

SUMMARY OF KEY FINANCIAL INFORMATION
30/06/2008

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2008	30/06/2007	30/06/2008	30/06/2007
		RM'000	RM'000	RM'000	RM'000
1	Revenue	47,057	37,870	47,057	37,870
2	Profit/(loss) before tax	3,568	2,852	3,568	2,852
3	Profit/(loss) for the period	2,936	2,208	2,936	2,208
4	Profit/(loss) attributable to ordinary equity holders of the parent	2,936	2,208	2,936	2,208
5	Basic earnings/(loss) per share (sen)	2.22	1.82	2.22	1.82
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)	0.9600		0.9400	

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

Remarks :

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

Unaudited Condensed Consolidated Income Statements
For The First Quarter Ended 30 June 2008

	<u>Note</u>	Individual Period		Cumulative Periods	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30/06/2008 (RM'000)	30/06/2007 (RM'000)	30/06/2008 (RM'000)	30/06/2007 (RM'000)
Revenue		47,057	37,870	47,057	37,870
Cost of sales / services		(22,771)	(17,802)	(22,771)	(17,802)
Gross profit		<u>24,286</u>	<u>20,068</u>	<u>24,286</u>	<u>20,068</u>
Other income		618	255	618	255
Other expenses		(21,388)	(17,516)	(21,388)	(17,516)
Results from operating activities		<u>3,516</u>	<u>2,807</u>	<u>3,516</u>	<u>2,807</u>
Finance cost		(16)	(21)	(16)	(21)
Interest income		31	80	31	80
Share of profit / (loss) after tax of equity accounted associates		37	(14)	37	(14)
Profit before tax		<u>3,568</u>	<u>2,852</u>	<u>3,568</u>	<u>2,852</u>
Tax expense	B5	(632)	(644)	(632)	(644)
Profit for the period / year		<u><u>2,936</u></u>	<u><u>2,208</u></u>	<u><u>2,936</u></u>	<u><u>2,208</u></u>
Attributable to: Shareholders of the Company		<u>2,936</u>	<u>2,208</u>	<u>2,936</u>	<u>2,208</u>
Profit for the period / year		<u>2,936</u>	<u>2,208</u>	<u>2,936</u>	<u>2,208</u>
Earnings per share attributable to Shareholders of the Company:					
Basic earnings per share (sen)	B13	2.22	1.82	2.22	1.82
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A
Weighted average number of shares ('000)		132,000	121,055	132,000	121,055

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2008 and the accompanying explanatory notes enclosed with the Quarterly Report.

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

Unaudited Condensed Consolidated Balance Sheets
As At 30 June 2008

	<u>Note</u>	<u>As at 30/06/08 (RM '000)</u>	<u>As at 31/03/08 (RM '000)</u>
ASSETS			
Non-current assets			
Property, plant and equipment	A9	51,071	51,055
Intangible assets		3,785	3,791
Prepaid lease payments		848	853
Investment properties		4,691	4,714
Investments in associates		2,485	2,448
Deferred tax assets		799	781
		<u>63,679</u>	<u>63,642</u>
Current assets			
Other Investment		-	554
Receivables, deposits and prepayments		40,011	36,797
Inventories		41,656	47,064
Tax recoverable		522	431
Cash and cash equivalents		7,752	12,948
		<u>89,941</u>	<u>97,794</u>
TOTAL ASSETS		153,620	161,436
EQUITY AND LIABILITIES			
Equity attributable to Shareholders of the Company			
Share capital	A6	66,000	66,000
Reserves		6,119	5,589
Retained earnings		55,217	52,281
TOTAL EQUITY		127,336	123,870
Non-current liabilities			
Borrowings		80	83
Deferred tax liabilities		788	985
		<u>868</u>	<u>1,068</u>
Current liabilities			
Deferred revenue		7,826	8,529
Payables and accruals		14,998	25,490
Borrowings		27	26
Taxation		2,565	2,453
		<u>25,416</u>	<u>36,498</u>
TOTAL LIABILITIES		26,284	37,566
TOTAL EQUITY AND LIABILITIES		153,620	161,436
Net assets per share attributable to Shareholders of the Company (RM)		0.96	0.94

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report as at 31 March 2008 and the accompanying explanatory notes enclosed with the Quarterly Report.

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

Unaudited Condensed Consolidated Cash Flow Statements
For The Year Ended 30 June 2008

	3 months and year-to-date ended 30/06/08 (RM '000)	3 months and year-to-date ended 30/06/07 (RM '000)
Cash flows from operating activities		
Profit before tax	3,568	2,852
Adjustments for : -		
Depreciation of property, plant and equipment	2,016	1,618
Amortisation of development cost	6	-
Amortisation of prepaid lease payments	5	5
Change in fair value of investment properties	23	22
Finance costs	16	21
Gain on disposal of property, plant and equipment	(3)	(1)
Loss on disposal of other investment	41	-
Interest income	(31)	(80)
Property, plant and equipment written off	66	111
Inventories written off	-	1
Share of (profit)/loss of equity accounted associates	(37)	14
Unrealised foreign exchange(gain)/loss	(538)	199
Operating profit before changes in working capital	5,132	4,762
Changes in working capital		
Inventories	5,408	(1,265)
Receivables, deposits and prepayments	(2,163)	(1,952)
Payables and accruals	(10,492)	(7,566)
Deferred revenue	(703)	1,129
Cash generated from operating activities	(2,818)	(4,892)
Interest received	31	80
Tax paid	(826)	(822)
Net cash (used in) operating activities	(3,613)	(5,634)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,897)	(2,361)
Proceeds from disposal of property, plant and equipment	47	519
Net cash used in investing activities	(1,850)	(1,842)
Cash flows from financing activities		
Net proceeds from issuance of shares	-	8,570
Repayment of borrowings	(2)	(8)
Interest paid	(16)	(21)
Net cash (used in)/generated from financing activities	(18)	8,541
Net (decrease)/increase in cash and cash equivalents	(5,481)	1,065
Effect of exchange rate fluctuations on cash held	285	(224)
Cash and cash equivalents at beginning of financial year	12,948	13,624
Cash and cash equivalents at end of financial period	7,752	14,465
<u>Note :</u>		
Cash and cash equivalents at end of financial period comprise:-		
Deposits placed with licensed banks	971	4,935
Cash and bank balances	6,781	9,530
	7,752	14,465

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2008 and the accompanying explanatory notes enclosed with the Quarterly Report.

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

Unaudited Condensed Consolidated Statements of Changes in Equity
For The Year Ended 30 June 2008

Note	Share Capital (RM '000)	<i>Non-distributable</i> Share Premium (RM '000)	<i>Translation</i> Reserve (RM '000)	<i>Distributable</i> Retained Earnings (RM '000)	Total (RM '000)
Three (3) months ended 30 June 2008					
At 1 April 2008	66,000	6,097	(508)	52,281	123,870
Exchange differences on translation of the financial statements of foreign entities	-	-	530	-	530
Net profit for the period	-	-	-	2,936	2,936
Total recognised income and expense for the period	-	-	530	2,936	3,466
At 30 June 2008	<u>66,000</u>	<u>6,097</u>	<u>22</u>	<u>55,217</u>	<u>127,336</u>
Three (3) months ended 30 June 2007					
At 1 April 2007	60,000	3,527	(301)	42,250	105,476
Exchange differences on translation of the financial statements of foreign entities	-	-	(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
At 30 June 2007	<u>66,000</u>	<u>6,105</u>	<u>(514)</u>	<u>44,458</u>	<u>116,049</u>

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

Notes to the Quarterly Report for the First Quarter ended 30 June 2008

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 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 except for the adoption of the following revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 April 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

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 Group.

A2. Auditor’s report of previous annual financial report

The Group’s previous annual financial report for the financial year ended 31 March 2008 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.

A7. Dividends paid

An interim dividend of 5% less 26% tax amounting to RM2,442,000 has been accrued for in the financial year ended 31 March 2008 and paid on 25 April 2008.

A8. Segmental information

	Current Year Quarter Ended 30 June 2008		Current Year To Date Ended 30 June 2008	
	Segment Revenue RM '000	Segment Results RM '000	Segment Revenue RM '000	Segment Results RM '000
Professional services and sales	19,638	638	19,638	638
Product distribution	40,571	4,153	40,571	4,153
Others	-	(92)	-	(92)
Total	60,209	4,699	60,209	4,699
Elimination	(13,152)	(1,183)	(13,152)	(1,183)
Consolidated	47,057	3,516	47,057	3,516

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 2008.

A11. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period under review.

A12. Changes in contingent liabilities

	30 June 2008 Limit (RM'000)	30 June 2008 Utilised (RM'000)
Corporate guarantees extended by the Company to financial institutions in consideration of credit facilities given to a subsidiary company	23,500	12,594

A13. Capital commitments

	30 June 2008 RM'000
Property, plant and equipment	
Contracted but not provided for in the financial statements	2,527

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 RM47.1 million for the financial period ended 30 June 2008 as compared to Group revenue of RM37.9 million for the financial period ended 30 June 2007, a growth of RM9.2 million or 24%. The growth has been attributed to higher revenue from Lexwel International Sdn Bhd, contribution in revenue from Leonard Drake (HK) Ltd in Hong Kong and Leonard Drake (S) Pte Ltd in Singapore and increase in sales from EIG Pharma Asia Sdn Bhd.

Profit before tax for the current financial period was RM3.6 million versus RM2.9 million for the previous year corresponding period. Profit after tax stood at RM2.9 million, an increase of 33% over RM2.2 million recorded last year.

The revenue from the regional and export businesses of the Group have increased to 49% (from 47% 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 2008, the Group recorded profit before tax of RM3.6 million over revenue of RM47.1 million as compared to profit before tax of RM5.9 million over revenue of RM45.5 million in the preceding quarter.

B3. Commentary on prospects

The wellness and beauty industry is expected to continue to grow in year 2008/09 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) development of the ethical market;
- f) growth of the distribution of beauty equipment;
- g) franchise scheme and expansion of the education and training business; and
- h) export of Company brands / mergers and acquisitions.

Barring any unforeseen circumstances, the Board is cautiously optimistic about the Group performance for the financial year ending 31 March 2009.

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 2008 RM'000	Current Year-to-date Ended 30 June 2008 RM'000
Current tax expense		
Malaysian	185	185
Overseas	303	303
Deferred tax expense		
Malaysian	98	98
Overseas	46	46
	632	632

The Group effective tax rate for the financial year-to-date of 17.7% is lower than the Malaysian statutory tax rate principally due to lower regional statutory tax rates and utilisation of business losses brought forward by Malaysian subsidiaries where the deferred tax assets are not recognised in previous financial year.

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 except for Ina Gail Pte. Ltd., a wholly owned subsidiary of the Company had on 30 June 2008, disposed of the quoted shares in Malaysia under other investment at a loss of RM41,000.

B8. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the reporting date.

B9. Borrowings and debt securities

Borrowings	Securities	As at 30 June 2008 RM'000
<i>Short Term</i>		
Hire purchase liabilities	Secured	27
<i>Total short term borrowings</i>		27
<i>Long term</i>		
Hire purchase liabilities	Secured	80
<i>Total long term borrowings</i>		80

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 dividend of 7% less 26% tax amounting to RM3,418,800 for the financial year ended 31 March 2008 (31/3/07 final dividend: 5% tax exempt) to be approved by the shareholders at the forthcoming Annual General Meeting. The total dividends for the financial year ended 31 March 2008 are 12% less tax (31/3/07: 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 to shareholders, 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	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Profit attributable to shareholders of the Company (RM'000)	2,936	2,208	2,936	2,208
Weighted average number of ordinary shares in issue ('000)	132,000	121,055	132,000	121,055
Basic EPS (Sen)	<u>2.22</u>	<u>1.82</u>	<u>2.22</u>	<u>1.82</u>

This announcement is dated 19 August 2008.