

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

**Unaudited Condensed Statements of Comprehensive Income**  
**For The Nine Months Period Ended 31 December 2019**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2019 (RM'000)	Prior Year Quarter Ended 31/12/2018 (RM'000) Restated	Current Year To Date 31/12/2019 (RM'000)	Prior Year-To-Date 31/12/2018 (RM'000) Restated
Revenue	49,081	44,074	134,451	127,900
Cost of sales / services	(22,724)	(20,078)	(61,609)	(56,640)
<b>Gross profit</b>	<b>26,357</b>	<b>23,996</b>	<b>72,842</b>	<b>71,260</b>
Other income	350	117	818	532
Other (losses)/gains	(104)	69	(101)	980
Other expenses	(22,950)	(21,355)	(65,866)	(63,939)
<b>Results from operating activities</b>	<b>3,653</b>	<b>2,827</b>	<b>7,693</b>	<b>8,833</b>
Finance costs	(397)	(167)	(1,234)	(449)
Interest income	743	309	2,510	1,731
<b>Profit before tax</b>	<b>3,999</b>	<b>2,969</b>	<b>8,969</b>	<b>10,115</b>
Tax expense	(1,919)	(724)	(3,724)	(2,450)
<b>Profit for the financial period attributable to the owners of the Company</b>	<b>2,080</b>	<b>2,245</b>	<b>5,245</b>	<b>7,665</b>
<b>Other comprehensive expenses, net of tax Item that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	(7)	311	1,136	1,826
<b>Total comprehensive income for the period attributable to the owners of the Company</b>	<b>2,073</b>	<b>2,556</b>	<b>6,381</b>	<b>9,491</b>
<b>Earnings per share attributable to owners of the Company:</b>				
<b>Basic (sen)</b>	<b>0.88</b>	<b>0.95</b>	<b>2.21</b>	<b>3.23</b>

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

	As at 31/12/2019 (Unaudited) (RM '000)	As at 31/03/2019 (Audited) (RM '000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	91,838	95,630
Right-of-use assets	22,422	-
Intangible assets	1,460	1,458
Investment properties	2,840	575
Receivables	23,107	18,311
Deferred tax assets	5,236	5,198
	<b>146,903</b>	<b>121,172</b>
<b>Current assets</b>		
Inventories	32,497	32,580
Receivables, deposits and prepayments	23,694	21,342
Tax recoverable	248	573
Short term cash investments	39,736	44,274
Cash and bank balances	29,842	27,547
	<b>126,017</b>	<b>126,316</b>
<b>TOTAL ASSETS</b>	<b>272,920</b>	<b>247,488</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	128,768	128,768
Reserves	647	(489)
Retained earnings	48,296	48,039
<b>TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>177,711</b>	<b>176,318</b>
<b>Non-current liabilities</b>		
Borrowings	16,512	16,817
Lease liabilities	8,484	-
Deferred tax liabilities	75	75
	<b>25,071</b>	<b>16,892</b>
<b>Current liabilities</b>		
Contract Liabilities	29,364	28,253
Payables and accruals	18,658	18,736
Borrowings	5,580	5,863
Lease liabilities	14,734	-
Tax Payable	1,802	1,426
	<b>70,138</b>	<b>54,278</b>
<b>TOTAL LIABILITIES</b>	<b>95,209</b>	<b>71,170</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>272,920</b>	<b>247,488</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.75</b>	<b>0.74</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 2019 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 Nine Months Period Ended 31 December 2019

	Current Year To Date (RM '000)	Prior Year-To-Date (RM '000)
<b>Cash flows from operating activities</b>		
Profit before tax	8,969	10,115
<i>Adjustments for : -</i>		
Depreciation of property, plant and equipment	4,606	4,722
Amortisation of development cost and right-of-use assets	15,452	23
Gain on disposal of property, plant and equipment	(27)	(56)
Interest expense	1,234	449
Income from short term money market	(1,462)	(859)
Interest income	(1,048)	(872)
Property, plant and equipment written off	2	6
Inventories written off	1,111	1,696
Impairment loss on trade receivables	12	28
Unrealised (gain)/loss on foreign exchange	(16)	673
Operating profit before working capital changes	<u>28,833</u>	<u>15,925</u>
Changes in working capital		
Inventories	(1,028)	(6,611)
Receivables, deposits and prepayments	(3,844)	(1,688)
Payables and accruals	(228)	7,648
Contract liabilities	1,111	906
Cash generated from operating activities	<u>24,844</u>	<u>16,180</u>
Tax paid	(3,072)	(1,906)
Tax refunded	27	134
<b>Net cash from operating activities</b>	<u>21,799</u>	<u>14,408</u>
<b>Cash flows from/(used in) investing activities</b>		
Acquisition of property, plant and equipment	(2,168)	(1,928)
Addition of intangible assets	(5)	(2)
Advances to associates	(3,301)	(1,240)
Proceeds from disposal of property, plant and equipment	50	56
Redemption of/(placement in) short term cash investments	4,538	(1,646)
Interest and short term money market income received	2,510	1,731
<b>Net cash from/(used in) investing activities</b>	<u>1,624</u>	<u>(3,029)</u>
<b>Cash flows used in financing activities</b>		
Interest paid	(1,234)	(449)
Dividends paid to owners of the Company	(4,151)	(4,151)
Lease payment	(15,340)	-
Repayment of term loan	(861)	(835)
<b>Net cash used in financing activities</b>	<u>(21,586)</u>	<u>(5,435)</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,837</u>	<u>5,944</u>
<b>Effect of exchange rate changes</b>	<u>458</u>	<u>49</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>27,547</u>	<u>30,231</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>29,842</u>	<u>36,224</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 2019 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 Nine Months Period Ended 31 December 2019**

	<b>&lt;-----Non-distributable-----&gt;</b>		<b>Distributable</b>	<b>Attributable to</b>
	<b>Share</b>	<b>Translation</b>	<b>Retained</b>	<b>Owners Of The</b>
	<b>Capital</b>	<b>Reserve</b>	<b>Earnings</b>	<b>Company/Total</b>
	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>Equity</b>
	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>(RM '000)</b>
<b>At 1 April 2019</b>	<b>128,768</b>	<b>(489)</b>	<b>48,039</b>	<b>176,318</b>
<b>Effect of adoption of MFRS 16</b>	<b>-</b>	<b>-</b>	<b>(837)</b>	<b>(837)</b>
<b>At 1 April 2019 ( as restated)</b>	<b>128,768</b>	<b>(489)</b>	<b>47,202</b>	<b>175,481</b>
Profit for the financial period	-	-	5,245	5,245
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	1,136	-	1,136
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,136</b>	<b>5,245</b>	<b>6,381</b>
<b>Transactions with owners</b>				
Dividends paid	-	-	(4,151)	(4,151)
<b>At 31 December 2019</b>	<b>128,768</b>	<b>647</b>	<b>48,296</b>	<b>177,711</b>
<b>At 1 April 2018</b>	<b>128,768</b>	<b>(1,668)</b>	<b>45,720</b>	<b>172,820</b>
<b>Effect of adoption of MFRS 15</b>	<b>-</b>	<b>-</b>	<b>(412)</b>	<b>(412)</b>
<b>At 1 April 2018 ( as restated)</b>	<b>128,768</b>	<b>(1,668)</b>	<b>45,308</b>	<b>172,408</b>
Profit for the financial period	-	-	7,665	7,665
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	1,826	-	1,826
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,826</b>	<b>7,665</b>	<b>9,491</b>
<b>Transactions with owners</b>				
Dividends paid	-	-	(4,151)	(4,151)
<b>At 31 December 2018</b>	<b>128,768</b>	<b>158</b>	<b>48,822</b>	<b>177,748</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 2019 and the accompanying explanatory attached to the Interim Financial Statements)

**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 2019. 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 2019 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2019:

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

<u>New MFRS</u>		<b>Effective Date</b>
MFRS 16	Leases	1 January 2019
 <u>Amendments/Improvements to MFRSs</u>		
MFRS 3	Business Combinations	1 January 2019
MFRS 9	Financial Instruments	1 January 2019
MFRS 11	Joint Arrangements	1 January 2019
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
 <u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

The adoption of the above new MFRS, 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 16 Leases.

**MFRS 16 Leases**

The Group adopted MFRS 16 Leases on 1 April 2019, which introduces a single, on balance sheet lease accounting for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

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 2019, with no restatement of comparative information.

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

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

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

MFRS 16 Leases (cont'd)

Impact on Financial Statements

	As at 31 March 2019 RM'000	Effect of MFRS 16 RM'000	As at 1 April 2019 RM'000
Right-of-use assets	-	23,428	23,428
Lease liabilities	-	(24,265)	(24,265)
Retained earnings	(48,039)	837	(47,202)

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

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2020*/ 1 January 2021#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021#
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2021#
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2021#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021#
MFRS 101	Presentation of Financial Statements	1 January 2020*/ 1 January 2021#
MFRS 107	Statements of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020*
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employees Benefits	1 January 2021#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2021#

## 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 (cont'd)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (cont'd)</u>		
MFRS 132	Financial Instruments: Presentation	1 January 2021#
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*/ 1 January 2021#
MFRS 138	Intangible Assets	1 January 2020*/ 1 January 2021#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2021#
<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

# Amendments as to the consequences of effective of MFRS 17 Insurance Contracts

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

### 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 2019 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 2019 that may have a material effect on the current quarter ended 31 December 2019.

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

**A6. 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 December 2019.

**A7. Dividends paid**

No dividend was paid in the current quarter under review.

**A8. Segmental information**

**Quarter ended 31 December**

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
Revenue	2019	2018	2019	2018	2019	2018	2019	2018
Total revenue	28,594	24,987	30,820	27,351	4,501	2,628	63,915	54,966
Inter-segment revenue	-	-	(11,233)	(8,800)	(3,601)	(2,092)	(14,834)	(10,892)
External revenue	28,594	24,987	19,587	18,551	900	536	49,081	44,074
<b>Segment results</b>	3,642	2,502	(155)	566	166	(241)	3,653	2,827
Finance costs							(397)	(167)
Interest income							743	309
Profit before tax							3,999	2,969
Taxation							(1,919)	(724)
Profit after tax							2,080	2,245

**Year-to-date ended 31 December**

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
Revenue	2019	2018	2019	2018	2019	2018	2019	2018
Total revenue	77,883	73,428	81,857	77,145	12,684	7,543	172,424	158,116
Inter-segment revenue	-	-	(27,252)	(23,915)	(10,721)	(6,301)	(37,973)	(30,216)
External revenue	77,883	73,428	54,605	53,230	1,963	1,242	134,451	127,900
<b>Segment results</b>	7,990	7,350	(157)	1,534	(140)	(51)	7,693	8,833
Finance costs							(1,234)	(449)
Interest income							2,510	1,731
Profit before tax							8,969	10,115
Taxation							(3,724)	(2,450)
Profit after tax							5,245	7,665

\* 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 December 2019.

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

	As at 31/12/2019 Utilised RM'000
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 2019.

**A13. Capital commitments**

	As at 31/12/2019 RM'000	As at 31/3/2019 RM'000
<b>Property, plant and equipment</b>		
Approved and contracted for	-	362
Approved but not contracted for	813	1,047
	<u>813</u>	<u>1,409</u>

**A14. Related party transactions**

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

**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 December 2019 ('3Q20') compared with quarter ended 31 December 2018 ('3Q19')**

The Group recorded revenue of RM49.1 million for 3Q20, which was higher than 3Q19 by 11.4% and the Group's profit before tax was higher by RM1.0 million to RM4.0 million.

Professional Services and Sales (Corporate Outlets) revenue of RM28.6 million was 14.4% higher than 3Q19, while operating profit was higher by RM1.1 million to RM3.6 million. The Group's network of Corporate Outlets comprised of 94 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 31 December 2019.

Product Distribution (Professional Distribution and Fast Moving Consumer Goods (FMCG)) revenue of RM19.6 million was 5.6% higher than 3Q19. Despite the higher revenue achieved for the quarter, the segment recorded an operating loss of RM0.2 million as compared to an operating profit of RM0.6 million in 3Q19 due to net foreign exchange losses of RM0.1 million in 3Q20 as well as brand building and promotional activities required in the current trading environment.

On a geographic basis, the proportion of revenue from the regional and export business against the domestic business of the Group was 39% and 61% respectively.

**9 months ended 31 December 2019 ('9M20') compared with 9 months ended 31 December 2018 ('9M19')**

Group revenue increased by 5.1% to RM134.5 million for 9M20, while profit before tax of RM9.0 million was lower by RM1.1 million, which was due to net foreign exchange losses of RM0.1 million in 9M20 as compared to net foreign exchange gains of RM0.9 million in 9M19, as well as brand building and promotional activities to remain competitive amidst the weak consumer sentiment regionally and current uncertain situation in Hong Kong.

Professional Services and Sales (Corporate Outlets) revenue was 6.1% higher to RM77.9 million for 9M20, while profit before tax of RM8.0 million was RM0.6 million higher than 9M19. The Group's network of Corporate Outlets comprised of 94 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 31 December 2019.

Product Distribution (Professional Distribution and FMCG) revenue for 9M20 was 2.6% higher at RM54.6 million. The segment recorded an operating loss of RM0.2 million as compared to an operating profit of RM1.5 million in 9M19 due to net foreign exchange losses of RM0.1 million in 9M20 as compared to net foreign exchange gains of RM0.2 million in 9M19 in addition to brand building and promotional activities required to remain competitive in the current environment as well as high inventory costs resulting from the strong US Dollar.

The revenue contributed from the regional and export business against domestic business of the Group was 38% and 62% respectively.

**B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter ended 30 September 2019 ('2Q20')**

The Group recorded revenue of RM49.1 million and profit before tax of RM4.0 million for 3Q20, as compared to revenue of RM43.5 million and profit before tax of RM2.0 million for 2Q20. The higher revenue and profit before tax for 3Q20 is due to seasonally higher revenue as compared to 2Q20.

**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, including ongoing uncertainties relating to the COVID-19 outbreak globally and civil unrest in Hong Kong, consumer spending and 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 Quarter Ended 31/12/2019 RM'000	Prior Quarter Ended 31/12/2018 RM'000	Current Year-To- Date 31/12/2019 RM'000	Prior Year-To- Date 31/12/2018 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	1,460	1,593	4,606	4,722
Amortisation of development cost and right-of-use assets	5,127	6	15,452	23
Gain on disposal of property, plant and equipment	(21)	(29)	(27)	(56)
Property, plant and equipment written off	2	-	2	6
Inventories written off	390	321	1,111	1,696
Impairment loss on trade receivables	12	-	12	28
Loss/(gain) on foreign exchange:				
- realised	(14)	61	142	(1,603)
- unrealised	137	(101)	(16)	673
Interest expense	397	167	1,234	449
Interest income from short term money market	(372)	(10)	(1,462)	(859)
Interest income	(371)	(299)	(1,048)	(872)
Rental expense	444	5,620	1,110	16,565
Rental income from investment properties	(32)	(17)	(56)	(42)

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
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Current tax				
- For the financial period	2,090	179	3,734	1,459
	2,090	179	3,734	1,459
Deferred tax	(171)	545	(10)	991
Tax expense	1,919	724	3,724	2,450

The Group's effective tax rate for the financial year ended 31 December 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
	31/12/2019	31/3/2019
	RM'000	RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	4,913	5,191
Singapore Dollar	667	672
	5,580	5,863
Long Term Borrowings:		
Secured :		
Singapore Dollar	16,512	16,817
Total Borrowings	22,092	22,680

The borrowings as at 31 December 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) No interim dividend has been proposed or declared for the current quarter ended 31 December 2019.
- (b) The total dividend declared for the current financial period ended 31 December 2019 is 1.25 sen per ordinary share, which was paid on 10 January 2020.

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

**(a) Basic earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2019 RM'000	Prior Year Quarter 31/12/2018 RM'000	Current Year- To-Date 31/12/2019 RM'000	Prior Year-To- Date 31/12/2018 RM'000
Profit attributable to owners of the Company	2,080	2,245	5,245	7,665
Number of ordinary shares in issue (‘000)	237,194	237,194	237,194	237,194
Basic earning per share (sen)	0.88	0.95	2.21	3.23

**(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.

**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 24 February 2020.