

SUMMARY OF KEY FINANCIAL INFORMATION
31/03/2010

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	42,992	46,201	170,699	183,330
2 Profit/(loss) before tax	-4,446	3,660	4,513	14,823
3 Profit/(loss) for the period	-4,554	2,094	556	10,644
4 Profit/(loss) attributable to ordinary equity holders of the parent	-5,297	2,094	52	10,644
5 Basic earnings/(loss) per share (Subunit)	-4.01	1.59	0.04	8.06
6 Proposed/Declared dividend per share (Subunit)	0.50	1.50	1.50	3.00
		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 (\$\$)		0.9800	1.0000	

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 Fourth Quarter Ended 31 March 2010

	Individual Period		Cumulative Periods		
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Periods	
	Note	31/03/2010 (RM'000)	31/03/2009 (RM'000)	31/03/2010 (RM'000)	31/03/2009 (RM'000)
Revenue		42,992	46,201	170,699	183,330
Cost of sales / services		(19,139)	(19,844)	(75,983)	(81,059)
Gross profit		23,853	26,357	94,716	102,271
Other income		349	1,937	2,009	3,702
Other expenses		(28,743)	(24,764)	(92,285)	(91,268)
Results from operating activities		(4,541)	3,530	4,440	14,705
Finance cost		(1)	(45)	(14)	(104)
Interest income		54	27	148	121
Share of losses after tax of equity accounted associates		42	148	(61)	101
Profit/(Loss) before tax		(4,446)	3,660	4,513	14,823
Tax expense	B5	(108)	(1,566)	(3,957)	(4,179)
Profit/(Loss) for the period / year		(4,554)	2,094	556	10,644
Attributable to:					
Equity holders of the Company		(5,297)	2,094	52	10,644
Minority interest		743	-	504	-
Profit/ (Loss) for the period / year		(4,554)	2,094	556	10,644
Earnings per share attributable to Shareholders of the Company:					
Basic earnings/ (loss) per share (sen)	B13	(4.01)	1.59	0.04	8.06
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 2009 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 31 March 2010

	<u>Note</u>	<u>As at 31/03/10 (RM '000)</u>	<u>As at 31/03/09 (RM '000)</u>
ASSETS			
Non-current assets			
Property, plant and equipment	A9	50,093	50,755
Intangible assets		7,908	3,767
Prepaid lease payments		873	891
Investment properties		1,705	1,679
Investments in associates		2,501	2,549
Deferred tax assets		1,455	1,271
		<u>64,535</u>	<u>60,912</u>
Current assets			
Receivables, deposits and prepayments		43,971	44,052
Inventories		39,787	43,500
Tax recoverable		296	524
Cash and cash equivalents		11,262	12,175
		<u>95,316</u>	<u>100,251</u>
TOTAL ASSETS		<u><u>159,851</u></u>	<u><u>161,163</u></u>
EQUITY AND LIABILITIES			
Share capital	A6	66,000	66,000
Reserves		6,129	7,372
Retained earnings		56,588	58,021
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>128,717</u>	<u>131,393</u>
MINORITY INTEREST		<u>4,564</u>	<u>-</u>
TOTAL EQUITY		<u>133,281</u>	<u>131,393</u>
Non-current liabilities			
Borrowings		32	60
Deferred tax liabilities		325	1,432
		<u>357</u>	<u>1,492</u>
Current liabilities			
Deferred revenue		4,776	6,626
Payables and accruals		19,024	19,836
Borrowings		26	26
Taxation		2,387	1,790
		<u>26,213</u>	<u>28,278</u>
TOTAL LIABILITIES		<u>26,570</u>	<u>29,770</u>
TOTAL EQUITY AND LIABILITIES		<u><u>159,851</u></u>	<u><u>161,163</u></u>
Net assets per share attributable to Shareholders of the Company (RM)		0.98	1.00

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report as at 31 March 2009 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 31 March 2010

	Year Ended 31/03/10 (RM '000)	Year Ended 31/03/09 (RM '000)
Cash flows from operating activities		
Profit before tax	4,513	14,823
<i>Adjustments for : -</i>		
Depreciation of property, plant and equipment	8,685	8,068
Amortisation of intangible assets	25	24
Amortisation of prepaid lease payments	18	19
Change in fair value of investment properties	-	(126)
Finance costs	14	104
Gain on disposal of property, plant and equipment	(163)	(62)
Gain on disposal of investment properties	-	(1,051)
Loss on disposal of other investment	-	69
Interest income	(148)	(121)
Property, plant and equipment written off	367	718
Inventories written off	3,274	4,407
Bad debts written off	77	40
Share of losses / (gain) of equity accounted associates	61	(101)
Unrealised foreign exchange loss / (gain)	1,976	(1,513)
Operating profit before changes in working capital	18,699	25,298
Changes in working capital		
Inventories	349	(815)
Receivables, deposits and prepayments	(1,616)	(2,739)
Payables and accruals	(229)	(5,289)
Deferred revenue	(1,850)	(1,903)
Cash generated from operating activities	15,353	14,552
Interest received	148	121
Tax paid	(4,424)	(4,978)
Net cash generated from operating activities	11,077	9,695
Cash flows from investing activities		
Acquisition of prepaid land lease payments	-	(57)
Acquisition of property, plant and equipment	(8,001)	(7,008)
Acquisition of intangible assets	(300)	-
Acquisition of subsidiaries, net of cash acquired	(3,855)	-
Investment in associates	(13)	-
Proceeds from disposal of property, plant and equipment	232	243
Proceeds from disposal of investment properties	-	1,510
Proceeds from disposal of other investment	-	485
Net cash used in investing activities	(11,937)	(4,827)
Cash flows from financing activities		
Contributions from minority interest	4,060	-
Dividends paid to shareholders of the Company	(2,970)	(5,861)
Repayment of borrowings	(28)	(23)
Interest paid	(14)	(104)
Net cash generated from/ (used in) financing activities	1,048	(5,988)
Net increase/(decrease) in cash and cash equivalents	188	(1,120)
Effect of exchange rate fluctuations on cash held	(1,101)	347
Cash and cash equivalents at beginning of financial year	12,175	12,948
Cash and cash equivalents at end of financial year	11,262	12,175
Note :		
Cash and cash equivalents at end of financial year comprise:-		
Deposits placed with licensed banks	3,147	3,679
Cash and bank balances	8,115	8,496
	11,262	12,175

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 31 March 2010

Note	Share Capital (RM '000)	Non-distributable Share Premium (RM '000)	Translation Reserve (RM '000)	Distributable Retained Earnings (RM '000)	Total (RM '000)	Minority Interest (RM '000)	Total Equity (RM '000)
Twelve (12) months ended 31 March 2010							
At 1 April 2009	66,000	6,097	1,275	58,021	131,393	-	131,393
Exchange differences on translation of the financial statements of foreign entities	-	-	(1,243)	-	(1,243)	-	(1,243)
Net profit for the year	-	-	-	52	52	504	556
Total recognised income and expense for the year	-	-	(1,243)	52	(1,191)	504	(687)
Shares issued to minority interest	-	-	-	-	-	4,060	4,060
Dividends	-	-	-	(1,485)	(1,485)	-	(1,485)
	A7						
At 31 March 2010	66,000	6,097	32	56,588	128,717	4,564	133,281
Twelve (12) months ended 31 March 2009							
At 1 April 2008	66,000	6,097	(508)	52,281	123,870	-	123,870
Exchange differences on translation of the financial statements of foreign entities	-	-	1,783	-	1,783	-	1,783
Net profit for the year	-	-	-	10,644	10,644	-	10,644
Total recognised income and expense for the year	-	-	1,783	10,644	12,427	-	12,427
Dividends	-	-	-	(4,904)	(4,904)	-	(4,904)
	A7						
At 31 March 2009	66,000	6,097	1,275	58,021	131,393	-	131,393

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

Notes to the Quarterly Report for the Fourth Quarter ended 31 March 2010

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 year 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 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 year under review.

A7. Dividends paid

The Company paid an interim dividend of 3% less 25% tax and a final dividend of 3% less 25% tax totaling RM2,970,000 in respect of the financial year ended 31 March 2009 on 30 April 2009 and 15 October 2009 respectively.

On 30 April 2010, the Company paid an interim dividend of 2% less 25% tax amounting to RM990,000 in respect of the current financial year ended 31 March 2010.

A8. Segmental information

	Current Year Quarter Ended 31 March 2010		Current Year To Date Ended 31 March 2010	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
	RM '000	RM '000	RM '000	RM '000
Professional services and sales	21,494	1,303	87,460	10,619
Product distribution	33,785	(5,857)	125,293	(6,090)
Others*	20,580	6,586	22,580	8,225
Total	75,859	2,032	235,333	12,754
Elimination	(32,867)	(6,573)	(64,634)	(8,314)
Consolidated	42,992	(4,541)	170,699	4,440

* 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

On 15 January 2010, the Company entered into a Shareholders Agreement with Alpino Iskandar ("AI") to joint venture via a 70:30 JV Company in Indonesia with the proposed issued and paid up share capital of USD1,000,000 or its equivalent in Rupiah comprising 1,000,000 ordinary shares of USD1.00 each. The total capital and investment outlay contributed by the Company and AI in the JV Company shall be USD700,000 and USD300,000 respectively. The rationale for the joint venture is to enable the Group to penetrate into the Indonesian skincare and wellness market.

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. The effective shareholding held by the Group in KTBS is 80%. The principal business activities of KTBS are information technology consultancy and software development.
- (ii) On 26 August 2009, the Company entered into a Shareholders Agreement ("Agreement") with Sassicaia Strategic Holdings Sdn Bhd ("SSH") to joint venture via a 50:50 JV Company, for the purposes of furthering their business interests in the health and wellness industry on the development and distribution of air and water related equipment and products. The authorised share capital of the JV Company is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each ("Shares"). The issued share capital of the JV Company is RM8,000,000 comprising 8,000,000 Shares of which 4,000,000 Shares are registered in the name of SSH and 4,000,000 Shares, partly paid up at RM0.50 per Share are registered in the name of the Company.

A11. Changes in composition of the Group (Cont'd)

- (iii) On 16 October 2009, the Company announced the incorporation of a wholly-owned subsidiary company, EIG Global (US) Inc. ("EIG Global US"), with the authorised share capital of 500,000 shares of common stock with par value of US\$1.00 per share and paid-up share capital of US\$1,000. The principal business activities of EIG Global US is investment holding.

A12. Changes in contingent liabilities

	31 March 2010 Limit (RM'000)	31 March 2010 Utilised (RM'000)
Guarantees given to financial institutions for facilities granted to subsidiaries	<u>30,100</u>	<u>8,158</u>

A13. Capital commitments

	31 March 2010 RM'000
Property, plant and equipment	
Contracted but not provided for and payable	-
Approved but not contracted for	<u>415</u>
	<u>415</u>

A14. Related party transactions

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

Additional information required by Bursa Malaysia Listing Requirements

B1. Review of performance

The Group recorded revenue of RM170.7 million for the financial year ended 31 March 2010, in comparison to RM183.3 million for the preceding corresponding year, representing a decrease of RM12.6 million or 6.9%. The lower revenue was due to the reduction in sales from the product distribution segment. The Group has been able to improve its revenue generation from the professional services and sales segment by RM0.7 million with recorded sales of RM87.5 million versus last year corresponding period of RM86.8 million.

The lower profit before tax and net profit recorded were RM4.5 million (2009: RM14.8 million) and RM0.6 million (2009: RM10.6 million) respectively, a change of approximately 69.6% and 94.3%. The contributing factors for the decrease in the profit before tax of the Group were summarized as follows:

- (i) the decrease of RM12.6 million in revenue has resulted in the reduction in gross profit by approximately RM7.6 million;
- (ii) unrealised exchange loss of RM2.0 million versus unrealised exchange gain of RM1.5 million in the previous financial year resulting in an unfavourable change of close to RM3.5 million;
- (iii) higher advertising and promotion expenses (increased by RM1.1 million) which have been mostly incurred for the rebranding exercises of Clinelle and Airellis;
- (iv) gain on disposal of investment properties of RM1.1 million in the previous financial year;
- (v) increasing losses of Lexwel International Sdn Bhd due to the lower sales and continuous highly competitive and challenging business environment in the local multi-level marketing industry. The multi-level marketing business will now be only operated in Indonesia where the industry potential is higher and the operating cost is lower comparatively;
- (vi) the parallel import threat and attack experienced in Hong Kong which has contributed to material reduction in sales and resultant losses; and
- (vii) the start up costs and operating expenses of the Clinelle launch by EIG Global (China) Co Ltd in Shanghai and Guangzhou, China.

The revenue from the regional and export businesses of the Group for the current year under review was 50% (2009: 47%).

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

For the quarter ended 31 March 2010, the Group recorded loss before tax of RM4.4 million over revenue of RM43.0 million as compared to profit before tax of RM4.1 million over revenue of RM46.8 million in the preceding quarter.

B3. Commentary on prospects

The wellness and beauty industry is expected to continue to grow moderately in year 2010 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) development of the ethical market;
- e) growth of the distribution of beauty equipment;
- f) expansion of the education and training business; and
- g) export of Company brands/mergers and acquisitions.

Barring adverse development in the regional and local economy and consumer spending, 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 improve 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

	Current Year Quarter Ended 31 March 2010 RM'000	Current Year-to-date Ended 31 March 2010 RM'000
<i>Current tax</i>		
Malaysian	624	5,313
Overseas	8	384
<i>Deferred tax</i>		
Malaysian	(693)	(1,332)
Overseas	169	(408)
	108	3,957

The Group effective tax rate for the current financial year-to-date of 88% is higher than the Malaysian statutory tax rate principally due to no group tax relief are available to be applied by the Group to off-set its profits against certain loss making companies for the year and reversal of the recognition of deferred tax assets previously made.

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 year 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**31 March 2010
RM'000****Borrowings**Current

Hire purchase payables

26

Total

26

Non Current

Hire purchase payables

32

Total

32

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 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) in respect of the financial year ended 31 March 2009 on 15 October 2009 and an interim dividend of 2% less 25% tax (31/3/09 : 3% less 25% tax) amounting to RM990,000 (31/3/09 : RM1,485,000 paid on 25 April 2009) for the financial year ended 31 March 2010 on 30 April 2010.

The Board of Directors recommends a final dividend of 1% less 25% tax (31/3/2009 : final dividend of 3% less 25% tax) amounting to RM495,000 (31/3/2009 : RM1,485,000 paid on 15 October 2009) for the financial year ended 31 March 2010 to be approved by the shareholders at the forthcoming Annual General Meeting. The total dividends for the financial year ended 31 March 2010 are 3% less 25% tax (31/3/09 : 6% less 25% tax).

Except for the financial year under review, the Board intends to continue to adopt the general dividend policy as approved on 27 May 2009 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/ (loss) 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 Year To Date Ended	
	31/3/2010	31/3/2009	31/3/2010	31/3/2009
(Loss)/ Profit attributable to shareholders of the Company (RM'000)	(5,297)	2,094	52	10,644
Weighted average number of ordinary shares in issue ('000)	132,000	132,000	132,000	132,000
Basic EPS (Sen)	(4.01)	1.59	0.04	8.06

This announcement is dated 27 May 2010