

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

**Unaudited Condensed Statements of Comprehensive Income**  
**For The Financial Year Ended 31 March 2019**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2019 (RM'000)	Prior Year Quarter Ended 31/03/2018 (RM'000) Restated	Current Year To Date 31/03/2019 (RM'000)	Prior Year-To-Date 31/03/2018 (RM'000) Restated
Revenue	40,263	36,537	168,163	154,849
Cost of sales / services	(17,760)	(15,689)	(74,400)	(65,707)
<b>Gross profit</b>	<b>22,503</b>	<b>20,848</b>	<b>93,763</b>	<b>89,142</b>
Other income	320	147	852	469
Other gains/(losses)	(106)	(1,619)	874	(4,840)
Other expenses	(20,136)	(19,509)	(84,075)	(81,842)
<b>Results from operating activities</b>	<b>2,581</b>	<b>(133)</b>	<b>11,414</b>	<b>2,929</b>
Finance costs	(196)	(145)	(645)	(657)
Interest income	799	640	2,530	2,640
Share of results after tax of equity accounted associates	-	(17)	-	(620)
<b>Profit before tax</b>	<b>3,184</b>	<b>345</b>	<b>13,299</b>	<b>4,292</b>
Tax expense	(1,002)	(367)	(3,452)	(2,955)
<b>Profit for the financial period/year attributable to the owners of the Company</b>	<b>2,182</b>	<b>(22)</b>	<b>9,847</b>	<b>1,337</b>
<b>Other comprehensive expenses, net of tax Item that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	(647)	(990)	1,179	(1,770)
<b>Total comprehensive income for the period/year attributable to the owners of the Company</b>	<b>1,535</b>	<b>(1,012)</b>	<b>11,026</b>	<b>(433)</b>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	0.92	(0.01)	4.15	0.56

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018 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 31 March 2019**

	<b>As at</b>	<b>As at</b>
	<b>31/03/2019</b>	<b>31/03/2018</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>(RM '000)</b>	<b>(RM '000)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	95,630	96,643
Intangible assets	1,458	1,483
Investment properties	575	1,055
Receivables	14,020	11,616
Deferred tax assets	5,198	5,110
	<u>116,881</u>	<u>115,907</u>
<b>Current assets</b>		
Inventories	32,580	26,681
Receivables, deposits and prepayments	25,834	24,200
Tax recoverable	573	937
Short term cash investments	44,274	43,646
Cash and bank balances	27,547	30,231
	<u>130,808</u>	<u>125,695</u>
<b>TOTAL ASSETS</b>	<u><u>247,689</u></u>	<u><u>241,602</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	128,768	128,768
Reserves	(489)	(1,668)
Retained earnings	48,039	45,720
<b>TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>176,318</u>	<u>172,820</u>
<b>Non-current liabilities</b>		
Borrowings	16,817	17,126
Deferred tax liabilities	75	70
	<u>16,892</u>	<u>17,196</u>
<b>Current liabilities</b>		
Deferred revenue	26,692	26,687
Payables and accruals	19,025	17,738
Contract Liabilities	1,473	-
Borrowings	5,863	5,972
Taxation	1,426	1,189
	<u>54,479</u>	<u>51,586</u>
<b>TOTAL LIABILITIES</b>	<u>71,371</u>	<u>68,782</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>247,689</u></u>	<u><u>241,602</u></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.74</b>	<b>0.73</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 2018 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 2019

	Current Year To Date (RM '000)	Prior Year-To-Date (RM '000)
<b>Cash flows from operating activities</b>		
Profit before tax	13,299	4,292
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	6,226	7,426
Amortisation of development cost	28	61
Gain on disposal of property, plant and equipment	(91)	(15)
Interest expense	645	657
Income from short term money market	(1,328)	(1,463)
Interest income	(1,202)	(1,177)
Property, plant and equipment written off	9	69
Inventories written off	2,064	2,731
Impairment loss on trade receivables	544	11
Share of results of equity accounted associates	-	620
Unrealised loss on foreign exchange	779	8,217
Operating profit before working capital changes	<u>20,973</u>	<u>21,429</u>
Changes in working capital		
Inventories	(7,963)	891
Receivables, deposits and prepayments	(2,977)	(7,078)
Payables and accruals	1,287	(3,671)
Deferred revenue	(407)	233
Contract liabilities	1,473	-
Cash generated from operating activities	<u>12,386</u>	<u>11,804</u>
Tax paid	(3,008)	(4,823)
Tax refunded	162	10
<b>Net cash from operating activities</b>	<u>9,540</u>	<u>6,991</u>
<b>Cash flows used in investing activities</b>		
Acquisition of property, plant and equipment	(2,727)	(2,952)
Acquisition of intangible assets	(2)	(1)
Advances to associates	(2,404)	(323)
Proceeds from disposal of property, plant and equipment	91	15
Placement in short term cash investments	(628)	(2,663)
Interest and short term money market income received	2,530	2,640
<b>Net cash used in investing activities</b>	<u>(3,140)</u>	<u>(3,284)</u>
<b>Cash flows used in financing activities</b>		
Interest paid	(645)	(657)
Dividends paid to owners of the Company	(7,116)	(7,116)
Repayment of term loan	(1,104)	(1,114)
<b>Net cash used in financing activities</b>	<u>(8,865)</u>	<u>(8,887)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2,465)</u>	<u>(5,180)</u>
<b>Effect of exchange rate changes</b>	<u>(219)</u>	<u>2,448</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>30,231</u>	<u>32,963</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>27,547</u>	<u>30,231</u>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018 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 2019

	<-----Non-distributable-----> Share Capital (RM '000)	Translation Reserve (RM '000)	Distributable Retained Earnings (RM '000)	Attributable to Owners Of The Company/Total Equity (RM '000)
At 1 April 2018	128,768	(1,668)	45,720	172,820
Effect of adopting MFRS 15	-	-	(412)	(412)
At 1 April 2018 ( as restated)	128,768	(1,668)	45,308	172,408
Profit for the financial period	-	-	9,847	9,847
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	1,179	-	1,179
Total comprehensive income for the period	-	1,179	9,847	11,026
Transactions with owners Dividends paid	-	-	(7,116)	(7,116)
At 31 March 2019	128,768	(489)	48,039	176,318
At 1 April 2017	128,768	102	51,499	180,369
Profit for the financial period	-	-	1,337	1,337
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	(1,770)	-	(1,770)
Total comprehensive income for the period	-	(1,770)	1,337	(433)
Transactions with owners Dividends paid	-	-	(7,116)	(7,116)
At 31 March 2018	128,768	(1,668)	45,720	172,820

## 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 2018. 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 2018 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2018:

#### **New MFRS, amendments/improvements to MFRSs and new IC Int**

<u>New MFRSs</u>		<b>Effective Date</b>
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 140	Investment Property	1 January 2018
<u>New IC Int</u>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Int are not expected to have any material financial impact to the current financial year upon their initial adoption, except for MFRS 15 Revenue from Contracts with Customers.

The Group has adopted the standard using the modified retrospective approach and the cumulative effects is shown as an adjustment to the opening retained earnings on 1 April 2018.

#### **Impact on Financial Statements**

	As at 31 March 2018 RM'000	Effect of MFRS 15 RM'000	As at 1 April 2018 RM'000
Retained earnings	45,720	(412)	45,308
Deferred revenue	26,687	412	27,099

The recognition of deferred revenue is due to the effect of changes to the timing of revenue recognition for identified performance obligations arising from sales and services rendering upon adoption of MFRS 15.

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

**A2. Basis of preparation and accounting policies (cont'd)**

**New MFRS, amendments/improvements to MFRSs and new IC Int (cont'd)**

The Group has assessed the effects of applying MFRS 15 on the financial statements and the impacts of adopting MFRS 15 is detailed as follows:

**Restatement of Condensed Statements of Comprehensive Income**

	Individual Quarter			Cumulative Quarter		
	As previously stated 31/03/2018 (RM'000)	Effect of adoption MFRS 15 (RM'000)	As restated 31/03/2018 (RM'000)	As previously stated 31/03/2018 (RM'000)	Effect of adoption MFRS 15 (RM'000)	As restated 31/03/2018 (RM'000)
Revenue	38,252	(1,715)	36,537	159,278	(4,429)	154,849
Cost of sales / services	(15,689)		(15,689)	(65,707)		(65,707)
<b>Gross profit</b>	<b>22,563</b>		<b>20,848</b>	<b>93,571</b>		<b>89,142</b>
Other income	147		147	469		469
Other gains/(losses)	(1,619)		(1,619)	(4,840)		(4,840)
Other expenses	(21,224)	1,715	(19,509)	(86,271)	4,429	(81,842)
<b>Results from operating activities</b>	<b>(133)</b>		<b>(133)</b>	<b>2,929</b>		<b>2,929</b>
Finance costs	(145)		(145)	(657)		(657)
Interest income	640		640	2,640		2,640
Share of results after tax of equity accounted associates	(17)		(17)	(620)		(620)
<b>Profit before tax</b>	<b>345</b>		<b>345</b>	<b>4,292</b>		<b>4,292</b>
Tax expense	(367)		(367)	(2,955)		(2,955)
<b>Profit for the financial period/year attributable to the owners of the Company</b>	<b>(22)</b>		<b>(22)</b>	<b>1,337</b>		<b>1,337</b>
<b>Other comprehensive expenses, net of tax Item that may be subsequently reclassified to profit or loss:</b>						
Foreign currency translation	(990)		(990)	(1,770)		(1,770)
<b>Total comprehensive income for the period/year attributable to the owners of the Company</b>	<b>(1,012)</b>		<b>(1,012)</b>	<b>(433)</b>		<b>(433)</b>
<b>Earnings per share attributable to owners of the Company:</b>						
Basic (sen)	(0.01)		(0.01)	0.56		0.56

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

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

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

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138	Intangible Assets	1 January 2020*
<u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
<u>Amendments to IC Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

\* Amendments to References to the Conceptual Framework in MFRS Standards

Due to the complexity of these new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int, the financial effects of their adoption are currently being assessed by the Group.

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

**A3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements of the Group for the financial year ended 31 March 2018 was not subject to any qualification.

**A4. Seasonal or cyclical factors**

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

**A5. Exceptional Items**

There were no exceptional items during the quarter under review.

**A6. 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 2018 that may have a material effect on the current quarter ended 31 March 2019.

**A7. Issuance and/or repayment of debt and equity instruments**

There was no issuance, repurchase and/or repayment of debt and equity instruments for the current quarter ended 31 March 2019.

**A8. Dividends paid**

During the financial year ended 31 March 2019:-

- (a) The shareholders of the Company approved a final single-tier dividend of 1.75 sen per ordinary share, amounting to RM4.15 million in respect of the previous financial year ended 31 March 2018, at the 2018 Annual General Meeting, which was paid on 19 October 2018.
- (b) An interim dividend of 1.25 sen per ordinary share, amounting to RM2.96 million in respect of the current financial year ended 31 March 2019, was paid on 11 January 2019.



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

**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>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Total revenue	24,243	22,506	23,193	21,122	7,607	15,864	55,043	59,492
Inter-segment revenue	-	-	(7,663)	(7,368)	(7,117)	(15,587)	(14,780)	(22,955)
External revenue	<u>24,243</u>	<u>22,506</u>	<u>15,530</u>	<u>13,754</u>	<u>490</u>	<u>277</u>	<u>40,263</u>	<u>36,537</u>
<b>Segment results</b>	3,165	2,554	(83)	(2,386)	(501)	(301)	2,581	(133)
Finance costs							(196)	(145)
Interest income							799	640
Share of results of equity accounted associates							-	(17)
Profit before tax							<u>3,184</u>	<u>345</u>
Taxation							(1,002)	(367)
Profit after tax							<u>2,182</u>	<u>(22)</u>

**Year ended 31 March**

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
<b>Revenue</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Total revenue	97,671	93,228	100,338	87,492	15,150	28,186	213,159	208,906
Inter-segment revenue	-	-	(31,578)	(27,027)	(13,418)	(27,030)	(44,996)	(54,057)
External revenue	<u>97,671</u>	<u>93,228</u>	<u>68,760</u>	<u>60,465</u>	<u>1,732</u>	<u>1,156</u>	<u>168,163</u>	<u>154,849</u>
<b>Segment results</b>	10,515	6,959	1,451	(3,620)	(552)	(410)	11,414	2,929
Finance costs							(645)	(657)
Interest income							2,530	2,640
Share of results of equity accounted associates							-	(620)
Profit before tax							<u>13,299</u>	<u>4,292</u>
Taxation							(3,452)	(2,955)
Profit after tax							<u>9,847</u>	<u>1,337</u>

\* 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 31 March 2019.

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

	<b>As at 31/3/2019 Utilised RM'000</b>
Guarantees given to landlords to secure tenancy payments by subsidiaries of EIG for salons and kiosks	354

Save for the above, there were no other contingent liabilities or contingent assets that had arisen since the financial year ended 31 March 2018.

**A13. Commitments**

**(a) Capital commitments**

	<b>As at 31/3/2019 RM'000</b>	<b>As at 31/3/2018 RM'000</b>
<b>Property, plant and equipment</b>		
Approved and contracted for	362	-
Approved but not contracted for	1,047	735
	<u>1,409</u>	<u>735</u>

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

	<b>As at 31/3/2019 RM'000</b>	<b>As at 31/3/2018 RM'000</b>
Less than one year	18,240	17,274
Between one and five years	11,148	13,831
	<u>29,388</u>	<u>31,105</u>

**A14. Related party transactions**

There were no material related party transactions during the current quarter ended 31 March 2019.

## **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 31 March 2019 ('4Q19') compared with quarter ended 31 March 2018 ('4Q18')**

The Group recorded revenue of RM40.3 million for 4Q19, which was higher than 4Q18 by 10.2% and the Group's profit before tax was higher by RM2.8 million to RM3.2 million, which was due higher revenue generated in 4Q19 as compared to 4Q18 and lower net foreign exchange loss of RM0.1 million recorded in 4Q19 as compared to a net foreign exchange loss of RM1.6 million in 4Q18. Excluding the net foreign exchange impact, the Group would have recognised a profit before tax of RM3.3 million for 4Q19 as compared to RM2.0 million for 4Q18.

Professional Services and Sales (Corporate Outlets) revenue of RM24.2 million was 7.7% higher than 4Q18, while operating profit was higher by RM0.6 million to RM3.2 million. The Group's network of Corporate Outlets comprised of 83 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 31 March 2019.

Product Distribution (Professional Distribution and Fast Moving Consumer Goods (FMCG)) revenue of RM15.5 million was 12.9% higher than 4Q18. Operating profit improved by RM2.3 million due to higher revenue generated in 4Q19 as compared to 4Q18 and lower net foreign exchange loss of RM0.1 million in current quarter as compared to net foreign exchange loss of RM0.9 million in 4Q18.

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.

##### **Financial year ended 31 March 2019 ('FY19') compared with financial year ended 31 March 2018 ('FY18')**

Group revenue increased by 8.6% to RM168.2 million for FY19, while profit before tax of RM13.3 million was higher by RM9.0 million, which was due to higher revenue generated in FY19 as well as net foreign exchange gains of RM0.8 million in FY19 as compared to net foreign exchange losses of RM4.8 million in FY18.

Professional Services and Sales (Corporate Outlets) revenue was 4.8% higher to RM97.7 million for FY19, while profit before tax of RM10.5 million was RM3.6 million higher than FY18. The Group's network of Corporate Outlets comprised of 83 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 31 March 2019.

Product Distribution (Professional Distribution and FMCG) revenue for FY19 was 13.7% higher at RM68.8 million. Operating profit improved by RM5.1 million to RM1.5 million due to higher revenue as well as net foreign exchange gains of RM0.1 million in FY19 as compared to net foreign exchange losses of RM2.3 million for FY18.

The revenue contributed from the regional and export business against domestic business of the Group was 38% and 62% 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 31 December 2018 ('3Q19')**

The Group recorded revenue of RM40.3 million and profit before tax of RM3.2 million for 4Q19, as compared to revenue of RM45.0 million and profit before tax of RM3.0 million for 3Q19. The revenue for 3Q19 was higher than 4Q19 due to seasonally higher sales, while the profit before tax for 4Q19 was higher than 3Q19 mainly due to better cost containment measures taken by the Group.

**B3. Commentary on prospects**

The beauty and wellness industry in the Group's markets is expected to achieve moderate growth over the longer term, in-line with favourable demographic trends and economic potential in the region. However, should economic conditions remain challenging, consumer spending, including spending for the beauty and wellness industry in the Group's markets, may continue to 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
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	1,504	1,699	6,226	7,426
Amortisation of development cost	5	13	28	61
Gain on disposal of property, plant and equipment	(35)	-	(91)	(15)
Property, plant and equipment written off	3	-	9	69
Inventories written off	368	1,178	2,064	2,731
Impairment loss on trade receivables	516	-	544	11
Loss/(gain) on foreign exchange:				
- realised	33	160	(1,570)	(3,431)
- unrealised	106	1,459	779	8,217
Interest expense	196	145	645	657
Interest income from short term money market	(469)	(361)	(1,328)	(1,463)
Interest income	(330)	(279)	(1,202)	(1,177)
Rental expense	5,538	5,212	22,103	22,813
Rental income from investment properties	(15)	(19)	(57)	(60)

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.

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**B6. Tax expense**

	Individual Quarter		Cumulative Quarter	
	Current	Prior	Current	Prior
	Quarter	Quarter	Year-To-	Year-To-
	Ended	Ended	Date	Date
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	RM'000	RM'000	RM'000	RM'000
Current tax				
- For the financial period	1,283	1,507	2,742	4,603
	1,283	1,507	2,742	4,603
Deferred tax	(281)	(1,140)	710	(1,648)
Tax expense	1,002	367	3,452	2,955

The Group's effective tax rate for the financial year ended 31 March 2019 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
	31/3/2019	31/3/2018
	RM'000	RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	5,191	5,351
Singapore Dollar	672	621
	<u>5,863</u>	<u>5,972</u>
Long Term Borrowings:		
Secured :		
Singapore Dollar	16,817	17,126
Total Borrowings	<u>22,680</u>	<u>23,098</u>

The borrowings as at 31 March 2019 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.

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**B9. Changes in material litigation**

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

**B10. Dividend proposed or declared**

- (a)
- (i) A final single-tier dividend of 1.75 sen per ordinary share for the current financial year ended 31 March 2019 amounting to RM4.15 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 1.75 sen per ordinary share amounting to RM4.15 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 2019, including the above recommended final dividend, if approved, would amount to 3.0 sen per ordinary share.

**B11. Basic and diluted earnings per share**

**(a) Basic earnings per share**

	<b>Current Year Quarter 31/3/2019 RM'000</b>	<b>Prior Year Quarter 31/3/2018 RM'000</b>	<b>Current Year-To- Date 31/3/2019 RM'000</b>	<b>Prior Year- To-Date 31/3/2018 RM'000</b>
Profit attributable to owners of the Company	2,182	(22)	9,847	1,337
Number of ordinary shares in issue ('000)	237,194	237,194	237,194	237,194
Basic earning per share (sen)	0.92	(0.01)	4.15	0.56

**(b) Diluted earnings per share**

The diluted earnings per share is similar to the basic earnings per share as the Company does not have any dilutive potential ordinary shares in issue.

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**B12. 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 28 May 2019.