

**SUMMARY OF KEY FINANCIAL INFORMATION**  
30/04/2004

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/04/2004	30/04/2003	30/04/2004	30/04/2003
	RM'000	RM'000	RM'000	RM'000
1 Revenue	17,273	13,961	17,273	13,961
2 Profit/(loss) before tax	3,013	2,677	3,013	2,677
3 Profit/(loss) after tax and minority interest	1,924	1,694	1,924	1,694
4 Net profit/(loss) for the period	1,924	1,694	1,924	1,694
5 Basic earnings/(loss) per shares (sen)	1.73	1.75	1.73	1.75
6 Dividend per share (sen)	0.00	0.00	0.00	0.00
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net tangible assets per share (RM)			0.6900	0.6700

Note: For full text of the above announcement, please access the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

**ESTHETICS INTERNATIONAL GROUP BERHAD**

**Unaudited Condensed Consolidated Income Statements  
For the 1st quarter ended 30 April 2004**

	Individual Quarter 3 months Quarter ended		Cumulative Quarter 3 months Cumulative to date		
	Note	30/04/2004 (RM'000)	30/04/2003 (RM'000)	30/04/2004 (RM'000)	30/04/2003 (RM'000)
<b>Revenue</b>		17,273	13,961	17,273	13,961
Operating expenses		(14,714)	(11,570)	(14,714)	(11,570)
Other operating income		344	399	344	399
<b>Profit from operations</b>		<b>2,903</b>	<b>2,790</b>	<b>2,903</b>	<b>2,790</b>
Interest expense		(4)	0	(4)	0
Interest income		114	36	114	36
Results of associated companies		-	(149)	-	(149)
<b>Profit before taxation</b>		<b>3,013</b>	<b>2,677</b>	<b>3,013</b>	<b>2,677</b>
Tax expense	B5	(1,081)	(981)	(1,081)	(981)
<b>Profit after taxation</b>		<b>1,932</b>	<b>1,696</b>	1,932	1,696
Minority interest		(8)	(2)	(8)	(2)
<b>Net profit for the period</b>		<b>1,924</b>	<b>1,694</b>	<b>1,924</b>	<b>1,694</b>
<b>Basic earnings per ordinary share (sen)</b>	B13	1.73	1.75	1.73	1.75
<b>Diluted earnings per ordinary share (sen)</b>		Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Dividend per share (sen)</b>		-	-	-	-
Weighted average number of ordinary shares of 50 sen each during the reporting Quarter ('000)		111,023	96,660	111,023	96,660
<b>Diluted earnings per ordinary share (sen)</b>		Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2004 and the accompanying explanatory notes enclosed with the Interim Financial Report.

**Esthetics International Group Berhad**  
 (Company No : 408061-P)  
 (Incorporated in Malaysia)

**Unaudited Condensed Consolidated Balance Sheet**  
**As At 30 April 2004**

	<u>Note</u>	<u>30-Apr-04</u> <u>(RM '000)</u>	<u>31-Jan-04</u> <u>(RM '000)</u>
<b>Property, plant &amp; equipment</b>	A9	25,694	25,811
<b>Investment in associates</b>		-	-
<b>Deferred tax assets</b>		-	26
<b>Current assets</b>			
Inventories		10,021	11,848
Trade & other receivables		19,173	18,335
Tax recoverable		776	824
Cash & cash equivalents		<u>35,770</u>	<u>20,371</u>
		<u>65,740</u>	<u>51,378</u>
<b>Current liabilities</b>			
Trade and other payables		3,744	6,723
Borrowings	B9	65	98
Deferred revenue		3,172	3,423
Taxation		<u>1,207</u>	<u>1,455</u>
		<u>8,188</u>	<u>11,699</u>
<b>Net current assets</b>		<u>57,552</u>	<u>39,679</u>
		<u>83,246</u>	<u>65,516</u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	A6	60,000	48,330
Reserves		<u>22,517</u>	<u>16,905</u>
Shareholders' Fund		<u>82,517</u>	<u>65,235</u>
<b>Minority shareholders' interests</b>		139	127
<b>Long term and deferred liabilities</b>			
Borrowings	B9	162	154
Deferred taxation		<u>428</u>	<u>-</u>
		<u>83,246</u>	<u>65,516</u>
Net tangible assets per share (RM)		0.69	0.67

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report as at 31 January 2004 and the accompanying explanatory notes enclosed with the Interim Financial Report.

**Esthetics International Group Berhad**  
**(Company No : 408061-P)**  
**(Incorporated in Malaysia)**

**Unaudited Condensed Consolidated Cash Flow Statements**  
**For The Period Ended 30 April 2004**

	3 months Ended 30 April 2004 (RM '000)	3 months Ended 30 April 2003 (RM '000)
<b>Cash flows from operating activities</b>		
Profit before tax	3,013	2,677
Adjustment for non-cash flow : -		
Depreciation	556	495
Interest expense	4	-
Interest income	(114)	(36)
Gain on disposal of property, plant and equipment	(29)	(189)
Property, plant and equipment written off	-	32
Share of losses in an associate	-	149
Loss on disposal of investment in unit trust	-	-
Unrealised gain on foreign exchange	11	(54)
Operating profit before changes in working capital	<u>3,441</u>	<u>3,074</u>
Changes in working capital		
Inventories	1,827	364
Trade and other receivables	(838)	(368)
Trade and other payables	(2,979)	(1,469)
Deferred revenue	(251)	-
Cash generated from operations	<u>1,200</u>	<u>1,601</u>
Income tax paid	(954)	(1,229)
<b>Net cash generated from operating activities</b>	<u>246</u>	<u>372</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	41	189
Purchase of property, plant and equipment	(311)	(930)
Interest received	114	36
Other investments	-	-
<b>Net cash used in investing activities</b>	<u>(156)</u>	<u>(705)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares in IPO	17,505	-
Listing expenses	(2,176)	-
Interest paid	(4)	-
Bank borrowings	(25)	245
<b>Net cash used in financing activities</b>	<u>15,300</u>	<u>245</u>
<b>Exchange differences on translation of the financial statement of foreign entity</b>	9	(9)
<b>Net increase in cash and cash equivalents</b>	15,399	(97)
<b>Cash and cash equivalents at beginning of year</b>	20,371	12,620
<b>Cash and cash equivalents at end of period</b>	<u>35,770</u>	<u>12,523</u>
<u>Note :</u>		
<b>Cash and cash equivalents at period end comprise:-</b>		
Cash & bank balances	5,770	5,523
Short term deposits	30,000	7,000
	<u>35,770</u>	<u>12,523</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2004 and the accompanying explanatory notes enclosed with the Interim Financial Report.

**Esthetics International Group Berhad**  
(Company No : 408061-P)  
(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Changes in Equity**  
**For The 1st Quarter ended 30 April 2004**

	Note	Share Capital (RM '000)	Share Premium (RM '000)	Exchange Reserve (RM '000)	Revenue Reserve (RM '000)	Total (RM '000)
<b>3 months ended 30 April 2004</b>						
Balance at the beginning of the year		48,330	-	(44)	16,949	65,235
Public Issue of 23,340,000 shares	A6	11,670	-	-	-	11,670
Share Premium arising from Public Issue	A6	-	5,835	-	-	5,835
Listing expenses written off against the share premium account	B8	-	(2,176)	-	-	(2,176)
Net profit for the three (3) months period		-	-	-	1,962	1,962
Arising during the period		-	-	(9)	-	(9)
Dividends paid	A7	-	-	-	-	-
as at 30 April 2004		<u>60,000</u>	<u>3,659</u>	<u>(53)</u>	<u>18,911</u>	<u>82,517</u>
<b>3 months ended 30 April 2003</b>						
Balance at the beginning of the year		700	-	(59)	52,892	53,533
Public Issue of 23,340,000 shares		-	-	-	-	-
Share Premium arising from Public Issue		-	-	-	-	-
Listing expenses written off against the share premium account		-	-	-	-	-
Net profit for the three (3) months period		-	-	-	1,698	1,698
Arising during the period		-	-	(9)	-	(9)
Dividends paid		-	-	-	-	-
as at 30 April 2003		<u>700</u>	<u>-</u>	<u>(68)</u>	<u>54,590</u>	<u>55,222</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2004 and the accompanying explanatory notes enclosed with the Interim Financial Report.

## Notes to the 1<sup>st</sup> Quarter financial report for the period ended 30 April 2004

### **A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 January 2004.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the year ended 31 January 2004.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2004.

### **A2. Audit report**

The Group's audited consolidated financial statements for the year ended 31 January 2004 were not subject to any qualification.

### **A3. Seasonal or cyclical factors**

Generally, the business of the Group shows an improvement towards the 2<sup>nd</sup> half of the year end and during the festive seasons.

### **A4. Exceptional items**

There were no exceptional items during the period under review.

### **A5. Changes in estimates**

There were no changes in estimates on the nature and amount reported in the preceding financial years that have a material effect in the current quarter.

### **A6. Issuance and repayment of debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter except the following:-

The Company allotted a public issue of 23,340,000 new Ordinary Shares of RM 0.50 each comprising :

- 4,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian Public
- 8,000,000 new ordinary shares of RM0.50 each by way of placement to identified investors
- 6,000,000 new ordinary shares of RM0.50 each available for application by eligible employees and business associates of Esthetics International Group Berhad and its subsidiary companies
- 5,340,000 new ordinary shares of RM0.50 each to bumiputera investors approved by the Ministry of International Trade and Industry

Offer for sale of 6,660,000 ordinary shares of RM0.50 each to bumiputera investors approved by the Ministry of International Trade and Industry

at an issue / offer price of RM0.75 per ordinary of share of RM0.50 each representing 19.45% of the enlarged issued and paid-up share capital of the Company enroute to their listing on the Main Board of Bursa Malaysia on 11 March 2004.

### **A7. Dividend paid**

No dividend was paid during the period under review

**A8. Segmental information**

Segment for the Group	Current Year To Date 30 April 2004	
	Segment Revenue RM '000	Segment Results RM '000
Professional Services and Sales	7,026	141
Product distribution	12,520	1,574
Others		(272)
Total	19,546	1,443
Eliminations	(2,273)	1,460
Consolidated	17,273	2,903

**A9. Property, plant and equipment**

The property, plant and equipment of the Group are carried at historical cost less accumulated depreciation. Accordingly, no valuations have been brought forward from the previous annual report.

**A10. Material events subsequent to the end of the interim period.**

There were no material subsequent events that are required to be reflected in the financial statements.

**A11. Changes in composition of Group**

There were no significant changes in the composition of the Group during the period.

**A12. Changes in contingent liabilities**

There were no contingent liabilities except as disclosed below:

- Standby credit issued by a subsidiary for credit facilities granted to associated company amounting to RM1,025,850

**A13. Capital commitments**

	30 April 2004 RM'000
<b>Property, plant and equipment (to be completed)</b>	
Approved but not contracted for	1,650
Contracted but not provided for in the interim financial statements	526
	<u>170</u>

## Additional information required by the KLSE's Listing Requirements

### **B1. Review of performance**

During the period under review, the Group experienced revenue growth from both local and overseas market due to intensified focus on overseas business and increase in advertising and promotion activities. The growth was also partially contributed by the launch of the Clinelle range of skin care products under the fast moving consumer goods (FMCG) division. The net profit margin dipped marginally by 1% due to initial expenses arising from the recently set up FMCG division.

### **B2. Material changes in the quarterly results compared to the results of the preceding quarter.**

The Group recorded a profit before tax of RM3.01 million over revenue of RM17.3 million during the quarter compared to a profit before tax of RM7.4 million over RM19.6 million in the preceding quarter. The Group higher preceding quarter results were mainly due to higher revenue generated, stringent cost control measures, write backs from provisions for marketing campaigns which have expired, profit on disposal of property, plant and equipment and the absence of expenses from the recently set up FMCG division, , provision for employees unconsumed leave and provision for bonus in the current quarter.

### **B3. Current year prospects**

Barring any unforeseen circumstances, the Board is confident that the Group will continue to generate satisfactory results.

### **B4. Profit forecast**

The Group did not make a Profit Forecast for the period however a profit forecast for the financial year ending 31 January 2005 was published in the prospectus dated 20 February 2004.

### **B5. Tax expense**

	<u>3 months ended</u> <u>30 April 2004</u> <u>RM'000</u>	<u>3 months ended</u> <u>30 April 2004</u> <u>RM'000</u>
Current tax expense		
Malaysian – current	653	653
Malaysian – prior period	0	0
Deferred tax expenses		
Malaysian – current	428	428
	<hr/>	<hr/>
	1081	1081

The Group effective tax rate is higher than the statutory tax rate due to certain expenses are disallowed for taxation purposes and no group relief were available for losses incurred by certain subsidiaries.

### **B6. Unquoted investment and properties**

There were no disposals of investment and or/ properties for the financial year under review.

### **B7. Quoted investment**

There were no purchases and / or disposal of quoted securities for the financial year under review.

**B8. Status of corporate proposal announced and utilisation of proceeds raised from corporate proposal.**

Except for the listing of the company on Bursa Malaysia Exchange Berhad on 11 March 2004, there were no corporate proposals announced. Out of the RM17.505 million proceeds raised from the public issue of 23,340,000 new ordinary shares of RM0.50 each at an issue / offer price of RM0.75 per ordinary share, the following had been disbursed :-

(RM'000)	IPO	Utilised
Establishment of six (6) new Professional Skin Care Centers	2,500	
Refurbishment of twelve (12) existing Professional Skin Care Centers	1,000	
Investment in information technology facilities	1,500	125
Advertising and promotional expenses for Esthetics Group products	1,500	
Construction of corporate office and warehouse building	2,500	
Launching of the FMCG	2,000	401
Overseas business expansion – Hong Kong	2,000	
Working capital	2,005	
Estimated listing expenses	2,500	2,176

**B9. Borrowing and debt securities**

<u>Borrowings</u>	<u>Securities</u>	<u>Currency</u>	<u>As at</u> <u>30/04/2004</u> <u>RM'000</u>
<u>Short Term</u>			
Term loan	Unsecured	RM	0
Hire purchase liabilities	Secured	RM	65
<i>Total short term borrowings</i>			<u>65</u>
<u>Long term</u>			
Term loan	Unsecured	RM	0
Hire purchase liabilities	Secured	RM	162
<i>Total long term borrowings</i>			<u>162</u>

**B10. Off balance sheet financial instruments**

During the financial year to date, the Group did not enter into any contracts involving off balance sheet financial instruments.

**B11. Changes in material litigation**

There was no pending material litigation as at 11 June 2004.

**B12. Dividends**

The Board does not propose to declare or recommend any interim for the current quarter.

**B13. Basic earning per share**

The calculation of basic earnings per share for the quarter and year to date is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the quarter and year to date of 111,023,000 (2003: 96,660,000) ordinary shares of RM0.50 each.

The 2003 weighted average number of ordinary shares is calculated as follows :-

	2003 '000
Issued at the beginning of the period	700
Effect of share split	700*
Effect of bonus issue	95,260**
Weighted average number of ordinary shares	96,660

\* As the share split had resulted in increase in number of shares without any consideration, the exercise is treated as if it had occurred at the beginning of the financial year 31 January ended 2004 and 2003.

\*\* Since the bonus issue in financial year ended 31 January 2004 is an issue via capitalisation of retained profits, the effects of the bonus issue have also been adjusted in financial year ended 31 January 2003.

For and on behalf of  
Esthetics International Group Berhad

Lim Yee Soon  
Executive Director  
Date: 14 June 2004