

JERASIA CAPITAL BERHAD (503248-A)
Notes To Interim Financial Report On The Consolidated Results For
The Fourth Quarter Ended 31 March 2012

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
Amendments to FRS 2	Share-Based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments 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
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

On or after 1 January 2011

FRSs, Amendments to FRSs and IC Interpretations

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures first-Time Adopters
Amendments 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

Amendments to FRS 2	Group Cash-Settled Share-Based Payment Transactions
Amendments 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
Amendments 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

Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to FRS 112	Income Taxes – Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 124	Related Party Disclosures (revised)
IC Interpretation 15	Agreements for the Constructions of Real Estate

Effective for financial periods beginning on or after 1 July 2012

FRSs, Amendments to FRSs and IC Interpretations

Amendments to FRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
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2. Significant Accounting Policies (Con't)

Effective for financial periods beginning on or after 1 January 2013 FRSs, Amendments to FRSs and IC Interpretations

FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (as amended in November 2011)
FRS 127	Separate Financial Statements (as amended in November 2011)
FRS 128	Investments in Associates and Joint Ventures (as amended in November 2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS framework), consisting of accounting standards which are in line with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). This MFRS framework is effective for annual periods beginning on or after 1 January 2012 and shall be applied by all entities other than private entities.

The Group and the Company will adopt the MFRSs to prepare the financial statements from the financial year ending 31 March 2013.

The adoption of the above MFRS framework is not expected to have any significant impact on the financial statements of the Group and of the Company.

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

An interim dividend of 1.0 sen per share less 25% income tax for the financial year ended 31 March 2012 was paid on 11 January 2012.

There was no interim dividend declared for the current quarter under review

The Board of Directors proposed a final dividend of 2.0 sen per share less 25% income tax in respect of the financial year ended 31 March 2012 (2011: 1.0 sen per share less 25% income tax), subject to the approval of Shareholders at the forthcoming Annual General Meeting of the Company.

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	426	1,627
Depreciation and amortization	1,436	5,964
Provision for and write off of inventories	68	203
Provision for and write off of receivables	216	216
Interest income	(3)	(6)
Foreign exchange gain	(663)	(961)
Gain on disposal of properties	-	(2,002)

There were no gain or loss on disposal of quoted or unquoted investments, impairment of assets, gain or loss on derivatives and exceptional items for the financial quarter and financial year todate.

10. Segmental Reporting

The analysis of the Group by activity as at 31 March 2012 is as follows: -

	Retail RM '000	Garment Manufacturing RM '000	Haulage Services RM '000	Elimination RM '000	Group Total RM '000
Revenue					
External Sales	191,886	124,474	254	-	316,614
Inter-segment sales	-	5,085	536	(5,621)	-
	<u>191,886</u>	<u>129,559</u>	<u>790</u>	<u>(5,621)</u>	<u>316,614</u>

	Retail RM '000	Garment Manufacturing RM '000	Haulage Services RM '000	Elimination RM '000	Group Total RM '000
Results					
Segment results	19,094	(4,381)	40	-	14,753
Unallocated results					(298)
Profit from operations					<u>14,455</u>
Finance cost					<u>(2,112)</u>
Profit before taxation					<u>12,343</u>

Other Information

Assets

Segment assets	100,956	67,291	247	-	168,494
Unallocated assets					<u>1,832</u>
Total assets					<u>170,326</u>
<u>Capital Expenditure</u>	4,241	436	-	-	<u>4,677</u>

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 31.03.2012 RM '000	Audited Financial Year Ended 31.03.2011 RM '000
Corporate guarantee given to banks to secure banking facilities granted to subsidiaries	112,600	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 the corresponding quarter in the previous financial year

For the current quarter under review, the Group's total revenue increased by 13.79% to RM82.83 million from RM72.79 million achieved in the previous year's corresponding quarter. The retail segment registered a revenue increase of 13.23% from RM39.81 million to RM45.07 million. The garment export manufacturing segment also improved by 14.53% from RM32.94 million to RM37.72 million.

The Malaysian economy continues to demonstrate strength, resilience and improved consumer spending. This, together with the overall better performance of the existing boutiques and counters continues to support the growth of this retail segment. Profit before tax for this segment increased to RM3.32 million from RM1.11 million in the corresponding quarter.

The garment export manufacturing segment continues to face challenges given the global economic uncertainties coupled with the instability in the currency markets and ongoing sovereign debt and structural issues in the advanced economies. In line with the weaker external environment, this segment registered a loss amounting to RM1.40 million as compared to a profit of RM0.22 million in the corresponding quarter.

Comparison with the previous financial year

For the financial year ended 31 March 2012, the Group's total revenue increased by 12.15% to RM316.61 million from RM282.32 million in the financial year ended 31 March 2011. The retail segment grew 14.03% from RM168.28 million to RM191.89 million while the garment export manufacturing segment increased by 9.37% from RM113.81 million to RM124.47 million.

The Group's Profit before tax for the current financial year amounted to RM12.34 million as compared to RM6.08 million in the previous financial year. Profit before tax for the retail segment was RM18.01 million while the garment export manufacturing segment registered a loss of RM5.41 million.

17. Comparison with Immediate Preceding Quarter

The Group registered a 5.49% decrease in total revenue to RM82.83 million in the current quarter as compared to RM87.64 million in the immediate preceding quarter. The retail segment's revenue declined 23.11% to RM45.07 million from RM58.62 million in the preceding quarter due mainly to strong year-end festive demand in the immediate preceding quarter. The garment export manufacturing sector, however, increased 30.39% to RM37.72 million from RM28.93 million.

The Group recorded a 63.93% decrease in Profit before tax to RM1.78 million in the current quarter from RM4.94 million in the preceding quarter. The retail segment recorded a profit before tax of RM3.32 million in the current quarter as compared to RM6.56 million in the preceding quarter. The garment export manufacturing segment, on the other hand, recorded a loss of RM1.40 million in the current quarter as compared to a loss of RM1.60 million in the preceding quarter.

18. Future Year Prospects

Given the continuing uncertainties surrounding the global economy, the Group remains watchful over its performance in the coming financial year.

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	1,255	3,585
Deferred Tax	(143)	317
	<u>1,112</u>	<u>3,902</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 Mar 2012 RM '000	As At 31 Mar 2011 RM '000
Realised	74,942	67,717
Unrealised	910	924
	<u>75,852</u>	<u>68,641</u>
Consolidation Adjustments	(41,095)	(41,095)
Total Group retained earning as per consolidated accounts	<u>34,757</u>	<u>27,546</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>42,104</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 March 2012; 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.

	3 months ended		Year to Date	
	31.03.12	31.03.11	31.03.12	31.03.11
Profit for the period attributable to equity holders of the Company (RM'000)	668	657	8,441	3,806
Weighted average number of ordinary shares in issue (RM '000)	82,046	82,046	82,046	82,046
Basic earnings per share (sen)	0.81	0.80	10.29	4.64