



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

Unaudited Condensed Statements of Comprehensive Income
For The Three Months Period Ended 30 June 2023

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2023 (RM'000)	Prior Year Quarter Ended 30/06/2022 (RM'000)	Current Year To Date 30/06/2023 (RM'000)	Prior Year-To-Date 30/06/2022 (RM'000)
Revenue	42,345	35,688	42,345	35,688
Cost of sales / services	(21,119)	(17,845)	(21,119)	(17,845)
Gross profit	<u>21,226</u>	<u>17,843</u>	<u>21,226</u>	<u>17,843</u>
Other income	29	288	29	288
Other gains	1,415	383	1,415	383
Other expenses	<u>(22,403)</u>	<u>(20,217)</u>	<u>(22,403)</u>	<u>(20,217)</u>
Results from operating activities	267	(1,703)	267	(1,703)
Finance costs	(390)	(305)	(390)	(305)
Interest income	634	341	634	341
Profit/(Loss) before tax	<u>511</u>	<u>(1,667)</u>	<u>511</u>	<u>(1,667)</u>
Tax expense	(405)	(313)	(405)	(313)
Profit/(Loss) for the financial period attributable to the owners of the Company	106	(1,980)	106	(1,980)
Other comprehensive income, net of tax <i>Item that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation	1,498	946	1,498	946
Total comprehensive income/(loss) for the period attributable to the owners of the Company	<u><u>1,604</u></u>	<u><u>(1,034)</u></u>	<u><u>1,604</u></u>	<u><u>(1,034)</u></u>
Earnings/(Loss) per share attributable to owners of the Company:				
Basic (sen)	0.04	(0.83)	0.04	(0.83)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 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 Financial Position
As At 30 June 2023

	As at 30/06/2023 (Unaudited) (RM '000)	As at 31/03/2023 (Audited) (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	29,291	28,128
Right-of-use assets	88,724	85,343
Intangible assets	1,582	1,618
Investment properties	2,828	2,828
Receivables	35,784	33,909
Deferred tax assets	5,040	5,351
	<u>163,249</u>	<u>157,177</u>
Current assets		
Inventories	48,627	42,492
Receivables, deposits and prepayments	22,243	22,669
Tax recoverable	1,341	934
Short term cash investments	5,223	14,095
Cash and bank balances	23,765	29,062
	<u>101,199</u>	<u>109,252</u>
TOTAL ASSETS	<u><u>264,448</u></u>	<u><u>266,429</u></u>
EQUITY AND LIABILITIES		
Share capital	128,768	128,768
Reserves	4,986	3,488
Retained earnings	29,539	29,433
TOTAL EQUITY/EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>163,293</u>	<u>161,689</u>
Non-current liabilities		
Borrowings	15,755	15,407
Lease liabilities	10,160	9,714
Contract liabilities	2,061	2,792
Deferred tax liabilities	8	10
	<u>27,984</u>	<u>27,923</u>
Current liabilities		
Contract Liabilities	31,046	31,495
Payables and accruals	22,175	26,004
Borrowings	4,363	4,242
Lease liabilities	15,313	14,815
Tax Payable	274	261
	<u>73,171</u>	<u>76,817</u>
TOTAL LIABILITIES	<u>101,155</u>	<u>104,740</u>
TOTAL EQUITY AND LIABILITIES	<u><u>264,448</u></u>	<u><u>266,429</u></u>
Net assets per share attributable to owners of the Company (RM)	0.69	0.68

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 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 Three Months Period Ended 30 June 2023

	Current Year To Date (RM '000)	Prior Year To Date (RM '000)
Cash flows from operating activities		
Profit/(Loss) before tax	511	(1,667)
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	879	673
Depreciation of right-of-use assets	4,954	4,881
Amortisation of development cost	36	36
Covid-19 related rent concession income	-	(8)
Gain on disposal of property, plant and equipment	-	(1)
Interest expense	390	305
Interest income	(634)	(341)
Property, plant and equipment written off	-	1
Inventories written off	468	691
Reversal of impairment losses of trade receivables	-	(7)
Unrealised gain on foreign exchange	(1,776)	(820)
Operating profit before working capital changes	4,828	3,743
Changes in working capital		
Inventories	(6,603)	(2,009)
Receivables, deposits and prepayments	827	(24)
Payables and accruals	(3,829)	(11,004)
Contract liabilities	(1,180)	465
Cash used in operating activities	(5,957)	(8,829)
Tax paid	(709)	(254)
Tax refunded	215	-
Net cash used in operating activities	(6,451)	(9,083)
Cash flows generated from investing activities		
Acquisition of property, plant and equipment	(1,971)	(282)
Addition of intangible assets	-	(99)
Advances to associates	(510)	(400)
Proceeds from disposal of property, plant and equipment	-	1
Withdrawal of short term cash investments	8,872	8,788
Interest and short term money market income received	634	341
Net cash generated from investing activities	7,025	8,349
Cash flows used in financing activities		
Interest paid	(390)	(305)
Lease payment	(4,640)	(4,627)
Repayment of term loan	(296)	(339)
Net cash used in financing activities	(5,326)	(5,271)
Net decrease in cash and cash equivalents	(4,752)	(6,005)
Effect of exchange rate changes	(545)	(51)
Cash and cash equivalents at beginning of financial year	29,062	27,322
Cash and cash equivalents at end of financial period	23,765	21,266

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 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 Three Months Period Ended 30 June 2023

	-----Non-distributable-----	-----	<i>Distributable</i>	Attributable to
	Share	Translation	Retained	Owners Of The
	Capital	Reserve	Earnings	Company/Total
	(RM '000)	(RM '000)	(RM '000)	Equity
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
At 1 April 2023	128,768	3,488	29,433	161,689
Profit for the financial period	-	-	106	106
Other comprehensive income, net of tax				
- Exchange differences on translation of the financial statements of foreign entities	-	1,498	-	1,498
Total comprehensive income for the year	-	1,498	106	1,604
At 30 June 2023	128,768	4,986	29,539	163,293
At 1 April 2022	128,768	1,161	36,295	166,224
Loss for the financial year	-	-	(1,980)	(1,980)
Other comprehensive income, net of tax				
- Exchange differences on translation of the financial statements of foreign entities	-	946	-	946
Total comprehensive income/(loss) for the year	-	946	(1,980)	(1,034)
At 30 June 2022	128,768	2,107	34,315	165,190

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 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 2023. 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 2023 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2023:

New MFRS and amendments/improvements to MFRSs

<u>New MFRS</u>		Effective Date
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 2023#
MFRS 3	Business Combinations	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 2023#
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employees Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	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 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

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

ESTHETICS INTERNATIONAL GROUP BERHAD

Company No: 199601035708 (408061-P)

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

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

Amendments/improvement to MFRSs that are issued, but not yet effective

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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 2023 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 2023 that may have a material effect on the current quarter ended 30 June 2023.

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 June 2023.

A7. Dividends paid

No dividend was paid in the quarter under review.

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

A8. Segmental information

Quarter ended 30 Jun

	Professional services and sales		Product distribution		Ecommerce		Others *		Total	
	RM'000		RM'000		RM'000		RM'000		RM'000	
Revenue	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	24,042	19,719	26,066	22,023	1,915	1,721	2,734	2,305	54,757	45,768
Inter-segment revenue	-	-	(9,696)	(7,790)	-	-	(2,716)	(2,290)	(12,412)	(10,080)
External revenue	24,042	19,719	16,370	14,233	1,915	1,721	18	15	42,345	35,688
Segment results	1,094	278	(759)	(1,336)	39	(597)	(107)	(48)	267	(1,703)
Finance costs	(243)	(209)	-	-	-	-	(147)	(96)	(390)	(305)
Interest income	26	12	127	92	5	2	476	235	634	341
Profit before tax									511	(1,667)
Taxation									(405)	(313)
Profit after tax									106	(1,980)

* Others mainly consist of 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.

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 June 2023.

A12. Changes in contingent liabilities and contingent assets

	As at 30/6/2023 Utilised RM'000
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 2023.

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

A13. Capital commitments

	As at 30/6/2023 RM'000	As at 31/3/2023 RM'000
Property, plant and equipment		
Approved and contracted for	86	1,657
Approved but not contracted for	-	-
	<u>86</u>	<u>1,657</u>

A14. Related party transactions

There were no material related party transactions during the current quarter ended 30 June 2023.

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 June 2023 ('1Q24') compared with quarter ended 30 June 2022 ('1Q23')

The Group recorded revenue of RM42.3 million for 1Q24, 18.7% higher than 1Q23 and a profit before tax of RM0.5 million as compared to a loss before tax of RM1.7 million for 1Q23. The higher profit before tax was led by the higher revenue, partially offset by higher cost of sales and product costs due to the strong US dollar.

Professional Services and Sales (Corporate Outlets) revenue of RM24.0 million was 21.9% higher than 1Q23, with an operating profit of RM1.1 million as compared to an operating profit of RM0.3 million for 1Q23. The Group owns and operates 66 AsterSpring professional skin care salons, retail kiosks and department store concession counters across Malaysia, Singapore, Hong Kong and Thailand as at 30 June 2023.

Product Distribution (Professional Distribution and Fast Moving Consumer Goods (FMCG)) revenue of RM16.4 million was 15.0% higher than 1Q23, and recorded an operating loss of RM0.8 million as compared to an operating loss of RM1.3 million in 1Q23.

Ecommerce recorded revenue of RM1.9 million for 1Q24, as compared to revenue of RM1.7 million for 1Q23.

On a geographic basis, the proportion of revenue from regional and export business against the 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 March 2023 ('4Q23')

The Group recorded revenue of RM42.3 million and profit before tax of RM0.5 million for 1Q24, as compared to revenue of RM46.1 million and loss before tax of RM2.4 million for 4Q23. The lower profit before tax for 1Q24 was due to seasonally lower revenue in 1Q24.

ESTHETICS INTERNATIONAL GROUP BERHAD

Company No: 199601035708 (408061-P)

B3. Commentary on prospects

The Group continues to focus on growing as a leader in professional skin care services, as well as building its own and select distribution brands on an omnichannel basis in ASEAN and Hong Kong.

At the present time, the Group continues to navigate challenging conditions including inflationary pressures, cautious consumer sentiment and the strong US dollar. However, over 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.

B4. Profit forecast

The Group does not provide profit forecasts.

B5. Profit/(Loss) before Tax

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/06/2023 RM'000	Prior Quarter Ended 30/06/2022 RM'000	Current Year-To- Date 30/6/2023 RM'000	Prior Year-To- Date 30/6/2022 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	879	673	879	673
Amortisation of development cost	36	36	36	36
Depreciation of right-to-use assets	4,954	4,881	4,954	4,881
Covid-19 related rent concession income	-	(8)	-	(8)
Gain on disposal of property, plant and equipment	-	(1)	-	(1)
Property, plant and equipment written off	-	1	-	1
Inventories written off	468	691	468	691
Reversal of losses of trade receivables	-	(7)	-	(7)
Loss/(gain) on foreign exchange:				
- realised	361	436	361	436
- unrealised	(1,776)	(820)	(1,776)	(820)
Interest expense	390	305	390	305
Interest income	(634)	(341)	(634)	(341)
Rental income from investment properties	(34)	(34)	(34)	(34)

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	Prior	Current	Prior
	Quarter	Quarter	Year-To-	Year-To-
	Ended	Ended	Date	Date
	30/06/2023	30/06/2022	30/6/2023	30/6/2022
	RM'000	RM'000	RM'000	RM'000
Current tax				
- For the financial period	96	126	96	126
	96	126	96	126
Deferred tax	309	187	309	187
	405	313	405	313
Tax expense	405	313	405	313

The Group's effective tax rate for the financial period ended 30 June 2023 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	As at
	30/06/2023	31/03/2023
	RM'000	RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	3,465	3,377
Singapore Dollar	898	865
	<u>4,363</u>	<u>4,242</u>
Long Term Borrowings:		
Secured :		
Singapore Dollar	<u>15,755</u>	<u>15,407</u>
Total Borrowings	<u>20,118</u>	<u>19,649</u>

The borrowings as at 30 June 2023 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.

ESTHETICS INTERNATIONAL GROUP BERHAD

Company No: 199601035708 (408061-P)

B10. Dividend proposed or declared

The Directors have recommended a final single-tier dividend of 0.50 sen per ordinary share in respect of the previous financial year ended 31 March 2023, amounting to RM1.2 million, which is subject to approval by shareholders at the forthcoming Annual General Meeting on 27 September 2023. This proposed dividend has not been included in the financial statements for the financial year ended 31 March 2023.

The total dividend payable for the financial year ended 31 March 2023, including the recommended final dividend, if approved, would amount 0.5 sen per ordinary share, totaling RM1.2 million.

The Board does not recommend any interim dividend for the current financial quarter ended 30 June 2023.

B11. Basic and diluted earnings per share

(a) Basic earnings per share

	Individual Quarter	
	Current Year Quarter 30/6/2023 RM'000	Prior Year Quarter 30/6/2022 RM'000
Profit attributable to owners of the Company	106	(1,980)
Number of ordinary shares in issue ('000)	237,194	237,194
Basic earning per share (sen)	0.04	(0.83)

(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 August 2023.