

SUMMARY OF KEY FINANCIAL INFORMATION
30/06/2007

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2007	30/06/2006	30/06/2007	30/06/2006
	RM'000	RM'000	RM'000	RM'000
1 Revenue	37,870	27,433	37,870	27,433
2 Profit/(loss) before tax	2,852	2,732	2,852	2,732
3 Profit/(loss) for the period	2,208	2,041	2,208	2,041
4 Profit/(loss) attributable to ordinary equity holders of the parent	2,208	2,041	2,208	2,041
5 Basic earnings/(loss) per share (sen)	1.82	1.70	1.82	1.70
6 Proposed/Declared 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 assets per share attributable to ordinary equity holders of the parent (RM)			0.8800	0.8800

Note: For full text of the above announcement, please access Bursa Malaysia website at www.bursamalaysia.com

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

Unaudited Condensed Consolidated Income Statements
For The First Quarter Ended 30 June 2007

	Note	Individual Period		Cumulative Period	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30/06/2007 (RM'000)	30/06/2006 (RM'000)	30/06/2007 (RM'000)	30/06/2006 (RM'000)
Revenue		37,870	27,433	37,870	27,433
Cost of sales / services		(17,802)	(14,941)	(17,802)	(14,941)
Gross profit		20,068	12,492	20,068	12,492
Other income		255	461	255	461
Other expenses		(17,516)	(10,274)	(17,516)	(10,274)
Results from operating activities		2,807	2,679	2,807	2,679
Finance cost		(21)	(17)	(21)	(17)
Interest income		80	70	80	70
Share of loss after tax of equity accounted associates		(14)	-	(14)	-
Profit before tax		2,852	2,732	2,852	2,732
Tax expense	B5	(644)	(691)	(644)	(691)
Profit for the period		2,208	2,041	2,208	2,041
Attributable to: Shareholders of the Company		2,208	2,041	2,208	2,041
Profit for the period		2,208	2,041	2,208	2,041
Earnings per share attributable to Shareholders of the Company:					
Basic earnings per share (sen)	B13	1.82	1.70	1.82	1.70
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2007 and the accompanying explanatory notes enclosed with the Quarterly Report.

Unaudited Condensed Consolidated Balance Sheets
As At 30 June 2007

	<u>Note</u>	<u>As at 30/06/07 (RM '000)</u>	<u>As at 31/03/07 (RM '000)</u>
ASSETS			
Non-current assets			
Property, plant and equipment	A9	46,160	46,035
Intangible assets		3,477	3,477
Investment properties		4,781	4,801
Investments in associates		1,020	1,034
Deferred tax assets		627	512
		<u>56,065</u>	<u>55,859</u>
Current assets			
Other Investment		585	592
Receivables, deposits and prepayments		35,831	34,078
Inventories		35,712	34,448
Tax recoverable		294	421
Cash and cash equivalents		14,465	13,624
		<u>86,887</u>	<u>83,163</u>
TOTAL ASSETS		<u>142,952</u>	<u>139,022</u>
EQUITY AND LIABILITIES			
Equity attributable to Shareholders of the Company			
Share capital	A6	66,000	60,000
Reserves		5,591	3,226
Retained earnings		44,458	42,250
TOTAL EQUITY		<u>116,049</u>	<u>105,476</u>
Non-current liabilities			
Borrowings		107	107
Deferred tax liabilities		638	848
		<u>745</u>	<u>955</u>
Current liabilities			
Deferred revenue		12,352	11,223
Payables and accruals		13,219	20,793
Borrowings		19	27
Taxation		568	548
		<u>26,158</u>	<u>32,591</u>
TOTAL LIABILITIES		<u>26,903</u>	<u>33,546</u>
TOTAL EQUITY AND LIABILITIES		<u>142,952</u>	<u>139,022</u>
Net assets per share attributable to Shareholders of the Company (RM)		0.88	0.88

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report as at 31 March 2007 and the accompanying explanatory notes enclosed with the Quarterly Report.

Unaudited Condensed Consolidated Cash Flow Statements
For The Period Ended 30 June 2007

	3 months and year-to-date ended 30/06/07 (RM '000)	3 months and year-to-date ended 30/06/06 (RM '000)
Cash flows from operating activities		
Profit before tax	2,852	2,732
Adjustments for : -		
Depreciation of property, plant and equipment	1,623	1,049
Depreciation of investment properties	22	-
Property, plant and equipment written off	111	1
Interest expense	21	17
Interest income	(80)	(70)
Gain on disposal of property, plant and equipment	(1)	(43)
Share of loss of equity accounted associates	14	-
Unrealised loss on foreign exchange	199	-
Inventories written off	1	-
Operating profit before changes in working capital	<u>4,762</u>	<u>3,686</u>
Changes in working capital		
Inventories	(1,265)	571
Receivables, deposits and prepayments	(1,952)	1,675
Payables and accruals	(7,574)	(2,591)
Deferred revenue	1,129	(341)
Cash (used in)/generated from operating activities	<u>(4,900)</u>	<u>3,000</u>
Tax paid	(822)	(1,001)
Net cash (used in)/generated from operating activities	<u>(5,722)</u>	<u>1,999</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	519	223
Purchase of property, plant and equipment	(2,361)	(2,872)
Interest received	80	70
Net cash used in investing activities	<u>(1,762)</u>	<u>(2,579)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital	8,578	-
Interest paid	(21)	(17)
Repayment of borrowings	(8)	(27)
Net cash generated from/(used in) financing activities	<u>8,549</u>	<u>(44)</u>
Exchange differences on translation of the financial statements of foreign entities	(224)	112
Net increase/(decrease) in cash and cash equivalents	841	(512)
Cash and cash equivalents at beginning of financial year	13,624	8,095
Cash and cash equivalents at end of financial period	<u><u>14,465</u></u>	<u><u>7,583</u></u>
<u>Note :</u>		
Cash and cash equivalents at end of financial year comprise:-		
Short term deposits	4,935	-
Cash and bank balances	9,530	7,583
	<u><u>14,465</u></u>	<u><u>7,583</u></u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2007 and the accompanying explanatory notes enclosed with the Quarterly Report.

Unaudited Condensed Consolidated Statements of Changes in Equity
 For The First Quarter Ended 30 June 2007

	Note	Share Capital (RM '000)	Non-distributable Share Premium (RM '000)	Translation Reserve (RM '000)	Distributable Retained Earnings (RM '000)	Total Equity (RM '000)
Three (3) months ended 30 June 2007						
At 1 April 2007		60,000	3,527	(301)	42,250	105,476
Exchange differences recognised directly in equity		-	-	(213)	-	(213)
Net profit for the period		-	-	-	2,208	2,208
Total recognised income and expense for the period		-	-	(213)	2,208	1,995
Shares issued		6,000	2,578			8,578
Dividend	A7	-	-	-	-	-
At 30 June 2007		<u>66,000</u>	<u>6,105</u>	<u>(514)</u>	<u>44,458</u>	<u>116,049</u>
Three (3) months ended 30 June 2006						
At 1 April 2006		60,000	3,527	(137)	33,681	97,071
Exchange differences recognised directly in equity		-	-	112	-	112
Net profit for the period		-	-	-	2,041	2,041
Total recognised income and expense for the year		-	-	112	2,041	2,153
Dividend	A7	-	-	-	-	-
At 30 June 2006		<u>60,000</u>	<u>3,527</u>	<u>(25)</u>	<u>35,722</u>	<u>99,224</u>

ESTHETICS INTERNATIONAL GROUP BERHAD (“the Company”) (408061-P)

Notes to the Quarterly Report for the First Quarter ended 30 June 2007

A1. Basis of preparation and accounting policies

The Quarterly Report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 : Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements, and should be read in conjunction with the audited financial statements for the financial year ended 31 March 2007.

The significant accounting policies and methods of computation adopted in this Quarterly Report are consistent with those in the audited financial statements for the financial year ended 31 March 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial periods beginning on or after the following dates:

	Effective for financial periods beginning on or after
FRS 117 Leases	1 October 2006
FRS 124 Related Party Disclosures	1 October 2006

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Company, other than the change discussed below:

FRS 117: Leases

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of the other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. As such, leasehold land and the corresponding liability arising from the lease from Government have been removed from the balance sheet as at 1 January 2007. Lease payments are recognised in the income statement on an accrual basis. The Company has applied this change in accounting policy prospectively.

A2. Auditor’s report of previous annual financial report

The Group’s previous annual financial report for the financial year ended 30 March 2007 was not subject to any audit qualification.

A3. Seasonal or cyclical factors

Generally, the business of the Group experienced higher revenue in the second (2nd) and third (3rd) quarters of the financial year and during the festive seasons with correspondingly higher profits.

A4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

A5. Significant estimates and changes in estimates

There were no changes in estimates that had material effect on the current quarter and financial year-to-date results.

A6. Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review except for the issuance of 12,000,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise undertaken.

A7. Dividends paid

An interim dividend of 5% less 27% tax amounting to RM2,190,000 has been accrued for in the financial year ended 31 March 2007 and paid on 9 April 2007.

A8. Segmental information

	Current Year Quarter Ended 30 June 2007		Current Year To Date Ended 30 June 2007	
	Segment Revenue RM '000	Segment Results RM '000	Segment Revenue RM '000	Segment Results RM '000
Professional services and sales	18,019	1,031	18,019	1,031
Product distribution	28,998	2,218	28,998	2,218
Others	-	(87)	-	(87)
Total	<u>47,017</u>	<u>3,162</u>	<u>47,017</u>	<u>3,162</u>
Elimination	<u>(9,147)</u>	<u>(355)</u>	<u>(9,147)</u>	<u>(355)</u>
Consolidated	<u><u>37,870</u></u>	<u><u>2,807</u></u>	<u><u>37,870</u></u>	<u><u>2,807</u></u>

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 financial report.

A10. Subsequent event

There was no material event subsequent to the current quarter ended 30 June 2007.

A11. Changes in composition of the Group**EIG Global Australia Pte. Ltd**

On 7 June 2007, the Company incorporated EIG Global Australia Pte. Ltd. (EIG Australia) as a wholly-owned subsidiary in Australia. The proposed business activities of EIG Australia is investment holding. EIG Australia has yet to commence operations.

A12. Changes in contingent liabilities

	30 June 2007 Limit (RM'000)	30 June 2007 Utilised (RM'000)
Corporate guarantees extended by the Company to financial institutions in consideration of credit facilities given to a subsidiary company	<u>28,500</u>	<u>8,470</u>

A13. Capital commitments

30 June 2007
RM'000

Property, plant and equipment

Contracted but not provided for in the financial statements

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A14. Related party transactions

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

Additional information required by Bursa Malaysia Listing Requirements

B1. Review of performance

The Group recorded revenue of RM37.9 million for the financial period ended 30 June 2007 as compared to Group revenue of RM27.4 million for the financial period ended 30 June 2006. The growth has been attributed to the new contribution in revenue from wholly-owned subsidiaries namely Ina Gail Pte Ltd (IG) and Leonard Drake (S) Pte Ltd (LDS) in Singapore and Leonard Drake (HK) Ltd (LDHK) in Hong Kong, increase in turnover from sales to Hong Kong dealers, higher revenue from Leonard Drake (M) Sdn Bhd and Asterspring Franchise International Sdn Bhd and higher sales from EIG Pharma Asia Sdn Bhd.

Profit before tax for the current financial period was RM2.9 million versus RM2.7 million for the previous year corresponding period. Profit after tax stood at RM2.2 million, an increase of 8.2% over RM2.0 million recorded last year.

The revenue from the regional and export businesses of the Group has increased to 47% (from 34% in the previous year corresponding period) of total Group revenue.

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

For the quarter ended 30 June 2007, the Group recorded profit before tax of RM2.9 million over revenue of RM37.9 million as compared to profit before tax of RM4.9 million over revenue of RM42.4 million in the preceding quarter.

Due to seasonal factors, the revenue and profits recorded for the first (1st) quarter of the financial year has always been lower as compared to the other quarters.

B3. Commentary on prospects

The wellness and beauty industry is expected to continue to grow in year 2008 while remaining competitive.

The Group's main growth and earnings drivers, both locally and regionally, for the new financial year are as follows:

- a) introduction of new wellness products and services;
- b) continuous extension of distribution network of dealers/distributors and corporate owned outlets;
- c) expansion of the fast moving consumer goods business;
- d) growth of the direct selling business;
- e) franchise scheme and expansion of the education and training business; and
- f) export of Company brands.

Barring any unforeseen circumstances, the Board is cautiously optimistic about the Group performance for the financial year ending 31 March 2008.

B4. Profit forecast

The disclosure requirements for explanatory notes for the variance of actual profit after taxation and minority interest and forecast profit after taxation and minority interest are not applicable.

B5. Tax expense

	Current Year Quarter Ended 30 June 2007 RM'000	Current Year-to-date Ended 30 June 2007 RM'000
Current tax expense		
Malaysian	697	697
Overseas	283	283
Deferred tax expense		
Malaysian	(336)	(336)
Overseas	-	-
	644	644

The Group effective tax rate for the financial year-to-date of 22.6% is lower than the Malaysian statutory tax rate principally due to lower regional statutory tax rates.

B6. Unquoted investment and properties

There were no sales of unquoted investment or properties during the current quarter and financial year-to-date.

B7. Quoted investment

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

B8. Status of corporate proposal announced

On 11 April 2007, the Company announced the implementation of a private placement of new ordinary shares of RM0.50 each representing not more than 10% of the issued and paid-up share capital.

The private placement of 12,000,000 new ordinary shares of RM0.50 each of the Company at the issue price of RM0.72 per share was granted listing and quotation on the Main Board of Bursa Malaysia on 28 June 2007. The total proceeds raised from the private placement of RM8,640,000 were/will be utilised for working capital requirements of the Group and for defraying of expenses incidental to the private placement.

B9. Borrowings and debt securities

Borrowings	Securities	As at 30 June 2007 RM'000
<i>Short Term</i>		
Hire purchase liabilities	Secured	19
<i>Total short term borrowings</i>		19
<i>Long term</i>		
Hire purchase liabilities	Secured	107
<i>Total long term borrowings</i>		107

B10. Off balance sheet financial instruments

As at the date of this announcement, the Group has not entered into any contracts involving off balance sheet financial instruments.

B11. Changes in material litigation

There was no pending material litigation as at the date of this announcement.

B12. Dividends

The Board of Directors recommends a final tax exempt dividend of 5% amounting to RM3,300,000 for the financial year ended 31 March 2007 (31/3/06 final dividend : 5% tax exempt) which is to be approved by the shareholders at the Annual General Meeting to be held on 22 August 2007. The total dividends for the financial year ended 31 March 2007 are 5% tax exempt and 5% less tax (31/3/06 : 5% tax exempt and 5% less tax).

The Board of Directors has on 25 May 2007 approved a general dividend policy. It is the intention of the Board to endeavour to distribute between 30% to 50% of the Group's net profit, for at least the next two (2) financial years, after taking into consideration, inter alia, the performance of the Group, the availability of cash resources and reinvestment opportunities.

B13. Basic earnings per share (Basis EPS)

Basic EPS is calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter Ended		Current Year To Date Ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
Net profit attributable to shareholders of the Company (RM'000)	2,208	2,041	2,208	2,041
Weighted average number of ordinary shares in issue ('000)	121,055	120,000	121,055	120,000
Basic EPS (Sen)	<u>1.82</u>	<u>1.70</u>	<u>1.82</u>	<u>1.70</u>

This announcement is dated 21 August 2007