	15
Gain on disposal of an associate	(424)	-	(424)	-
Loss on deregistration of a subsidiary	-	-	412	2
Loss/(gain) on foreign exchange:				
- realised	(162)	(130)	(581)	(37)
- unrealised	1,312	(849)	(2,791)	(1,277)
Interest expense	145	88	448	198
Interest income from short term money market	(143)	(358)	(905)	(1,310)
Interest income	(240)	(190)	(835)	(409)
Rental expense	5,437	5,160	22,328	20,008
Rental income from investment properties	(14)	(15)	(67)	(69)

Save as disclosed above, the other items required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

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

**B6. Tax expense**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/3/2016 RM'000	Prior Quarter Ended 31/3/2015 RM'000	Current Year-To- Date 31/3/2016 RM'000	Prior Year-To- Date 31/3/2015 RM'000
Current tax				
- For the financial period/year	2,363	2,149	8,435	5,181
	<u>2,363</u>	<u>2,149</u>	<u>8,435</u>	<u>5,181</u>
Deferred tax	(942)	(27)	(3,289)	(371)
	<u>(942)</u>	<u>(27)</u>	<u>(3,289)</u>	<u>(371)</u>
Tax expense	<u>1,421</u>	<u>2,122</u>	<u>5,146</u>	<u>4,810</u>

The Group's effective tax rate for the financial year ended 31 March 2016 was lower than the Malaysian statutory income tax rate due to the utilization of deferred tax assets not recognized in prior year and income from foreign subsidiaries subjected to lower tax rates.

**B7. Status of corporate proposal announced**

There were no new corporate proposals announced but not completed as at 23 May 2016.

**B8. Borrowings and debt securities**

	As at 31/3/2016 RM'000	As at 31/3/2015 RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	6,498	6,539
Singapore Dollar	<u>636</u>	<u>356</u>
	<u>7,134</u>	<u>6,895</u>
Long Term Borrowings:		
Secured :		
Singapore Dollar	<u>18,028</u>	<u>10,491</u>
Total Borrowings	<u>25,162</u>	<u>17,386</u>

The borrowings as at 31 March 2016 were solely for the part financing of the Group's corporate offices in Hong Kong and Singapore.

There was no unsecured debt as at end of the reporting period. Borrowings denominated in foreign currencies are stated at Ringgit Malaysia equivalent as at the reporting date.

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

### B9. Changes in material litigation

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

### B10. Realised and unrealised Profits/Losses Disclosure

	As at 31/03/2016 RM'000	As at 31/03/2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	42,234	35,118
- unrealised	4,952	1,832
	<u>47,186</u>	<u>36,950</u>
Share of accumulated losses from associates		
- realised	(2,731)	(3,291)
	<u>44,455</u>	<u>33,659</u>
Less: Consolidation adjustments	1,294	2,207
	<u>45,749</u>	<u>35,866</u>

### B11. Dividend proposed or declared

- (a)
- (i) A final single-tier dividend of 4.0% (2.0 sen per ordinary share) for the current financial year ended 31 March 2016 amounting to RM4.65 million has been recommended by the Directors for approval by shareholders at the upcoming Annual General Meeting.
  - (ii) The final single-tier dividend declared and paid for the previous year's corresponding period was 4.0% (2.0 sen per ordinary share) amounting to RM3.71 million.
  - (iii) 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.
- (b) The total dividend paid and payable for the current financial year ended 31 March 2016, including the above recommended final dividend, if approved, would amount to 7.0% or 3.5 sen per ordinary share of 50 sen each.

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

**B12. Basic and diluted earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/3/2016 RM'000	Prior Year Quarter Ended 31/3/2015 RM'000	Current Year-To-Date 31/3/2016 RM'000	Prior Year-To-Date 31/3/2015 RM'000
<b>Basic earnings per share</b>				
Profit attributable to owners of the Company (RM'000)	4,704	4,970	16,377	16,162
Number of shares in issue at beginning of the financial year ('000)	185,601	185,501	185,601	184,919
Effect of exercise of warrants ('000)	8,474	-	2,107	224
Weighted average number of ordinary shares in issue ('000)	194,075	185,501	187,708	185,143
Basic earnings per ordinary shares of RM0.50 each (sen)	2.42	2.68	8.72	8.73
<b>Diluted earnings per share</b>				
Profit attributable to owners of the Company (RM'000)	4,704	4,970	16,377	16,162
Weighted average number of ordinary shares in issue ('000)	194,075	185,501	187,708	185,143
Effect of dilutive potential ordinary shares – Warrants ('000)	2,104	26,808	2,364	29,513
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	196,179	212,309	190,072	214,656
Basic earnings per ordinary shares of RM0.50 each (sen)	2.40	2.34	8.62	7.53

**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 30 May 2016.