

JERASIA CAPITAL BERHAD (503248-A)
Notes To Interim Financial Report On The Consolidated Results For
The Third Quarter Ended 31 December 2011

1. Basis of Preparation & Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with Interim Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2011.

2. Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2011 except for the changes required due to the adoption of the following new Financial Reporting Standards (“FRS”), Amendments to FRSs and Issues Committee (“IC”) Interpretations which are effective for financial period beginning :-

On or after 1 July 2010

FRSs, Amendments to FRSs and IC Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 2	Share-Based Payment
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives

On or after 1 January 2011

FRSs, Amendments to FRSs and IC Interpretations

Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures first-Time Adopters
Amendment to FRS 1	Additional Exemptions for First-Time Adopters

2. Significant Accounting Policies (Con't)

On or after 1 January 2011 (Con't)

FRSs, Amendments to FRSs and IC Interpretations

Amendment to FRS 2	Group Cash-Settled Share-Based Payment Transactions
Amendment to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement Contains a Lease
IC Interpretation 18	Transfer of Assets from Customers
Improvements to FRSs (2010)	Improvements to FRSs (2010)

The application of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

At the date of authorisation of this interim financial report, the following FRSs, Amendments to IC Interpretation and IC Interpretations were issued but not yet effective and have not been applied by the Group :-

Effective for financial periods beginning on or after 1 July 2011

FRSs, Amendments to FRSs and IC Interpretations

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012

FRSs, Amendments to FRSs and IC Interpretations

FRS 124	Related Party Disclosures (revised)
IC Interpretation 15	Agreements for the Constructions of Real Estate

3. Preceding Year's Audited Annual Accounts

The audited accounts of the Group for the preceding financial year ended 31 March 2011 were not qualified.

4. Seasonal and Cyclical Factors

The Group's principal business operations were not significantly affected by seasonal or cyclical factors.

5. Unusual Material Event

There was no unusual material event during the current quarter.

6. Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have a material effect in the current interim period under review.

7. Issuance and repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buyback, share cancellation, shares held as treasury shares or resale of treasury shares in the current interim period under review.

8. Dividend

There was no dividend proposed or paid during the current quarter under review.

9. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before tax is arrived at after charging/ (crediting) the following items:

	Current Quarter	Year-to-date
	RM'000	RM'000
Interest expense	448	1,201
Depreciation and amortization	1,450	4,528
Provision for and write off of inventories	(87)	135
Interest income	(1)	(3)
Foreign exchange gain	(724)	(291)
Gain on disposal of properties	(2,002)	(2,002)

There were no gain or loss on disposal of quoted or unquoted investments, provision for and write off of receivables, impairment of assets, gain or loss on derivatives and exceptional items for the financial quarter and financial year to date.

10. Segmental Reporting

The analysis of the Group by activity as at 31 December 2011 is as follows: -

	Retail	Garment	Haulage	Elimination	Group
	RM '000	Manufacturing	Services	RM '000	Total
		RM '000	RM '000		RM '000
Revenue					
External Sales	146,870	86,695	221	-	233,786
Inter-segment sales	-	17,825	463	(18,288)	-
	<u>146,870</u>	<u>104,520</u>	<u>684</u>	<u>(18,288)</u>	<u>233,786</u>

10. Segmental Reporting (Con't)

	Retail RM '000	Garment Manufacturing RM '000	Haulage Services RM '000	Elimination RM '000	Group Total RM '000
Results					
Segment results	15,507	(3,296)	55		12,266
Unallocated results					(176)
Profit from operations					12,090
Finance cost					(1,527)
Profit before taxation					10,563
Other Information					
<u>Assets</u>					
Segment assets	102,207	71,347	241	-	173,795
Unallocated assets					2,334
Total assets					176,129
<u>Capital Expenditure</u>	1,891	438	-	-	2,329

11. Property, plant and equipment

The valuations of property, plant and equipment have been brought forward, without amendments from the previous audited annual financial statements.

12. Subsequent events

There are no material events subsequent to the end of the current quarter, which has not been reflected in the financial statements for the current period.

13. Effect of changes in the composition of the Group

There have been no changes in the composition of the Group during the quarter under review including business composition, acquisition or disposal of any subsidiaries or long term investments, restructuring or discontinued operations.

14. Change in contingent liabilities

	Quarter Ended 31.12.2011 RM '000	Audited Financial Year Ended 31.03.2011 RM '000
Corporate guarantee given to banks to secure banking facilities granted to subsidiaries	112,940	106,060
Third party legal claim	<u>525</u>	<u>525</u>

15. Significant Related Party Transaction

There is no significant related party transaction for the quarter under review.

16. Review of Performance

Comparison with corresponding quarter in the previous financial year

For the current quarter under review, the Group's total revenue increased by 10.99% to RM87.64 million from RM78.97 million achieved in the previous year's corresponding quarter. The retail segment registered a revenue increase of 19.61% from RM49.01 million to RM58.62 million. However, the garment export manufacturing segment declined marginally by 3.24% from RM29.90 million to RM28.93 million.

The strong performance of the domestic retail segment is mainly due to the overall better performance of existing boutiques and counters and to the favourable domestic environment. The Malaysian economy continues to demonstrate strength, resilience and improved consumer spending. Profit before tax for this segment increased to RM6.56 million from RM3.48 million in the corresponding quarter.

The garment export manufacturing segment, however, continues to face challenges given the global economic uncertainties coupled with the instability in the currency markets. In line with the lower revenue, this segment registered a loss amounting to RM1.60 million as compared to a loss of RM0.84 million in the corresponding quarter.

Comparison with corresponding previous financial year to date

For the nine months period ended 31 December 2011, the Group's total revenue increased by 11.58% to RM233.79 million from RM209.53 million in the corresponding period ended 31 December 2010. The retail segment grew 14.27% from RM128.47 million to RM146.81 million while the garment export manufacturing segment increased by 7.27% from RM80.88 million to RM86.75million.

The Group's Profit before tax for the current period amounted to RM10.56 million as compared to RM4.85 million in the corresponding period. Profit before tax for the retail segment was RM14.69 million while the garment export manufacturing segment registered a loss of RM4.01 million.

17. Comparison with Immediate Preceding Quarter

The Group registered a 19.83% increase in total revenue to RM87.64 million in the current quarter as compared to RM73.14 million in the immediate preceding quarter. The retail segment's revenue increased 33.43% to RM58.62 million from RM43.94 million in the preceding quarter due mainly to strong year-end festive demand and improved overall performance from existing boutiques and counters. The garment export manufacturing sector, however, declined a marginal 0.67% to RM28.93 million from RM29.13 million.

17. Comparison with Immediate Preceding Quarter (Con't)

The Group recorded 110.04% increase in Profit before tax to RM4.94 million in the current quarter from RM2.35 million in the preceding quarter. The retail segment recorded a profit before tax of RM6.56 million in the current quarter as compared to RM4.07 million in the preceding quarter. The garment export manufacturing segment, on the other hand, recorded a loss of RM1.60 million in the current quarter as compared to a loss of RM1.61 million in the preceding quarter.

18. Current Year Prospects

Barring unforeseen circumstances, the Group is optimistic of its continued positive performance for the financial period ending 31st March 2012. This is notwithstanding the current global economic uncertainties which continue to pose challenges to the external export sector.

19. Profit Forecast or Guarantee

Not applicable.

20. Taxation

The breakdown of taxation is as follows :-

	Current Quarter RM '000	Year-to-date RM '000
Taxation	1,257	2,331
Deferred Tax	460	460
	<u>1,717</u>	<u>2,791</u>

The Group's effective tax rate is higher than the statutory tax rate due primarily to the reversal of deferred tax asset of a subsidiary.

21. Realised and unrealised Profits/Losses Disclosure

	As At 31 Dec 2011 RM '000	As At 31 Dec 2010 RM '000
Realised	74,484	67,321
Unrealised	699	663
	<u>75,183</u>	<u>67,984</u>
Consolidation Adjustments	(41,095)	(41,095)
Total Group retained earning as per consolidated accounts	<u>34,088</u>	<u>26,889</u>

22. Status of Corporate Proposals announced and not completed

Share Buy-Back

At the Eleventh Annual General Meeting held on 25 Aug 2011, shareholders approved the renewal of Share Buy-Back mandate. To-date, the Company has not effected any Share Buy-Back transaction.

23. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the current quarter comprise :-

	RM '000
Unsecured Borrowings (Short Term)	<u>49,875</u>

There was no debt security issued.

24. Derivatives

- a) There was no outstanding derivative (including instruments designated as hedging instruments) as at the end of the quarter ended 31 December 2011; and
- b) The Group has not entered into any type of derivative, not disclosed in the previous financial year or any of the previous quarters under the current financial year.

25. Pending Material Litigation

There is no pending material litigation.

26. Earnings per share

Earnings per share have been computed based on profit for the period attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period.

	9 months ended		Year to Date	
	31.12.11	31.12.10	31.12.11	31.12.10
Profit for the period attributable to equity holders of the Company (RM'000)	3,221	1,165	7,772	3,149
Weighted average number of ordinary shares in issue (RM '000)	82,046	82,046	82,046	82,046
Basic earnings per share (sen)	3.93	1.42	9.47	3.84