



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

**Unaudited Condensed Statements of Comprehensive Income
For The Six Months Period Ended 30 September 2016**

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|---|---|
| | Current Year Quarter Ended 30/09/2016 (RM'000) | Prior Year Quarter Ended 30/09/2015 (RM'000) | Current Year To Date 30/09/2016 (RM'000) | Prior Year-To-Date 30/09/2015 (RM'000) |
| Revenue | 41,290 | 41,016 | 78,941 | 76,085 |
| Cost of sales / services | (16,995) | (17,085) | (32,065) | (31,337) |
| Gross profit | 24,295 | 23,931 | 46,876 | 44,748 |
| Other income | 148 | 56 | 734 | 315 |
| Other gains / (losses) | 780 | 3,027 | 1,589 | 3,828 |
| Other expenses | (21,298) | (21,468) | (41,521) | (40,146) |
| Results from operating activities | 3,925 | 5,546 | 7,678 | 8,745 |
| Finance costs | (125) | (107) | (221) | (192) |
| Interest income | 556 | 546 | 1,092 | 1,003 |
| Share of results after tax of equity accounted associates | (299) | (348) | (447) | 236 |
| Profit before tax | 4,057 | 5,637 | 8,102 | 9,792 |
| Tax expense | (1,011) | (1,250) | (2,139) | (2,099) |
| Profit for the financial period attributable to the owners of the Company | 3,046 | 4,387 | 5,963 | 7,693 |
| Other comprehensive expenses, net of tax Item that may be subsequently reclassified to profit or loss: | | | | |
| Foreign currency translation | 470 | 2,517 | 779 | 2,767 |
| Total comprehensive income for the period/year attributable to the owners of the Company | 3,516 | 6,904 | 6,742 | 10,460 |
| Earnings per share attributable to owners of the Company: | | | | |
| Basic (sen) | 1.31 | 2.36 | 2.56 | 4.15 |
| Diluted (sen) | 1.30 | 2.09 | 2.55 | 3.65 |

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)

Esthetics International Group Berhad (408061-P)

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

Unaudited Condensed Consolidated Statements of Financial Position
As At 30 September 2016

| | As at 30/09/2016 (Unaudited) (RM '000) | As at 31/03/2016 (Audited) (RM '000) |
|--|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 106,268 | 105,669 |
| Intangible assets | 3,610 | 3,592 |
| Investment properties | 1,055 | 1,055 |
| Investments in associates | 1,117 | 1,555 |
| Receivables | 10,648 | 10,012 |
| Deferred tax assets | 4,212 | 4,347 |
| | 126,910 | 126,230 |
| Current assets | | |
| Inventories | 33,420 | 37,589 |
| Receivables, deposits and prepayments | 24,890 | 24,337 |
| Short term cash investments | 42,002 | 34,373 |
| Cash and bank balances | 28,764 | 28,648 |
| | 129,076 | 124,947 |
| TOTAL ASSETS | 255,986 | 251,177 |
| EQUITY AND LIABILITIES | | |
| Share capital | 117,083 | 116,200 |
| Reserves | 10,764 | 9,985 |
| Retained earnings | 51,712 | 45,749 |
| TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 179,559 | 171,934 |
| Non-current liabilities | | |
| Borrowings | 18,566 | 18,028 |
| Deferred tax liabilities | 196 | 187 |
| | 18,762 | 18,215 |
| Current liabilities | | |
| Deferred revenue | 25,613 | 26,832 |
| Payables and accruals | 22,732 | 23,477 |
| Borrowings | 7,184 | 7,134 |
| Taxation | 2,136 | 3,585 |
| | 57,665 | 61,028 |
| TOTAL LIABILITIES | 76,427 | 79,243 |
| TOTAL EQUITY AND LIABILITIES | 255,986 | 251,177 |
| Net assets per share attributable to owners of the Company (RM) | 0.77 | 0.74 |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 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 Six Months Period Ended 30 September 2016

| | Current Year To Date (RM '000) | Prior Year-To-Date (RM '000) |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 8,102 | 9,792 |
| <i>Adjustments for : -</i> | | |
| Depreciation of property, plant and equipment | 4,482 | 4,195 |
| Amortisation of development cost | 42 | 27 |
| Gain on disposal of property, plant and equipment | (25) | (21) |
| Interest expense | 221 | 192 |
| Income from short term money market | (629) | (755) |
| Interest income | (463) | (248) |
| Property, plant and equipment written off | 4 | 52 |
| Inventories written off | 567 | 324 |
| Bad debts recovered | - | (6) |
| Share of results of equity accounted associates | 447 | (236) |
| Unrealised gain on foreign exchange | (1,761) | (4,153) |
| Operating profit before working capital changes | 10,987 | 9,163 |
| Changes in working capital | | |
| Inventories | 3,602 | (10,023) |
| Receivables, deposits and prepayments | 1,192 | 553 |
| Payables and accruals | (1,892) | 5,318 |
| Deferred revenue | (1,219) | 334 |
| Cash generated from operating activities | 12,670 | 5,345 |
| Interest and short term money market income received | 1,092 | 1,003 |
| Tax paid | (3,444) | (1,499) |
| Tax refunded | - | 51 |
| Net cash from operating activities | 10,318 | 4,900 |
| Cash flows used in investing activities | | |
| Acquisition of property, plant and equipment | (2,338) | (21,749) |
| Acquisition of intangible assets | (58) | - |
| Advances to associates | (636) | (600) |
| Proceeds from disposal of property, plant and equipment | 34 | 21 |
| (Placement in) / redemption of short term cash investments | (7,629) | 18,422 |
| Net cash used in investing activities | (10,627) | (3,906) |
| Cash flows from financing activities | | |
| Proceed from issuance of ordinary shares pursuant to warrants | 883 | - |
| Interest paid | (221) | (192) |
| Drawdown of term loan | - | 4,440 |
| Repayment of term loan | (590) | (481) |
| Net cash from financing activities | 72 | 3,767 |
| Net (decrease)/increase in cash and cash equivalents | (237) | 4,761 |
| Effect of exchange rate fluctuations on cash held | 353 | 906 |
| Cash and cash equivalents at beginning of financial year | 28,648 | 23,898 |
| Cash and cash equivalents at end of financial year | 28,764 | 29,565 |

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 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 Six Months Period Ended 30 September 2016

| | <-----Non-distributable-----> | | | | <i>Distributable</i> 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) |
| At 1 April 2016 | 116,200 | 9,751 | 456 | (222) | 45,749 | 171,934 |
| Profit for the financial period | - | - | - | - | 5,963 | 5,963 |
| Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities | - | - | - | 779 | - | 779 |
| Total comprehensive income for the period | - | - | - | 779 | 5,963 | 6,742 |
| Transactions with owners | | | | | | |
| Issuance of ordinary shares pursuant to warrant | 883 | 155 | (155) | - | - | 883 |
| At 30 September 2016 | 117,083 | 9,906 | 301 | 557 | 51,712 | 179,559 |
| At 1 April 2015 | 92,750 | 5,632 | 4,575 | 562 | 35,866 | 139,385 |
| Profit for the financial period | - | - | - | - | 7,693 | 7,693 |
| Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities | - | - | - | 2,767 | - | 2,767 |
| Total comprehensive income for the period | - | - | - | 2,767 | 7,693 | 10,460 |
| At 30 September 2015 | 92,750 | 5,632 | 4,575 | 3,329 | 43,559 | 149,845 |

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 2016. 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 2016 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2016:

Amendments/Improvements to MFRSs

| <u>Amendments/Improvements to MFRSs</u> | Effective Date |
|--|-----------------------|
| 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 | 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 |
| 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 | 1 January 2016 |
| MFRS 138 Intangible Assets | 1 January 2016 |

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

| | Effective for financial periods beginning on or after |
|---|--|
| <u>New MFRSs</u> | |
| MFRS 9 Financial Instruments | 1 January 2018 |
| MFRS 15 Revenue from Contracts with Customers | 1 January 2018 |
| MFRS 16 Leases | 1 January 2019 |
| <u>Amendments/Improvements to MFRSs</u> | |
| MFRS 2 Classification and Measurement of Share-based Payment Transactions | 1 January 2018 |
| MFRS 10 Consolidated Financial Statements | Deferred |
| MFRS 107 Statement of Cash Flows | 1 January 2017 |
| MFRS 112 Income Taxes | 1 January 2017 |
| MFRS 128 Investments in Associates and Joint Ventures | Deferred |

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.

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

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 2016 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 2016 that may have a material effect on the current quarter ended 30 September 2016.

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

During the quarter under review, 1,765,300 Warrants were exercised which resulted in the issuance of 1,765,300 new ordinary shares of RM0.50 each which were thereafter listed on the Main Market of Bursa Malaysia Securities Berhad.

Subsequent to the quarter ended 30 September 2016 and up to 15 November 2016, a total of 3,423,524 Warrants remained unexercised.

Save for the above, there were no issuance, repurchase and/or repayment of debt and equity instruments for the current quarter ended 30 September 2016.

A7. Dividends paid

The shareholders of the Company approved a final single-tier dividend of 4% (2.0 sen) per ordinary share in respect of previous financial year ended 31 March 2016 at the Annual General Meeting on 25 August 2016. The dividend was paid on 19 October 2016.

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

A8. Segmental information

Quarter ended 30 September

| | Professional services and sales | | Product distribution | | Others * | | Total | |
|---|---------------------------------|-------------|----------------------|-------------|-------------|-------------|-------------|-------------|
| | RM'000 | | RM'000 | | RM'000 | | RM'000 | |
| Revenue | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Total revenue | 24,581 | 23,251 | 21,726 | 26,346 | 7,139 | 1,827 | 53,446 | 51,424 |
| Inter-segment revenue | - | - | (5,151) | (8,674) | (7,005) | (1,734) | (12,156) | (10,408) |
| External revenue | 24,581 | 23,251 | 16,575 | 17,672 | 134 | 93 | 41,290 | 41,016 |
| Segment results | 3,178 | 2,965 | 372 | 1,922 | 375 | 659 | 3,925 | 5,546 |
| Finance costs | | | | | | | (125) | (107) |
| Interest income | | | | | | | 556 | 546 |
| Share of results of equity accounted associates | | | | | | | (299) | (348) |
| Profit before tax | | | | | | | 4,057 | 5,637 |
| Taxation | | | | | | | (1,011) | (1,250) |
| Profit after tax | | | | | | | 3,046 | 4,387 |

Year ended 30 September

| | Professional services and sales | | Product distribution | | Others * | | Total | |
|---|---------------------------------|-------------|----------------------|-------------|-------------|-------------|-------------|-------------|
| | RM'000 | | RM'000 | | RM'000 | | RM'000 | |
| Revenue | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Total revenue | 47,843 | 43,220 | 42,449 | 47,709 | 9,039 | 3,613 | 99,331 | 94,542 |
| Inter-segment revenue | - | - | (11,581) | (15,001) | (8,809) | (3,456) | (20,390) | (18,457) |
| External revenue | 47,843 | 43,220 | 30,868 | 32,708 | 230 | 157 | 78,941 | 76,085 |
| Segment results | 5,948 | 4,931 | 1,590 | 2,851 | 140 | 963 | 7,678 | 8,745 |
| Finance costs | | | | | | | (221) | (192) |
| Interest income | | | | | | | 1,092 | 1,003 |
| Share of results of equity accounted associates | | | | | | | (447) | 236 |
| Profit before tax | | | | | | | 8,102 | 9,792 |
| Taxation | | | | | | | (2,139) | (2,099) |
| Profit after tax | | | | | | | 5,963 | 7,693 |

* Others mainly consist of investment holding, education, training and e-commerce.

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

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.

A11. Changes in composition of the Group

There were no other material changes in the composition of the Group for the current quarter ended 30 September 2016.

A12. Changes in contingent liabilities and contingent assets

There were no major contingent liabilities or contingent assets as at 30 September 2016.

A13. Commitments

(a) Capital commitments

| | As at 30/9/2016 RM'000 | As at 31/3/2016 RM'000 |
|--------------------------------------|------------------------------|------------------------------|
| Property, plant and equipment | | |
| Approved and contracted for | 971 | 225 |
| Approved but not contracted for | 274 | 1,145 |
| | <u>1,245</u> | <u>1,370</u> |

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

| | As at 30/9/2016 RM'000 | As at 31/3/2016 RM'000 |
|----------------------------|------------------------------|------------------------------|
| Less than one year | 17,573 | 17,155 |
| Between one and five years | 12,882 | 9,396 |
| | <u>30,455</u> | <u>26,551</u> |

A14. Related party transactions

There were no material related party transactions during the current quarter ended 30 September 2016.

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

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 30 September 2016 ('2Q17') compared with quarter ended 30 September 2015 ('2Q16')

Trading conditions continued to be challenging during 2Q17 as consumer sentiment and economic growth remained weak across the region.

The Group recorded revenue of RM41.3 million for 2Q17, which was marginally higher by RM0.3 million as compared to 2Q16. This was contributed by the Group's brand building activities, new products and strategic promotional activities. However, the Group's profit before tax of RM4.1 million was lower by RM1.6 million, mainly due to lower net foreign exchange gains, which was RM2.3 million lower as compared to 2Q16.

Professional Services and Sales (Corporate Outlets) revenue of RM24.6 million was 5.7% higher than 2Q16, while operating profit was 7.2% higher to RM3.2 million. During the quarter, the Group opened 1 new retail kiosk and rationalised 2 professional skin care salons and 5 retail kiosks to refocus the Group's resources to areas of higher potential. The Group's network of Corporate Outlets comprised of 69 AsterSpring professional skin care salons and retail kiosks across Malaysia, Singapore, Hong Kong and Thailand as at 30 September 2016.

Product Distribution (Professional Distribution and Fast Moving Consumer Goods (FMCG)) revenue of RM16.6 million was 6.2% lower than 2Q16 due to more challenging trading conditions regionally. Operating profit was RM1.6 million lower than 2Q16 due to lower net foreign exchange gains which were RM0.5 million lower than 2Q16, as well as brand building and promotional activities undertaken during the quarter.

On a geographic basis, the proportion of revenue from the regional and export business against the domestic business of the Group was 40% and 60% respectively.

Half year ended 30 September 2016 ('1H17') compared with half year ended 30 September 2015 ('1H16')

Group revenue increased by RM2.9 million or 3.8% to RM78.9 million for 1H17, while profit before tax of RM8.1 million was lower by RM1.7 million due to higher net foreign exchange gains by RM2.7 million in 1H16.

Professional Services and Sales (Corporate Outlets) revenue increased by 10.7% to RM47.8 million for 1H17, while profit before tax of RM5.9 million was RM1.0 million higher than 1H16. During 1H17, the Group opened 2 new outlets comprising of 1 AsterSpring salon and 1 retail kiosk, and rationalised 2 AsterSpring salons and 5 retail kiosks, where the business potential was not as expected in order to refocus the Group's resources to areas with higher potential.

Product Distribution (Professional Distribution and FMCG) revenue for 1H17 was 5.6% lower at RM30.9 million, while profit before tax of RM1.6 million was lower by RM1.3 million due to brand building and promotional activities required with competitors continuing aggressive discounting and promotions in the current environment.

The revenue contributed from the regional and export business against domestic business of the Group was 39% and 61% respectively.

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

B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter ended 30 June 2016 ('1Q17')

The Group recorded revenue of RM41.3 million and profit before tax of RM4.1 million for 2Q17 as compared to revenue of RM37.7 million and profit before tax of RM4.0 million for 1Q17. The higher revenue for 2Q17 is due to seasonally higher revenue as compared to 1Q17, while profit before tax was marginally higher by RM0.1 million after offsetting higher brand building and promotional activities undertaken during 2Q17.

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 | Prior | Current | Prior |
| | Quarter | Quarter | Year-To- | Year-To- |
| | Ended | Ended | Date | Date |
| | 30/9/2016 | 30/9/2015 | 30/9/2016 | 30/9/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax is arrived at after charging/(crediting): | | | | |
| Depreciation of property, plant and equipment | 2,262 | 2,152 | 4,482 | 4,195 |
| Amortisation of development cost | 21 | 13 | 42 | 27 |
| Gain on disposal of property, plant and equipment | (25) | (21) | (25) | (21) |
| Property, plant and equipment written off | 2 | 48 | 4 | 52 |
| Inventories written off | 423 | 269 | 567 | 324 |
| Bad debts recovered | - | (6) | - | (6) |
| Loss on deregistration of a subsidiary | - | - | - | 412 |
| Loss/(gain) on foreign exchange: | | | | |
| - realised | (1) | (182) | 193 | (118) |
| - unrealised | (759) | (2,877) | (1,761) | (4,153) |
| Interest expense | 125 | 107 | 221 | 192 |
| Interest income from short term money market | (278) | (486) | (629) | (755) |
| Interest income | (278) | (60) | (463) | (248) |
| Rental expense | 5,810 | 5,824 | 11,373 | 11,105 |
| Rental income from investment properties | (14) | (18) | (27) | (36) |

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 | Prior | Current | Prior |
| | Quarter | Quarter | Year-To- | Year-To- |
| | Ended | Ended | Date | Date |
| | 30/9/2016 | 30/9/2015 | 30/9/2016 | 30/9/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax | | | | |
| - For the financial period | 1,302 | 1,263 | 2,004 | 1,852 |
| | <u>1,302</u> | <u>1,263</u> | <u>2,004</u> | <u>1,852</u> |
| Deferred tax | (291) | (13) | 135 | 247 |
| | <u>(291)</u> | <u>(13)</u> | <u>135</u> | <u>247</u> |
| Tax expense | <u>1,011</u> | <u>1,250</u> | <u>2,139</u> | <u>2,099</u> |

The Group's effective tax rate for the current quarter ended 30 September 2016 was higher than the Malaysian statutory income tax rate due to non deductibility of certain expenses.

B7. Status of corporate proposal announced

There were no new corporate proposals announced but not completed as at the date of this report.

B8. Borrowings and debt securities

| | As at | As at |
|-----------------------|------------------|------------------|
| | 30/9/2016 | 31/3/2016 |
| | RM'000 | RM'000 |
| Short Term Borrowings | | |
| Secured : | | |
| Hong Kong Dollar | 6,516 | 6,498 |
| Singapore Dollar | <u>668</u> | <u>636</u> |
| | <u>7,184</u> | <u>7,134</u> |
| Long Term Borrowings: | | |
| Secured : | | |
| Singapore Dollar | <u>18,566</u> | <u>18,028</u> |
| Total Borrowings | <u>25,750</u> | <u>25,162</u> |

The borrowings as at 30 September 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 30/09/2016 RM'000 | As at 30/09/2015 RM'000 |
|---|-------------------------------|-------------------------------|
| Total retained earnings of the Company and its subsidiaries | | |
| - realised | 47,824 | 43,736 |
| - unrealised | 5,777 | 1,404 |
| | <hr/> 53,601 | <hr/> 45,140 |
| Share of accumulated losses from associates | | |
| - realised | (3,169) | (3,054) |
| | <hr/> 50,432 | <hr/> 42,086 |
| Less: Consolidation adjustments | 1,280 | 1,473 |
| | <hr/> 51,712 | <hr/> 43,559 |
| Total retained earnings of the Group | <hr/> <hr/> 51,712 | <hr/> <hr/> 43,559 |

B11. Dividend proposed or declared

The Board is pleased to declare and approve an interim single-tier dividend of 2.5% or 1.25 sen per ordinary share in respect of the financial year ending 31 March 2017.

The interim dividend shall be payable on 12 January 2017.

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

- (i) Shares transferred into the Depositor's Securities Account on 15 December 2016 in respect of ordinary transfers; and
- (ii) Shares bought on Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirements of Bursa Securities.

The total dividend for the 6 months ended 30 September 2016 is 1.25 sen per ordinary share (2015: 1.5 sen)

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

B12. Basic and diluted earnings per share

| | Individual Quarter | | Cumulative Quarter | |
|--|----------------------------|--------------------------|----------------------|--------------------|
| | Current Year Quarter Ended | Prior Year Quarter Ended | Current Year-To-Date | Prior Year-To-Date |
| | 30/9/2016 | 30/9/2015 | 30/9/2016 | 30/9/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Basic earnings per share | | | | |
| Profit attributable to owners of the Company (RM'000) | 3,046 | 4,387 | 5,963 | 7,693 |
| Number of shares in issue at beginning of the financial year ('000) | 232,401 | 185,501 | 232,401 | 185,501 |
| Effect of exercise of warrants ('000) | 648 | - | 326 | - |
| Weighted average number of ordinary shares in issue ('000) | 233,049 | 185,501 | 232,727 | 185,501 |
| Basic earnings per ordinary shares of RM0.50 each (sen) | 1.31 | 2.36 | 2.56 | 4.15 |
| Diluted earnings per share | | | | |
| Profit attributable to owners of the Company (RM'000) | 3,046 | 4,387 | 5,963 | 7,693 |
| Weighted average number of ordinary shares in issue ('000) | 233,049 | 185,501 | 232,727 | 185,501 |
| Effect of dilutive potential ordinary shares – Warrants ('000) | 1,406 | 24,870 | 1,367 | 25,105 |
| Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000) | 234,455 | 210,371 | 234,094 | 210,606 |
| Basic earnings per ordinary shares of RM0.50 each (sen) | 1.30 | 2.09 | 2.55 | 3.65 |

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 November 2016.