

**ESTHETICS INTERNATIONAL GROUP BERHAD**  
**Company No : 199601035708 (408061-P)**  
**Unaudited Condensed Statements of Comprehensive Income**  
**For The Six Months Period Ended 30 September 2020**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2020 (RM'000)	Prior Year Quarter Ended 30/09/2019 (RM'000)	Current Year To Date 30/09/2020 (RM'000)	Prior Year-To-Date 30/09/2019 (RM'000)
<b>Revenue</b>	36,690	43,502	58,931	85,370
Cost of sales / services	(17,401)	(20,053)	(29,983)	(38,885)
<b>Gross profit</b>	<u>19,289</u>	<u>23,449</u>	<u>28,948</u>	<u>46,485</u>
Other income	2,294	218	7,873	468
Other (losses)/gains	(347)	9	(61)	3
Other expenses	(19,311)	(22,212)	(37,268)	(42,916)
<b>Results from operating activities</b>	<u>1,925</u>	<u>1,464</u>	<u>(508)</u>	<u>4,040</u>
Finance costs	(450)	(421)	(954)	(837)
Interest income	752	937	1,703	1,767
<b>Profit before tax</b>	<u>2,227</u>	<u>1,980</u>	<u>241</u>	<u>4,970</u>
Tax expense	(710)	(971)	(592)	(1,805)
<b>Profit/(Loss) for the financial period attributable to the owners of the Company</b>	<u>1,517</u>	<u>1,009</u>	<u>(351)</u>	<u>3,165</u>
<b>Other comprehensive income, net of tax</b> <i>Item that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation	(1,474)	209	(317)	1,143
<b>Total comprehensive income/(expense) for the period attributable to the owners of the Company</b>	<u><u>43</u></u>	<u><u>1,218</u></u>	<u><u>(668)</u></u>	<u><u>4,308</u></u>
<b>Earnings per share attributable to owners of the Company:</b>				
<b>Basic (sen)</b>	<b>0.64</b>	<b>0.43</b>	<b>(0.15)</b>	<b>1.33</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 2020 and the accompanying explanatory notes attached to the Interim Financial Statements)

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

Lot 11, Jalan Astaka U8/88, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.  
 Tel : +603-7809 6688 Fax : +603-7809 6699

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

**Unaudited Condensed Consolidated Statements of Financial Position**  
**As At 30 September 2020**

	As at 30/09/2020 (Unaudited) (RM '000)	As at 31/03/2020 (Audited) (RM '000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,798	30,883
Right-of-use assets	85,611	81,605
Intangible assets	1,475	1,460
Investment properties	2,803	2,828
Receivables	25,052	23,546
Deferred tax assets	5,737	5,676
	<u>151,476</u>	<u>145,998</u>
<b>Current assets</b>		
Inventories	36,752	35,509
Receivables, deposits and prepayments	18,323	20,909
Tax recoverable	1,231	750
Short term cash investments	35,761	36,615
Cash and bank balances	23,852	25,847
	<u>115,919</u>	<u>119,630</u>
<b>TOTAL ASSETS</b>	<u><u>267,395</u></u>	<u><u>265,628</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	128,768	128,768
Reserves	320	637
Retained earnings	44,745	45,096
<b>TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>173,833</u>	<u>174,501</u>
<b>Non-current liabilities</b>		
Borrowings	16,031	16,389
Lease liabilities	11,689	8,459
Deferred tax liabilities	5	8
	<u>27,725</u>	<u>24,856</u>
<b>Current liabilities</b>		
Contract Liabilities	25,651	28,785
Payables and accruals	18,511	17,286
Borrowings	5,254	5,641
Lease liabilities	15,028	13,343
Tax Payable	1,393	1,216
	<u>65,837</u>	<u>66,271</u>
<b>TOTAL LIABILITIES</b>	<u>93,562</u>	<u>91,127</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>267,395</u></u>	<u><u>265,628</u></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.73</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 2020 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 Six Months Period Ended 30 September 2020**

	<b>Current Year To Date (RM '000)</b>	<b>Prior Year To Date (RM '000)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	241	4,970
<i>Adjustments for : -</i>		
Depreciation of property, plant and equipment	1,945	3,146
Depreciation of right-of-use assets	10,479	10,323
Amortisation of development cost	2	2
Fair value change of investment property	25	-
Gain on disposal of property, plant and equipment	(9)	(6)
Interest expense	954	837
Income from short term money market	(946)	(1,090)
Interest income	(757)	(677)
Inventories written off	615	721
Unrealised loss/(gain) on foreign exchange	141	(153)
Operating profit before working capital changes	<u>12,690</u>	<u>18,073</u>
Changes in working capital		
Inventories	(1,858)	(3,298)
Receivables, deposits and prepayments	2,331	(936)
Payables and accruals	1,052	(56)
Contract liabilities	(3,134)	9
Cash generated from operating activities	<u>11,081</u>	<u>13,792</u>
Tax paid	(1,142)	(2,089)
Tax refunded	258	-
<b>Net cash from operating activities</b>	<u><u>10,197</u></u>	<u><u>11,703</u></u>
<b>Cash flows used in investing activities</b>		
Acquisition of property, plant and equipment	(1,833)	(1,676)
Addition of intangible assets	(17)	(5)
Advances to associates	(1,377)	(2,473)
Proceeds from disposal of property, plant and equipment	9	6
Redemption of short term cash investments	854	310
Interest and short term money market income received	1,703	1,767
<b>Net cash used in investing activities</b>	<u><u>(661)</u></u>	<u><u>(2,071)</u></u>
<b>Cash flows used in financing activities</b>		
Interest paid	(954)	(837)
Lease payment	(9,855)	(10,384)
Repayment of term loan	(571)	(570)
<b>Net cash used in financing activities</b>	<u><u>(11,380)</u></u>	<u><u>(11,791)</u></u>
<b>Net decrease in cash and cash equivalents</b>	<u><u>(1,844)</u></u>	<u><u>(2,159)</u></u>
<b>Effect of exchange rate changes</b>	<u><u>(151)</u></u>	<u><u>588</u></u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u><u>25,847</u></u>	<u><u>27,547</u></u>
<b>Cash and cash equivalents at end of financial year</b>	<u><u><u>23,852</u></u></u>	<u><u><u>25,976</u></u></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 2020 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 Six Months Period Ended 30 September 2020**

	<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 2020</b>	<b>128,768</b>	<b>637</b>	<b>45,096</b>	<b>174,501</b>
Loss for the financial year	-	-	(351)	(351)
Other comprehensive income, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	(317)	-	(317)
<b>Total comprehensive income/(expense) for the period</b>	<b>-</b>	<b>(317)</b>	<b>(351)</b>	<b>(668)</b>
<b>At 30 September 2020</b>	<b>128,768</b>	<b>320</b>	<b>44,745</b>	<b>173,833</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 year	-	-	3,165	3,165
Other comprehensive income, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	1,143	-	1,143
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,143</b>	<b>3,165</b>	<b>4,308</b>
<b>At 30 September 2019</b>	<b>128,768</b>	<b>654</b>	<b>50,367</b>	<b>179,789</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 2020 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 2020. 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 2020 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2020:

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

<u>Amendments/Improvements to MFRSs</u>		<b>Effective Date</b>
MFRS 3	Business Combinations	1 January 2020
MFRS 7	Financial Instruments: Disclosures	1 January 2020
MFRS 9	Financial Instruments	1 January 2020
MFRS 101	Presentation of Financial Statements	1 January 2020
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020

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

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

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
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 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 2023#
MFRS 9	Financial Instruments	1 January 2022~/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#

**ESTHETICS INTERNATIONAL GROUP BERHAD**  
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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)**

		<b>Effective for financial periods beginning on or after</b>
<u>Amendments/Improvements to MFRSs (cont'd)</u>		
MFRS 16	Leases	1 June 2020*/ 1 January 2022^
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employees Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: 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 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 2020 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 2020 that may have a material effect on the current quarter ended 30 September 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 30 September 2020.

## ESTHETICS INTERNATIONAL GROUP BERHAD

Company No: 199601035708 (408061-P)

### A7. Dividends paid

No dividend was paid in the current quarter under review.

### A8. Segmental information

#### Quarter ended 30 September

	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	21,247	26,035	22,666	25,082	4,135	5,583	48,048	56,700
Inter-segment revenue	-	-	(8,968)	(8,291)	(2,390)	(4,907)	(11,358)	(13,198)
External revenue	21,247	26,035	13,698	16,791	1,745	676	36,690	43,502
<b>Segment results</b>	1,606	2,448	(510)	(640)	829	(344)	1,925	1,464
Finance costs	(283)	(270)	-	-	(167)	(151)	(450)	(421)
Interest income	6	20	80	92	666	825	752	937
Profit before tax							2,227	1,980
Taxation							(710)	(971)
Profit after tax							1,517	1,009

#### Year-to-date ended 30 September

	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	31,284	49,289	39,521	51,037	8,884	8,183	79,689	108,509
Inter-segment revenue	-	-	(16,702)	(16,019)	(4,056)	(7,120)	(20,758)	(23,139)
External revenue	31,284	49,289	22,819	35,018	4,828	1,063	58,931	85,370
<b>Segment results</b>	(243)	4,348	(2,047)	(2)	1,782	(306)	(508)	4,040
Finance costs	(602)	(536)	-	-	(352)	(301)	(954)	(837)
Interest income	16	34	174	181	1513	1552	1,703	1,767
Profit before tax							241	4,970
Taxation							(592)	(1,805)
(Loss)/Profit after tax							(351)	3,165

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

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

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

## ESTHETICS INTERNATIONAL GROUP BERHAD

Company No: 199601035708 (408061-P)

### 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 2020.

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

	<b>As at 30/9/2020 Utilised RM'000</b>
Guarantees given to landlords to secure tenancy payments by subsidiaries of EIG for salons and kiosks	264

Save for the above, there were no other contingent liabilities or contingent assets that had arisen since the financial year ended 31 March 2020.

### A13. Capital commitments

	<b>As at 30/9/2020 RM'000</b>	<b>As at 31/3/2020 RM'000</b>
<b>Property, plant and equipment</b>		
Approved and contracted for	233	600
Approved but not contracted for	364	-
	<u>597</u>	<u>600</u>

### A14. Related party transactions

There were no material related party transactions during the current quarter ended 30 September 2020.



## **ESTHETICS INTERNATIONAL GROUP BERHAD**

**Company No: 199601035708 (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 2020 ('2Q21') compared with quarter ended 30 September 2019 ('2Q20')**

The Group recorded revenue of RM36.7 million for 2Q21, which was 15.7% lower than 2Q20, and a profit before tax of RM2.2 million as compared to a profit before tax of RM2.0 million for 2Q20.

Professional Services and Sales (Corporate Outlets) revenue of RM21.2 million was 18.4% lower than 2Q20, with an operating profit of RM1.6 million as compared to an operating profit of RM2.4 million for 2Q20. The lower revenue and operating profit was due to the impact of the ongoing COVID-19 pandemic and cautious consumer sentiment regionally. The Group's network of Corporate Outlets comprised of 87 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 30 September 2020.

Product Distribution (Professional Distribution and Fast Moving Consumer Goods (FMCG)) revenue of RM13.7 million was 18.4% lower than 2Q20, and recorded an operating loss of RM0.5 million as compared to an operating loss of RM0.6 million in 2Q20. The lower revenue was due to lower consumer traffic to independent skin and hair salons as well as pharmacies due to the ongoing COVID-19 pandemic, resulting in lower product sales for the Group.

Ecommerce generated RM1.7 million in revenue for 2Q21, as compared to revenue of RM0.7 million for 2Q20, and RM0.8 million in operating profit to the Group.

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 2020 ('1H21') compared with half year ended 30 September 2019 ('1H20')**

The Group generated revenue of RM58.9 million for 1H21, which was 31.0% lower than 1H20, and profit before tax of RM0.2 million as compared to RM5.0 million for 1H20. The Group's results were mainly impacted by the ongoing COVID-19 pandemic, the Movement Control Order ("MCO") and various lockdowns implemented in the Group's other markets to contain the spread of COVID-19, as well as the weak economic environment and cautious consumer sentiment due to the ongoing COVID-19 pandemic.

Professional Services and Sales (Corporate Outlets) revenue of RM31.3 million was 36.5% lower than 1H20, resulting in an operating loss of RM0.2 million as compared to an operating profit of RM4.3 million for 1H20. The Group's network of Corporate Outlets comprised of 87 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong, Thailand and Indonesia as at 30 September 2020.

Product Distribution (Professional Distribution and FMCG) revenue for 1H21 was 34.8% lower at RM22.8 million. The segment recorded an operating loss of RM2.0 million as compared to an operating loss of RM2K in 1H20 due to the impact of the COVID-19 pandemic.

Ecommerce contributed RM4.8 million in revenue for 1H21, as compared to revenue of RM1.0 million for 1H20, and generated RM1.8 million in operating profit to the Group.

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The revenue contributed from the regional and export business against domestic business of the Group was 41% and 59% respectively.

### **B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter ended 30 June 2020 ('1Q21')**

The Group recorded revenue of RM36.7 million and profit before tax of RM2.2 million for 2Q21, as compared to revenue of RM22.2 million and loss before tax of RM2.0 million for 1Q21. The higher revenue and profit before tax for 2Q21 is due to the resumption of business operations for the Group's Corporate Outlets and independent skin and hair salons after the MCO and various lockdowns in Malaysia and the Group's other markets were lifted in 2Q21.

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

#### Impact of COVID-19

The COVID-19 pandemic is still an ongoing global healthcare crisis of unprecedented scale and the impact of COVID-19 is yet to be fully seen. There remains uncertainty as to whether further waves might emerge and the full social and economic impact of the lockdowns. As evidenced in Malaysia the Government has implemented the Conditional Movement Control Order (CMCO) from 7 October 2020 progressively in most states to address the third wave and widest spread of COVID-19 in Malaysia and this is still in place at the time of writing. Although retail outlets, including professional skin and hair salons are allowed to operate within prescribed standard operating procedures (SOPs), the number of consumers visiting shopping malls and stores has declined and this has impacted sales for the retail industry as a whole.

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.

**ESTHETICS INTERNATIONAL GROUP BERHAD**  
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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
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	928	1,565	1,945	3,146
Amortisation of development cost	1	1	2	2
Depreciation of right-to-use assets	5,244	5,171	10,479	10,323
Fair value change of investment property	12	-	25	-
Gain on disposal of property, plant and equipment	(3)	-	(9)	(6)
Inventories written off	352	367	615	721
Loss/(gain) on foreign exchange:				
- realised	(153)	45	(96)	156
- unrealised	490	(53)	141	(153)
Interest expense	450	421	954	837
Interest income from short term money market	(380)	(581)	(946)	(1,090)
Interest income	(372)	(356)	(757)	(677)
Rental income from investment properties	(39)	(12)	(74)	(24)

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: 199601035708 (408061-P)

**B6. Tax expense**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/9/2020 RM'000	Prior Quarter Ended 30/9/2019 RM'000	Current Year-To- Date 30/9/2020 RM'000	Prior Year-To- Date 30/9/2019 RM'000
Current tax				
- For the financial period	373	350	583	1,644
	<u>373</u>	<u>350</u>	<u>583</u>	<u>1,644</u>
Deferred tax	337	621	9	161
	<u>337</u>	<u>621</u>	<u>9</u>	<u>161</u>
Tax expense	<u>710</u>	<u>971</u>	<u>592</u>	<u>1,805</u>

The Group's effective tax rate for the financial period ended 30 September 2020 was disproportionate to the Malaysian statutory tax rate principally due to group tax relief not being available to off-set Group profits against certain loss making Malaysian and regional subsidiaries for the period.

**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 30/9/2020 RM'000	As at 31/3/2020 RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	4,612	5,056
Singapore Dollar	<u>642</u>	<u>585</u>
	<u>5,254</u>	<u>5,641</u>
Long Term Borrowings:		
Secured :		
Singapore Dollar	<u>16,031</u>	<u>16,389</u>
Total Borrowings	<u>21,285</u>	<u>22,030</u>

The borrowings as at 30 September 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.

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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**

The Board has declared and approved an interim single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 March 2021.

The interim dividend shall be payable on 15 January 2021.

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

- (i) Shares transferred into the Depositor's Securities Account on 18 December 2020 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 2020 is 0.5 sen per ordinary share (2019: 1.25 sen)

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

**(a) Basic earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2020 RM'000	Prior Year Quarter 30/9/2019 RM'000	Current Year- To-Date 30/9/2020 RM'000	Prior Year-To- Date 30/9/2019 RM'000
Profit/(Loss) attributable to owners of the Company	1,517	1,009	(351)	3,165
Number of ordinary shares in issue ('000)	237,194	237,194	237,194	237,194
Basic earnings per share (sen)	0.64	0.43	(0.15)	1.33

**(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 26 November 2020.