

ESTHETICS INTERNATIONAL GROUP BERHAD
 Company No : 199601035708 (408061-P)

Unaudited Condensed Statements of Comprehensive Income
 For The Financial Year Ended 31 March 2020

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2020 (RM'000)	Prior Year Quarter Ended 31/03/2019 (RM'000)	Current Year To Date 31/03/2020 (RM'000)	Prior Year-To-Date 31/03/2019 (RM'000)
Revenue	36,146	40,263	170,597	168,163
Cost of sales / services	(16,537)	(17,759)	(78,146)	(74,399)
Gross profit	19,609	22,504	92,451	93,764
Other income	721	320	1,539	852
Other (losses)/gains	(106)	(106)	(207)	874
Other expenses	(20,867)	(20,137)	(86,733)	(84,076)
Results from operating activities	(643)	2,581	7,050	11,414
Finance costs	(485)	(196)	(1,719)	(645)
Interest income	661	799	3,171	2,530
Profit before tax	(467)	3,184	8,502	13,299
Tax expense	384	(1,002)	(3,340)	(3,452)
Profit for the financial period/year attributable to the owners of the Company	(83)	2,182	5,162	9,847
Other comprehensive expenses, net of tax Item that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(10)	(647)	1,126	1,179
Total comprehensive income for the period/year attributable to the owners of the Company	(93)	1,535	6,288	11,026
Earnings per share attributable to owners of the Company:				
Basic (sen)	(0.03)	0.92	2.18	4.15

(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 : 199601035708 (408061-P)

Unaudited Condensed Consolidated Statements of Financial Position
As At 31 March 2020

	As at 31/03/2020 (Unaudited) (RM '000)	As at 31/03/2019 (Audited) (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	91,489	95,630
Right-of-use assets	21,029	-
Intangible assets	1,460	1,458
Investment properties	2,828	575
Receivables	23,545	18,311
Deferred tax assets	5,676	5,198
	146,027	121,172
Current assets		
Inventories	35,509	32,580
Receivables, deposits and prepayments	20,927	21,342
Tax recoverable	750	573
Short term cash investments	36,615	44,274
Cash and bank balances	25,847	27,547
	119,648	126,316
TOTAL ASSETS	265,675	247,488
EQUITY AND LIABILITIES		
Share capital	128,768	128,768
Reserves	637	(489)
Retained earnings	45,096	48,039
TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	174,501	176,318
Non-current liabilities		
Borrowings	16,389	16,817
Lease liabilities	9,053	-
Deferred tax liabilities	8	75
	25,450	16,892
Current liabilities		
Contract Liabilities	28,785	28,253
Payables and accruals	17,304	18,736
Borrowings	5,641	5,863
Lease liabilities	12,778	-
Tax Payable	1,216	1,426
	65,724	54,278
TOTAL LIABILITIES	91,174	71,170
TOTAL EQUITY AND LIABILITIES	265,675	247,488
Net assets per share attributable to owners of the Company (RM)	0.74	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 2019 and the accompanying explanatory notes attached to the Interim Financial Statements)

Esthetics International Group Berhad
Company No : 199601035708 (408061-P)

Unaudited Condensed Consolidated Statements of Cash Flows
For The Financial Year Ended 31 March 2020

	Current Year To Date (RM '000)	Prior Year-To-Date (RM '000)
Cash flows from operating activities		
Profit before tax	8,502	13,299
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	5,868	6,226
Amortisation of development cost and right-of-use assets	20,499	28
Gain on disposal of property, plant and equipment	(27)	(91)
Interest expense	1,719	645
Income from short term money market	(1,741)	(1,328)
Interest income	(1,430)	(1,202)
Property, plant and equipment written off	2	9
Inventories written off	1,482	2,064
Impairment loss on trade receivables	27	544
Unrealised (gain)/loss on foreign exchange	(66)	779
Operating profit before working capital changes	34,835	20,973
Changes in working capital		
Inventories	(4,411)	(7,963)
Receivables, deposits and prepayments	(1,721)	(2,315)
Payables and accruals	(1,253)	998
Contract liabilities	532	1,154
Cash generated from operating activities	27,982	12,847
Tax paid	(4,459)	(3,090)
Tax refunded	126	162
Net cash from operating activities	23,649	9,919
Cash flows from/(used in) investing activities		
Acquisition of property, plant and equipment	(2,691)	(2,727)
Addition of intangible assets	(5)	(2)
Advances to associates	(3,126)	(2,865)
Proceeds from disposal of property, plant and equipment	50	91
Redemption of/(placement in) short term cash investments	7,659	(628)
Interest and short term money market income received	3,171	2,530
Net cash from/(used in) investing activities	5,058	(3,601)
Cash flows used in financing activities		
Interest paid	(1,719)	(645)
Dividends paid to owners of the Company	(7,116)	(7,116)
Lease payment	(20,862)	-
Repayment of term loan	(1,139)	(1,104)
Net cash used in financing activities	(30,836)	(8,865)
Net decrease in cash and cash equivalents	(2,129)	(2,547)
Effect of exchange rate changes	429	(137)
Cash and cash equivalents at beginning of financial year	27,547	30,231
Cash and cash equivalents at end of financial year	25,847	27,547

(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 : 199601035708 (408061-P)

Unaudited Condensed Consolidated Statements of Changes in Equity
For The Financial Year Ended 31 March 2020

	<-----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 2019	128,768	(489)	48,039	176,318
Effect of adoption of MFRS 16	-	-	(989)	(989)
At 1 April 2019 (as restated)	128,768	(489)	47,050	175,329
Profit for the financial year	-	-	5,162	5,162
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	1,126	-	1,126
Total comprehensive income for the period	-	1,126	5,162	6,288
Transactions with owners				
Dividends paid	-	-	(7,116)	(7,116)
At 31 March 2020	128,768	637	45,096	174,501
At 1 April 2018	128,768	(1,668)	45,720	172,820
Effect of adoption of MFRS 15	-	-	(412)	(412)
At 1 April 2018 (as restated)	128,768	(1,668)	45,308	172,408
Profit for the financial year	-	-	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

(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: 199601035708 (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 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>		Effective Date
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.

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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	-	25,942	25,942
Lease liabilities	-	(26,931)	(26,931)
Retained earnings	(48,039)	989	(47,050)

New MFRS and amendments/improvement to MFRSs 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 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2020/ 1 January 2022/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 June 2020* 1 January 2022^
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2022/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employees Benefits	1 January 2023#

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

New MFRS and amendments/improvement to MFRSs 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 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instructions: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023#

^ The Annual Improvements to MFRS Standards 2018-2020

* Earlier application is permitted, including in financial statements not authorized for issue at 28 May 2020

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

Due to the complexity of these new MFRS and amendments/improvements to MFRSs, 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 March 2020.

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 March 2020.

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A7. Dividends paid

During the financial year ended 31 March 2020:-

- (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 2019, at the 2019 Annual General Meeting, which was paid on 18 October 2019.
- (b) An interim dividend of 1.25 sen per ordinary share, amounting to RM2.96 million in respect of current financial year ended 31 March 2020, was paid on 10 January 2020.

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A8. Segmental information

Quarter ended 31 March

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
Revenue	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	22,151	24,243	21,384	23,193	4,862	7,607	48,397	55,043
Inter-segment revenue	-	-	(7,815)	(7,663)	(4,436)	(7,117)	(12,251)	(14,780)
External revenue	22,151	24,243	13,569	15,530	426	490	36,146	40,263
Segment results	895	3,165	(1,374)	(83)	(164)	(501)	(643)	2,581
Finance costs							(485)	(196)
Interest income							661	799
(Loss)/Profit before tax							(467)	3,184
Taxation							384	(1,002)
(Loss)/Profit after tax							(83)	2,182

Year-to-date ended 31 March

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
Revenue	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	100,034	97,671	103,241	100,338	17,546	15,150	220,821	213,159
Inter-segment revenue	-	-	(35,067)	(31,578)	(15,157)	(13,418)	(50,224)	(44,996)
External revenue	100,034	97,671	68,174	68,760	2,389	1,732	170,597	168,163
Segment results	8,885	10,515	(1,531)	1,451	(304)	(552)	7,050	11,414
Finance costs							(1,719)	(645)
Interest income							3,171	2,530
Profit before tax							8,502	13,299
Taxation							(3,340)	(3,452)
Profit after tax							5,162	9,847

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

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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 2020.

A12. Changes in contingent liabilities and contingent assets

	As at 31/3/2020 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 31/3/2020 RM'000	As at 31/3/2019 RM'000
Property, plant and equipment		
Approved and contracted for	600	362
Approved but not contracted for	-	1,047
	<u>600</u>	<u>1,409</u>

A14. Related party transactions

There were no material related party transactions during the current quarter ended 31 March 2020.

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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 2020 ('4Q20') compared with quarter ended 31 March 2019 ('4Q19')

The Group recorded revenue of RM36.1 million for 4Q20, which was lower than 4Q19 by 10.2%, and a loss before tax of RM0.5 million in 4Q20 as compared to a profit before tax of RM3.2 million in 4Q19. The Group's results were mainly impacted by the ongoing social unrest in Hong Kong, the COVID-19 pandemic and resulting Movement Control Order ("MCO") starting from 18 March 2020 in Malaysia, and similar lockdowns implemented to contain the spread of the COVID-19 in the Group's other markets. Further commentary on the impact of the COVID-19 and MCO/lockdowns on the Group is set out in section B3 below.

Professional Services and Sales (Corporate Outlets) revenue of RM22.2 million was 8.6% lower than 4Q19, while operating profit was lower by RM2.3 million to RM0.9 million. The lower revenue was a result of closure of all the Group's Corporate Outlets in Malaysia to comply with the MCO from 18 March 2020. The Group's network of Corporate Outlets comprised of 89 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 31 March 2020.

Product Distribution (Professional Distribution and Fast Moving Consumer Goods (FMCG)) revenue of RM13.6 million was 12.6% lower than 4Q19, which was mainly due to the closure of the independent skin and hair salons that the Group distributes to, as well as lower shopper traffic to the pharmacies from the commencement of the MCO, resulting in lower product sales for the Group. The segment recorded an operating loss of RM1.4 million as compared to an operating loss of RM0.1 million in 4Q19 due to lower revenue in 4Q20 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 44% and 56% respectively.

Financial year ended 31 March 2020 ('FY20') compared with financial year ended 31 March 2019 ('FY19')

Group revenue increased by 1.4% to RM170.6 million for FY20, while profit before tax of RM8.5 million was lower by RM4.8 million. The Group's results were impacted by the social unrest in Hong Kong from June 2019 onwards, as well as the COVID-19 pandemic and resulting MCO and lockdowns, which required the closure of all of the Group's Corporate Outlets and the independent skin and hair salons that the Group distributes to in Malaysia, and subsequently in our other markets as well. The Group result was also partially impacted by net foreign exchange losses of RM0.2 million in FY20 as compared to net foreign exchange gains of RM0.8 million in FY19, as well as brand building and promotional activities to remain competitive amidst the weak consumer sentiment regionally.

Professional Services and Sales (Corporate Outlets) revenue was 2.4% higher to RM100.0 million for FY20, while profit before tax of RM8.9 million was RM1.6 million lower than FY19. The Group's network of Corporate Outlets comprised of 89 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 31 March 2020.

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B1. Review of performance (cont'd)

Financial year ended 31 March 2020 ('FY20') compared with financial year ended 31 March 2019 ('FY19') (cont'd)

Product Distribution (Professional Distribution and FMCG) revenue for FY20 was 0.9% lower at RM68.2 million. The segment recorded an operating loss of RM1.5 million as compared to an operating profit of RM1.5 million in FY19 due to net foreign exchange losses of RM0.2 million in FY20 as compared to net foreign exchange gains of RM0.1 million in FY19 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 40% and 60% respectively.

B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter ended 31 December 2019 ('3Q20')

The Group recorded revenue of RM36.1 million and loss before tax of RM0.5 million for 4Q20, as compared to revenue of RM49.1 million and profit before tax of RM4.0 million for 3Q20. The lower revenue and loss before tax for 4Q20 is due to seasonally higher festive sales in the December quarter as well as enforcement of the MCO in Malaysia from 18 March 2020, which resulted in the closure of all of the Group's Corporate Outlets and independent skin and hair salons which the Group distributes to.

B3. Commentary on prospects

Impact of COVID-19

The COVID-19 pandemic is a global healthcare crisis of unprecedented scale and the resulting MCO in Malaysia and various lockdowns implemented in the countries the Group operates in to contain the spread of COVID-19 has had a material impact on the Group's business. The MCO in Malaysia came into effect on 18 March 2020, while in Singapore the Circuit Breaker was implemented from 4 April. In Thailand, all shopping malls, salons and non-essential retailers in Bangkok and the major cities were required to close from 22 March 2020 while in Indonesia, the PSBB was implemented in Jakarta from 10 April and subsequently in other major cities as well. In Hong Kong, all skin care salons were required to close from 8 April 2020.

The MCO and lockdowns required the closure of all of the Group's AsterSpring professional skin care salons and retail counters, as well as the independent skin and hair salons which the Group distributes to. The lower shopper traffic to the pharmacies also resulted in lower sales for the Group's FMCG business. In response, the Group activated business continuity plans with teams working remotely from home, focused on engaging with consumers digitally and increased the contribution from ecommerce. The Group also implemented various cost management initiatives and sought rental rebates to reduce its operating expenses.

For Malaysia, skin care and hair care salons have been allowed to reopen from 9 June 2020 with the requirement to comply with relevant SOPs and the Group's Corporate Outlets have been progressively reopening for business from 12 June 2020. In Hong Kong, skin care salons were allowed to reopen from 8 May 2020 and in Thailand hair salons and retail outlets were allowed to reopen from 17 May 2020. In Singapore, the Group's Corporate Outlets and the independent salons which the Group distributes to were allowed to progressively reopen from 19 June 2020.

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B3. Commentary on prospects (cont'd)

Impact of COVID-19 (cont'd)

The impact of COVID-19 is still yet to be fully seen with uncertainty as to whether a second wave might emerge and the full social and economic impact of the lockdowns. In this period of uncertainty, the Group remains in a positive financial position with approximately RM60 million in cash and short term cash management funds, and is continuing to manage its cash resources while positioning for potential recovery.

For the longer term, the beauty and wellness industry in the Group's markets is expected to have positive potential for growth due to favourable demographic trends, desire for beauty and wellness services and products, and economic potential in the region. However, should economic conditions remain challenging, including ongoing uncertainties relating to the COVID-19 outbreak globally, consumer spending and the beauty and wellness industry in the Group's markets may continue to be impacted over the short term.

B4. Profit forecast

The Group does not provide profit forecasts.

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B5. Profit before Tax

	Individual Quarter		Cumulative Quarter	
	Current	Prior	Current	Prior
	Quarter	Quarter	Year-To-	Year-To-
	Ended	Ended	Date	Date
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	1,262	1,504	5,868	6,226
Amortisation of development cost and right-of-use assets	5,047	5	20,499	28
Gain on disposal of property, plant and equipment	-	(35)	(27)	(91)
Property, plant and equipment written off	-	3	2	9
Inventories written off	371	368	1,482	2,064
Impairment loss on trade receivables	15	516	27	544
Loss/(gain) on foreign exchange:				
- realised	156	33	298	(1,570)
- unrealised	(50)	106	(66)	779
Interest expense	485	196	1,719	645
Interest income from short term money market	(279)	(469)	(1,741)	(1,328)
Interest income	(382)	(330)	(1,430)	(1,202)
Rental expense	149	5,538	1,259	22,103
Rental income from investment properties	(41)	(15)	(97)	(57)

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 Quarter Ended 31/3/2020 RM'000	Prior Quarter Ended 31/3/2019 RM'000	Current Year-To- Date 31/3/2020 RM'000	Prior Year-To- Date 31/3/2019 RM'000
Current tax				
- For the financial period/year	87	2,076	3,821	3,535
	87	2,076	3,821	3,535
Deferred tax	(471)	(1,074)	(481)	(83)
Tax expense	(384)	1,002	3,340	3,452

The Group's effective tax rate for the financial year ended 31 March 2020 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 31/3/2020 RM'000	As at 31/3/2019 RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	5,056	5,191
Singapore Dollar	585	672
	<u>5,641</u>	<u>5,863</u>
Long Term Borrowings:		
Secured :		
Singapore Dollar	16,389	16,817
Total Borrowings	<u>22,030</u>	<u>22,680</u>

The borrowings as at 31 March 2020 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.

B9. Changes in material litigation

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

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B10. Dividend proposed or declared

- (a)
- (i) A final single-tier dividend of 0.5 sen per ordinary share for the current financial year ended 31 March 2020 amounting to RM1.19 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 2020, including the above recommended final dividend, if approved, would amount to 1.75 sen per ordinary share.

B11. Basic and diluted earnings per share

(a) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year	Prior Year	Current Year-	Prior Year-To-
	Quarter	Quarter	To-Date	Date
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	(83)	2,182	5,162	9,847
Number of ordinary shares in issue ('000)	237,194	237,194	237,194	237,194
Basic earning per share (sen)	(0.03)	0.92	2.18	4.15

(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 30 June 2020.