

**SUMMARY OF KEY FINANCIAL INFORMATION**  
31/10/2004

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2004	31/10/2003	31/10/2004	31/10/2003
	RM'000	RM'000	RM'000	RM'000
1 Revenue	20,733	14,150	56,353	43,221
2 Profit/(loss) before tax	5,416	3,095	11,616	9,224
3 Profit/(loss) after tax and minority interest	3,730	2,237	7,680	6,381
4 Net profit/(loss) for the period	3,730	2,237	7,680	6,381
5 Basic earnings/(loss) per shares (sen)	3.11	2.31	6.56	6.60
6 Dividend per share (sen)	1.50	0.00	1.50	0.00
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net tangible assets per share (RM)			0.7200	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 3rd Quarter Ended 31 Oct 2004**

	Note	Individual Quarter 3 months Quarter ended		Cumulative Quarter 9 months Cumulative to date	
		31/10/2004 (RM'000)	31/10/2003 (RM'000)	31/10/2004 (RM'000)	31/10/2003 (RM'000)
<b>Revenue</b>		20,733	14,150	56,353	43,221
Operating expenses		(15,879)	(11,270)	(46,304)	(34,875)
Other operating income		313	227	958	928
<b>Profit from operations</b>		<b>5,167</b>	<b>3,107</b>	<b>11,007</b>	<b>9,274</b>
Interest expense		(3)	(3)	(10)	(7)
Interest income		252	66	619	193
Results of associated companies		-	(75)	-	(236)
<b>Profit before taxation</b>		<b>5,416</b>	<b>3,095</b>	<b>11,616</b>	<b>9,224</b>
Tax expense	B5	(1,674)	(851)	(3,905)	(2,830)
<b>Profit after taxation</b>		<b>3,742</b>	<b>2,244</b>	<b>7,711</b>	<b>6,394</b>
Minority interest		(12)	(7)	(31)	(13)
<b>Net profit for the period</b>		<b>3,730</b>	<b>2,237</b>	<b>7,680</b>	<b>6,381</b>
<b>Basic earnings per ordinary share (sen)</b>	B13	3.11	2.31	6.56	6.60
<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)		120,000	96,660	117,008	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 31 October 2004**

	<u>Note</u>	<u>31-Oct-04</u> <u>(RM '000)</u>	<u>31-Jan-04</u> <u>(RM '000)</u>
<b>Property, plant &amp; equipment</b>	<b>A9</b>	<b>27,705</b>	<b>25,811</b>
<b>Investment in associates</b>		-	-
<b>Deferred tax assets</b>		-	26
<b>Current assets</b>			
Inventories		9,189	11,848
Trade & other receivables		24,248	18,335
Tax recoverable		249	824
Cash & cash equivalents		31,635	20,371
		<u>65,321</u>	<u>51,378</u>
<b>Current liabilities</b>			
Trade and other payables		2,604	6,723
Borrowings	<b>B9</b>	17	98
Deferred revenue		3,156	3,423
Taxation		619	1,455
		<u>6,396</u>	<u>11,699</u>
<b>Net current assets</b>		<u>58,925</u>	<u>39,679</u>
		<u>86,630</u>	<u>65,516</u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	<b>A6</b>	60,000	48,330
Reserves		25,939	16,905
Shareholders' Fund		<u>85,939</u>	<u>65,235</u>
<b>Minority shareholders' interests</b>		<b>158</b>	<b>127</b>
<b>Long term and deferred liabilities</b>			
Borrowings	<b>B9</b>	162	154
Deferred taxation		371	-
		<u>86,630</u>	<u>65,516</u>
Net tangible assets per share (RM)		0.72	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 31 October 2004**

	<b>9 months Ended 31 Oct 2004 (RM '000)</b>	<b>9 months Ended 31 Oct 2003 (RM '000)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	11,616	9,224
Adjustment for non-cash flow :-		
Depreciation	1,703	1,575
Interest expense	10	7
Interest income	(619)	(193)
Gain on disposal of property, plant and equipment	(186)	(241)
Property, plant and equipment written off	-	43
Share of losses in an associate	-	236
Loss on disposal of investment in unit trust	-	38
Unrealised gain on foreign exchange	-	-
Operating profit before changes in working capital	<u>12,524</u>	<u>10,689</u>
Changes in working capital		
Inventories	2,659	1,026
Trade and other receivables	(5,913)	(2,891)
Trade and other payables	(4,119)	(2,715)
Deferred revenue	(267)	2,043
Cash generated from operations	<u>4,884</u>	<u>8,152</u>
Income tax paid	(3,769)	(3,084)
<b>Net cash generated from operating activities</b>	<u>1,115</u>	<u>5,068</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	198	244
Purchase of property, plant and equipment	(3,609)	(3,623)
Interest received	619	193
Proceeds from disposal of investment in unit trust	-	3,960
Acquisition of investment in unit trust	-	(4,000)
<b>Net cash used in investing activities</b>	<u>(2,792)</u>	<u>(3,226)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares in IPO	17,505	-
Listing expenses	(2,306)	-
Dividend	(2,160)	-
Interest paid	(10)	(7)
Bank borrowings	(73)	(210)
<b>Net cash used in financing activities</b>	<u>12,956</u>	<u>(217)</u>
<b>Exchange differences on translation of the financial statement of foreign entity</b>	(15)	16
<b>Net increase in cash and cash equivalents</b>	11,264	1,641
<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>31,635</u>	<u>14,261</u>
<u>Note :</u>		
<b>Cash and cash equivalents at period end comprise:-</b>		
Cash & bank balances	5,635	4,261
Short term deposits	26,000	10,000
	<u>31,635</u>	<u>14,261</u>

The Condensed Consolidated Cash Flow 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 Statements of Changes in Equity**  
**For The 3rd Quarter Ended 31 Oct 2004**

	Note	Share Capital (RM '000)	Share Premium (RM '000)	Exchange Reserve (RM '000)	Revenue Reserve (RM '000)	Total (RM '000)
<b>9 months ended 31 Oct 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	-	(2,306)	-	-	(2,306)
Net profit for the nine (9) months period		-	-	-	7,680	7,680
Arising during the period		-	-	(15)	-	(15)
Dividends paid	A7	-	-	-	(2,160)	(2,160)
as at 31 Oct 2004		<u>60,000</u>	<u>3,529</u>	<u>(59)</u>	<u>22,469</u>	<u>85,939</u>
<b>9 months ended 31 Oct 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 nine (9) months period		-	-	-	6,381	6,381
Arising during the period		-	-	16	-	16
Capitalisation of reserve		47,630	-	-	(47,630)	-
as at 31 Oct 2003		<u>48,330</u>	<u>-</u>	<u>(43)</u>	<u>11,643</u>	<u>59,930</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 3rd Quarter financial report for the period ended 31 October 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 (“BMSB”) 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 experienced higher revenue in the 2<sup>nd</sup> half of the year 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 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.

### **A7. Dividend paid**

A first and final dividend of 5% less 28% taxation amounting to RM2,160,000 in respect of ordinary shares for the financial year ended 31 January 2004 was paid by the company on 18 August 2004.

### **A8. Segmental information**

Segment for the Group	Current Year Quarter 31 October 2004		Current Year To Date 31 October 2004	
	Segment Revenue RM '000	Segment Results RM '000	Segment Revenue RM '000	Segment Results RM '000
Professional Services and Sales	7,806	2,558	22,535	5,161
Product distribution	16,869	2,130	42,386	4,436
Others		439		(129)
Total	24,675	5,127	64,921	9,468
Eliminations	(3,942)	40	(8,568)	1,539
Consolidated	20,733	5,167	56,353	11,007

**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 as at the end of the period.

**A13. Capital commitments**

**Property, plant and equipment**

Approved but not contracted for

Contracted but not provided for in the interim financial statements

31 October 2004  
RM'000

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8,985

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8,985

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**A14. Related party transactions**

There were no material related party transactions during the period under review.

## Additional information required by BMSB's Listing Requirements

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

During the quarter under review, the Group recorded revenue growth of 47% compared to corresponding quarter in the preceding year and 13% growth against second quarter revenue. The encouraging growth is attributed to the higher contribution from revenue of the Group's main products and services both in the local and overseas market, complemented by the launch of new product range in the new distributing channel of mass marketing.

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

The Group recorded a profit before tax of RM5.42million over revenue of RM20.73 million during the quarter compared to a profit before tax of RM3.19million over revenue of RM18.35million in the preceding quarter.

The improvement in results is attributed to the Group's drive and focus towards higher margin segments of the business and aggressive cost control measures.

There were no material changes noted.

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

Barring any unforeseen circumstances, the Board is cautiously optimistic about the Group performance for the financial year ended 31 January 2005.

### **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>31 October 2004</u> <u>RM'000</u>	<u>9 months ended</u> <u>31 October 2004</u> <u>RM'000</u>
Current tax expense		
Malaysian	1,835	3,537
Overseas	49	129
Deferred tax expenses		
Malaysian	(210)	239
	<hr/>	<hr/>
	1,674	3,905

The Group effective tax rate is higher than the statutory tax rate due to certain expenses being 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 period under review.

### **B7. Quoted investment**

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

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

Except for the listing of the company on BMSB 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 utilised :-

	<u>Proceeds Utilisation</u>	
	IPO Funds	Current Year To Date 31.10.04
(RM'000)		
Establishment of six (6) new Professional Skin Care Centers	2,500	
Refurbishment of twelve (12) existing Professional Skin Care Centers	1,000	21
Investment in information technology facilities	1,500	406
Advertising and promotional expenses for Esthetics Group products	1,500	341
Construction of corporate office and warehouse building	2,500	1,381
Launching of the FMCG	2,000	1,102
Overseas business expansion – Hong Kong	2,000	
Working capital	2,005	
Estimated listing expenses	2,500	2,306

**B9. Borrowing and debt securities**

<u>Borrowings</u>	<u>Securities</u>	<u>As at 31/10/2004 RM'000</u>
<u>Short Term</u>		
Term loan	Unsecured	0
Hire purchase liabilities	Secured	17
<i>Total short term borrowings</i>		<u>17</u>
<u>Long term</u>		
Term loan	Unsecured	0
Hire purchase liabilities	Secured	162
<i>Total long term borrowings</i>		<u>162</u>

**B10. Off balance sheet financial instruments**

During the financial period 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 7 December 2004.

**B12. Dividends**

The Board of Directors recommends an interim dividend of 3% less 28% tax for the current financial year to date (comparative period : nil). The date of entitlement to dividend is 27 December 2004 and the payment date is 26 January 2005

**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 120,000,000 (2003: 96,660,000) and 117,008,000 (2003: 96,660,000) ordinary shares of RM0.50 each respectively.

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 ended 31 January 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.