

**SUMMARY OF KEY FINANCIAL INFORMATION**  
**30/06/2009**

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2009	30/06/2008	30/06/2009	30/06/2008
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	37,823	47,057	37,823	47,057
2	Profit/(loss) before tax	1,718	3,568	1,718	3,568
3	Profit/(loss) for the period	1,026	2,936	1,026	2,936
4	Profit/(loss) attributable to ordinary equity holders of the parent	1,026	2,936	1,026	2,936
5	Basic earnings/(loss) per share (Subunit)	0.78	2.22	0.78	2.22
6	Proposed/Declared dividend per share (Subunit)	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 (\$\$)	1.0000		1.0000	

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

Remarks :

**Definition of Subunit:**

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country Base	Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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

**Unaudited Condensed Consolidated Income Statements**  
**For The First Quarter Ended 30 June 2009**

	<u>Note</u>	Individual Period		Cumulative Period	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30/06/2009 (RM'000)	30/06/2008 (RM'000)	30/06/2009 (RM'000)	30/06/2008 (RM'000)
Revenue		37,823	47,057	37,823	47,057
Cost of sales / services		(17,123)	(22,771)	(17,123)	(22,771)
<b>Gross profit</b>		<b>20,700</b>	<b>24,286</b>	<b>20,700</b>	<b>24,286</b>
Other income		432	618	432	618
Other expenses		(19,392)	(21,388)	(19,392)	(21,388)
<b>Results from operating activities</b>		<b>1,740</b>	<b>3,516</b>	<b>1,740</b>	<b>3,516</b>
Finance cost		(1)	(16)	(1)	(16)
Interest income		18	31	18	31
Share of profit after tax of equity accounted associates		(39)	37	(39)	37
<b>Profit before tax</b>		<b>1,718</b>	<b>3,568</b>	<b>1,718</b>	<b>3,568</b>
Tax expense	B5	(692)	(632)	(692)	(632)
<b>Profit for the period / year</b>		<b>1,026</b>	<b>2,936</b>	<b>1,026</b>	<b>2,936</b>
Attributable to: Shareholders of the Company		1,026	2,936	1,026	2,936
<b>Profit for the period / year</b>		<b>1,026</b>	<b>2,936</b>	<b>1,026</b>	<b>2,936</b>
<b>Earnings per share attributable to Shareholders of the Company:</b>					
Basic earnings per share (sen)	B13	0.78	2.22	0.78	2.22
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A
Weighted average number of shares ('000)		132,000	132,000	132,000	132,000

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 2009

	<u>Note</u>	<u>As at 30/06/09 (RM '000)</u>	<u>As at 31/03/09 (RM '000)</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	51,673	50,755
Intangible assets		3,941	3,767
Prepaid lease payments		887	891
Investment properties		1,705	1,679
Investments in associates		2,510	2,549
Deferred tax assets		1,054	1,271
		<u>61,770</u>	<u>60,912</u>
<b>Current assets</b>			
Receivables, deposits and prepayments		39,057	44,052
Inventories		38,947	43,500
Tax recoverable		707	524
Cash and cash equivalents		16,637	12,175
		<u>95,348</u>	<u>100,251</u>
<b>TOTAL ASSETS</b>		<u><u>157,118</u></u>	<u><u>161,163</u></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	A6	66,000	66,000
Reserves		6,977	7,372
Retained earnings		59,047	58,021
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>		<u>132,024</u>	<u>131,393</u>
<b>Non-current liabilities</b>			
Minority interest		60	-
Borrowings		54	60
Deferred tax liabilities		1,341	1,432
		<u>1,455</u>	<u>1,492</u>
<b>Current liabilities</b>			
Deferred revenue		6,948	6,626
Payables and accruals		14,757	19,836
Borrowings		27	26
Taxation		1,907	1,790
		<u>23,639</u>	<u>28,278</u>
<b>TOTAL LIABILITIES</b>		<u>25,094</u>	<u>29,770</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>157,118</u></u>	<u><u>161,163</u></u>
<b>Net assets per share attributable to Shareholders of the Company (RM)</b>		<b>1.00</b>	<b>1.00</b>

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 Period Ended 30 June 2009**

	3 months and period-to-date 30/06/09 (RM '000)	3 months and period-to-date 30/06/08 (RM '000)
<b>Cash flows from operating activities</b>		
Profit before tax	1,718	3,568
<i>Adjustments for : -</i>		
Depreciation of property, plant and equipment	2,105	2,016
Amortisation of intangible assets	6	6
Amortisation of prepaid lease payments	4	5
Change in fair value of investment properties	-	23
Finance costs	1	16
Gain on disposal of property, plant and equipment	(14)	(3)
Loss on disposal of other investment	-	41
Interest income	(18)	(31)
Property, plant and equipment written off	148	66
Inventories written off	54	-
Share of loss / (profit) of equity accounted associates	39	(37)
Unrealised foreign exchange loss/(gain)	532	(538)
Operating profit before changes in working capital	4,575	5,132
Changes in working capital		
Inventories	4,439	5,408
Receivables, deposits and prepayments	4,523	(2,163)
Payables and accruals	(3,594)	(10,492)
Deferred revenue	322	(703)
Cash generated from/(used in) operating activities	10,265	(2,818)
Interest received	18	31
Tax paid	(632)	(826)
<b>Net cash generated from/(used in) operating activities</b>	9,651	(3,613)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,203)	(1,897)
Acquisition of intangible assets	(180)	-
Proceeds from disposal of property, plant and equipment	29	47
<b>Net cash used in investing activities</b>	(3,354)	(1,850)
<b>Cash flows from financing activities</b>		
Contributions from minority interest	60	-
Dividends paid to shareholders of the Company	(1,485)	-
Repayment of borrowings	(5)	(2)
Interest paid	(1)	(16)
<b>Net cash used in financing activities</b>	(1,431)	(18)
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,866	(5,481)
<b>Effect of exchange rate fluctuations on cash held</b>	(404)	285
<b>Cash and cash equivalents at beginning of financial year</b>	12,175	12,948
<b>Cash and cash equivalents at end of financial period</b>	16,637	7,752
 <u>Note :</u>		
<b>Cash and cash equivalents at end of financial period comprise:-</b>		
Deposits placed with licensed banks	5,011	971
Cash and bank balances	11,626	6,781
	16,637	7,752

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2009 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 Period Ended 30 June 2009**

	Note	<u>Share Capital (RM '000)</u>	<u>Non-distributable Share Premium (RM '000)</u>	<u>Translation Reserve (RM '000)</u>	<u>Distributable Retained Earnings (RM '000)</u>	<u>Total (RM '000)</u>
<b>Three (3) months ended 30 June 2009</b>						
At 1 April 2009		66,000	6,097	1,275	58,021	131,393
Exchange differences on translation of the financial statements of foreign entities		-	-	(395)	-	(395)
Net profit for the period		-	-	-	1,026	1,026
Total recognised income and expense for the year		-	-	(395)	1,026	631
Dividends	A7	-	-	-	-	-
At 30 June 2009		<u>66,000</u>	<u>6,097</u>	<u>880</u>	<u>59,047</u>	<u>132,024</u>
<b>Three (3) months ended 30 June 2008</b>						
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 year		-	-	530	2,936	3,466
Dividends	A7	-	-	-	-	-
At 30 June 2008		<u>66,000</u>	<u>6,097</u>	<u>22</u>	<u>55,217</u>	<u>127,336</u>

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

### Notes to the Quarterly Report for the First Quarter ended 30 June 2009

#### **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 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2009 except for the following FRSs and IC Interpretations that have been issued as at the date of authorisation of the audited financial statements but are not yet effective for the Group:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above abovementioned FRSs and IC Interpretations does not result in significant changes in accounting policies of the Group and its initial application are expected to have no material impact on the financial statements 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 2009 was not subject to any audit qualification.

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

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the financial period under review.

#### **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 period-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 period-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**

The Company paid an interim dividend of 3% less 25% tax amounting to RM1,485,000 on 30 April 2009 in respect of financial year ended 31 March 2009.

**A8. Segmental information**

	Current Year Quarter Ended 30 June 2009		Current Period To Date Ended 30 June 2009	
	Segment Revenue RM '000	Segment Results RM '000	Segment Revenue RM '000	Segment Results RM '000
Professional services and sales	19,127	1,307	19,127	1,307
Product distribution	26,896	441	26,896	441
Others*	-	(69)	-	(69)
Total	46,023	1,679	46,023	1,679
Elimination	(8,200)	61	(8,200)	61
Consolidated	37,823	1,740	37,823	1,740

\* Others comprise of investment holding and investment in properties.

**A9. Property, plant and equipment**

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

**A10. Subsequent event**

There was no material subsequent event from the end of the current financial period up to the date of this announcement.

**A11. Changes in composition of the Group**

- (i) On 18 June 2009, Klientec Biz-Solution Sdn. Bhd. ("KTBS") was incorporated as a subsidiary of Klientec International Sdn. Bhd., with the authorised share capital of RM500,000 and the issued and paid-up share capital of RM300,000 ordinary shares of RM1 each. The effective shareholding held by the Group in KTBS is 80%. The principal business activities of KTBS are information technology consultancy and software development.

**A12. Changes in contingent liabilities**

	<b>30 June 2009 Limit (RM'000)</b>	<b>30 June 2009 Utilised (RM'000)</b>
Guarantees given to financial institutions for facilities granted to subsidiaries	28,100	9,340

**A13. Capital commitments**

	<b>30 June 2009 RM'000</b>
<b>Property, plant and equipment</b>	
Contracted but not provided for and payable	761
Approved but not contracted for	1,060
	<u>1,821</u>

**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 RM37.8 million for the financial period ended 30 June 2009, in comparison to RM47.1 million for the preceding corresponding period, representing a decrease of RM9.3 million or 19.6%. The lower revenue was due to the reduction in sales from the product distribution segment (from RM27.4 million to RM18.7 million, a decrease of RM8.7 million) mainly attributable to the prevailing challenging economic environment. On the other hand, the Group has been able to sustain its revenue generation for the professional services and sales segment having maintained the current period and corresponding period sales at RM19.1 million and RM19.6 million respectively.

The lower Group revenue translated into lower profit before tax and net profit of RM1.7 million (2008: RM3.6 million) and RM1.0 million (2008: RM2.9 million) respectively, a change of 51.8% and 65.0%.

The revenue from the regional and export businesses of the Group for the current period under review was 49% (2008: 50%).

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

For the quarter ended 30 June 2009, the Group recorded profit before tax of RM1.8 million over revenue of RM37.8 million as compared to profit before tax of RM3.7 million over revenue of RM46.2 million in the preceding quarter.

### **B3. Commentary on prospects**

The wellness and beauty industry is expected to continue to grow moderately in year 2009/10 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 further adverse development in the regional and local economy and consumer spending under the current economic environment, the Board is adopting focused and prudent strategies to consolidate the existing business operations and also to expand the geographical coverage of the Group to overcome the current economic challenges and to maintain profitability.

### **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**

	<b>Current Year Quarter Ended 30 June 2009 RM'000</b>	<b>Current Year-to-date Ended 30 June 2009 RM'000</b>
<i>Current tax</i>		
Malaysian	568	568
Overseas	53	53
<i>Deferred tax</i>		
Malaysian	225	225
Overseas	(154)	(154)
	692	692

The Group effective tax rate for the financial period-to-date of 40% is higher than the Malaysian statutory tax rate principally due to certain deferred tax assets which are not recognised at the Group level as well as no group tax relief are available to be applied by the Group to off-set its profits against the loss making companies for the period.

**B6. Unquoted investment and properties**

There were no sales of unquoted investment or properties during the current quarter and financial period-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**

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

**B9. Borrowings and debt securities**

<b>Borrowings</b>	<b>30 June 2009 RM'000</b>
<i>Current</i>	
Hire purchase payables	27
<i>Total</i>	27
<i>Non Current</i>	
Hire purchase payables	54
<i>Total</i>	54

**B10. Off balance sheet financial instruments**

As at the date of this announcement, the Group has no outstanding 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 Company paid an interim dividend of 3% less 25% tax (31/3/08 : interim dividend of 5% less 26% tax) amounting to RM1,485,000 (31/3/08: RM2,442,000) in respect of the financial year ended 31 March 2009 on 30 April 2009.

The Board of Directors recommends a final dividend of 3% less 25% tax (31/3/08 : final dividend of 7% less 26% tax) amounting to RM1,485,000 (31/3/08: RM3,418,800) for the financial year ended 31 March 2009 to be approved by the shareholders at the forthcoming Annual General Meeting on 27 August 2009. The total dividends for the financial year ended 31 March 2009 are 6% less 25% tax (31/3/08 : 12% less 26% tax).

The Board of Directors has on 27 May 2009 approved a general dividend policy. It is the intention of the Board to endeavour to distribute between 25% 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 year attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Current Year Quarter Ended		Current Period To Date Ended	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Profit attributable to shareholders of the Company (RM'000)	1,026	2,936	1,026	2,936
Weighted average number of ordinary shares in issue ('000)	132,000	132,000	132,000	132,000
Basic EPS (Sen)	0.78	2.22	0.78	2.22

This announcement is dated 26 August 2009