

SUMMARY OF KEY FINANCIAL INFORMATION
31/12/2009

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	46,806	45,958	127,707	137,129
2	Profit/(loss) before tax	4,123	4,365	8,959	11,163
3	Profit/(loss) for the period	1,531	3,122	5,110	8,550
4	Profit/(loss) attributable to ordinary equity holders of the parent	1,754	3,122	5,349	8,550
5	Basic earnings/(loss) per share (Subunit)	1.16	2.37	3.87	6.48
6	Proposed/Declared dividend per share (Subunit)	1.00	1.50	1.00	1.50
		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 (\$\$)	1.0200		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 Third Quarter Ended 31 December 2009

	Individual Period		Cumulative Periods	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Periods
	31/12/2009 (RM'000)	31/12/2008 (RM'000)	31/12/2009 (RM'000)	31/12/2008 (RM'000)
<u>Note</u>				
Revenue	46,806	45,958	127,707	137,129
Cost of sales / services	(20,113)	(19,450)	(56,844)	(61,215)
Gross profit	26,693	26,508	70,863	75,914
Other income	779	485	1,660	1,765
Other expenses	(23,227)	(22,564)	(63,542)	(66,504)
Results from operating activities	4,245	4,429	8,981	11,175
Finance cost	(11)	(37)	(13)	(59)
Interest income	48	34	94	94
Share of losses after tax of equity accounted associates	(159)	(61)	(103)	(47)
Profit before tax	4,123	4,365	8,959	11,163
Tax expense	(2,592)	(1,243)	(3,849)	(2,613)
Profit for the period / year	1,531	3,122	5,110	8,550
Attributable to:				
Equity holders of the Company	1,754	3,122	5,349	8,550
Minority interest	(223)	-	(239)	-
Profit for the period / year	1,531	3,122	5,110	8,550
Earnings per share attributable to Shareholders of the Company:				
Basic earnings per share (sen)	1.16	2.37	3.87	6.48
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 December 2009

	<u>Note</u>	<u>As at 31/12/09 (RM '000)</u>	<u>As at 31/03/09 (RM '000)</u>
ASSETS			
Non-current assets			
Property, plant and equipment	A9	50,412	50,755
Intangible assets		7,925	3,767
Prepaid lease payments		877	891
Investment properties		1,705	1,679
Investments in associates		2,459	2,549
Deferred tax assets		1,199	1,271
		<u>64,577</u>	<u>60,912</u>
Current assets			
Receivables, deposits and prepayments		43,265	44,052
Inventories		38,774	43,500
Tax recoverable		275	524
Cash and cash equivalents		14,275	12,175
		<u>96,589</u>	<u>100,251</u>
TOTAL ASSETS		<u><u>161,166</u></u>	<u><u>161,163</u></u>
EQUITY AND LIABILITIES			
Share capital	A6	66,000	66,000
Reserves		6,635	7,372
Retained earnings		61,885	58,021
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>134,520</u>	<u>131,393</u>
MINORITY INTEREST		<u>3,821</u>	<u>-</u>
TOTAL EQUITY		<u>138,341</u>	<u>131,393</u>
Non-current liabilities			
Borrowings		40	60
Deferred tax liabilities		908	1,432
		<u>948</u>	<u>1,492</u>
Current liabilities			
Deferred revenue		5,815	6,626
Payables and accruals		12,986	19,836
Borrowings		27	26
Taxation		3,049	1,790
		<u>21,877</u>	<u>28,278</u>
TOTAL LIABILITIES		<u>22,825</u>	<u>29,770</u>
TOTAL EQUITY AND LIABILITIES		<u><u>161,166</u></u>	<u><u>161,163</u></u>
Net assets per share attributable to Shareholders of the Company (RM)		1.02	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 Period Ended 31 December 2009

	9 months and period-to-date 31/12/09 (RM '000)	9 months and period-to-date 31/12/08 (RM '000)
Cash flows from operating activities		
Profit before tax	8,959	11,163
<i>Adjustments for : -</i>		
Depreciation of property, plant and equipment	6,331	6,008
Amortisation of intangible assets	19	18
Amortisation of prepaid lease payments	14	14
Change in fair value of investment properties	-	53
Finance costs	13	59
Gain on disposal of property, plant and equipment	(63)	(75)
Gain on disposal of investment properties	-	(953)
Loss on disposal of other investment	-	41
Interest income	(94)	(94)
Property, plant and equipment written off	368	680
Inventories written off	145	1,358
Share of losses of equity accounted associates	103	47
Unrealised foreign exchange loss	1,258	404
Operating profit before changes in working capital	17,053	18,723
Changes in working capital		
Inventories	4,490	(610)
Receivables, deposits and prepayments	(115)	(5,368)
Payables and accruals	(6,267)	(8,371)
Deferred revenue	(811)	(460)
Cash generated from operating activities	14,350	3,914
Interest received	94	94
Tax paid	(2,793)	(3,558)
Net cash generated from operating activities	11,651	450
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,754)	(5,623)
Acquisition of intangible assets	(311)	-
Acquisition of subsidiaries, net of cash acquired	(3,855)	-
Investment in associates	(13)	-
Proceeds from disposal of property, plant and equipment	115	249
Proceeds from disposal of investment properties	-	1,510
Net cash used in investing activities	(9,818)	(3,864)
Cash flows from financing activities		
Contributions from minority interest	4,060	-
Proceeds from short term borrowings	-	2,800
Dividends paid to shareholders of the Company	(2,970)	(3,419)
Repayment of borrowings	(19)	(15)
Interest paid	(13)	(59)
Net cash generated from/ (used in) financing activities	1,058	(693)
Net increase/(decrease) in cash and cash equivalents	2,891	(4,107)
Effect of exchange rate fluctuations on cash held	(791)	1,723
Cash and cash equivalents at beginning of financial year	12,175	12,948
Cash and cash equivalents at end of financial period	14,275	10,564
	-	
<u>Note :</u>		
Cash and cash equivalents at end of financial period comprise:-		
Deposits placed with licensed banks	4,825	1,634
Cash and bank balances	9,450	8,930
	14,275	10,564

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 December 2009

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)
Nine (9) months ended 31 December 2009							
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	-	-	(737)	-	(737)	-	(737)
Net profit for the period	-	-	-	5,349	5,349	(239)	5,110
Total recognised income and expense for the year	-	-	(737)	5,349	4,612	(239)	4,373
Shares issued to minority interest	-	-	-	-	-	4,060	4,060
Dividends	-	-	-	(1,485)	(1,485)	-	(1,485)
At 31 December 2009	66,000	6,097	538	61,885	134,520	3,821	138,341
Nine (9) months ended 31 December 2008							
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	-	-	2,021	-	2,021	-	2,021
Net profit for the period	-	-	-	8,550	8,550	-	8,550
Total recognised income and expense for the year	-	-	2,021	8,550	10,571	-	10,571
Dividends	-	-	-	(3,419)	(3,419)	-	(3,419)
At 31 December 2008	66,000	6,097	1,513	57,412	131,022	-	131,022

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

Notes to the Quarterly Report for the Third Quarter ended 31 December 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 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.

A8. Segmental information

	Current Year Quarter Ended 31 December 2009		Current Period To Date Ended 31 December 2009	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
	RM '000	RM '000	RM '000	RM '000
Professional services and sales	24,630	4,935	65,966	9,316
Product distribution	34,322	(215)	91,508	(233)
Others*	2,000	1,833	2,000	1,639
Total	60,952	6,553	159,474	10,722
Elimination	(14,146)	(2,307)	(31,767)	(1,740)
Consolidated	46,806	4,246	127,707	8,982

* 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 December 2009 Limit (RM'000)	31 December 2009 Utilised (RM'000)
Guarantees given to financial institutions for facilities granted to subsidiaries	<u>28,100</u>	<u>8,662</u>

A13. Capital commitments

	31 December 2009 RM'000
Property, plant and equipment	
Contracted but not provided for and payable	423
Approved but not contracted for	<u>626</u>
	<u>1,049</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 RM127.7 million for the financial period ended 31 December 2009, in comparison to RM137.1 million for the preceding corresponding period, representing a decrease of RM9.4 million or 6.9%. The lower revenue was due to the reduction in sales from the product distribution segment mainly attributable to the prevailing challenging economic environment. The Group has been able to improve its revenue generation from the professional services and sales segment by RM3.1 million with recorded sales of RM66.0 million versus last year corresponding period of RM62.9 million.

The lower Group revenue translated into lower profit before tax and net profit of RM9.0 million (2008: RM11.2 million) and RM5.0 million (2008: RM8.6 million) respectively, a change of approximately 19.6% and 41.9%.

The revenue from the regional and export businesses of the Group for the current period under review was 49% (2008: 47%).

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

For the quarter ended 31 December 2009, the Group recorded profit before tax of RM4.1 million over revenue of RM46.8 million as compared to profit before tax of RM3.1 million over revenue of RM43.1 million in the preceding quarter. There was an improvement in profit before tax margin from 7.2% to 8.8%.

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 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) franchise scheme and 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 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

	Current Year Quarter Ended 31 December 2009 RM'000	Current Year-to-date Ended 31 December 2009 RM'000
<i>Current tax</i>		
Malaysian	2,627	4,689
Overseas	153	376
<i>Deferred tax</i>		
Malaysian	(27)	(639)
Overseas	(161)	(577)
	2,592	3,849

The Group effective tax rate for the financial period-to-date of 43% 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 period 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 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

	31 December 2009 RM'000
Borrowings	
<i>Current</i>	
Hire purchase payables	27
<i>Total</i>	27
<i>Non Current</i>	
Hire purchase payables	40
<i>Total</i>	40

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.

The Board of Directors recommends an interim dividend of 2% less 25% tax (31/3/09 : interim dividend of 3% less 25% tax) amounting to RM990,000 (31/3/09 : RM1,485,000) for the current financial year. The date of entitlement to the interim dividend is 8 April 2010 and the payment date is 30 April 2010.

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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Profit attributable to shareholders of the Company (RM'000)	1,531	3,122	5,110	8,550
Weighted average number of ordinary shares in issue ('000)	132,000	132,000	132,000	132,000
Basic EPS (Sen)	1.16	2.37	3.87	6.48

This announcement is dated 25 February 2010