

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2014
CONTINUING OPERATIONS

	Current Quarter Ended 31/03/2014 RM '000	Corresponding Quarter Ended 31/03/2013 RM '000	Current 12 Months Ended 31/03/2014 RM '000	Corresponding 12 Months Ended 31/03/2013 RM '000
Revenue	83,111	81,028	320,885	320,942
Other income	367	116	449	449
	<hr/> 83,478	<hr/> 81,144	<hr/> 321,334	<hr/> 321,391
Operating expenses	(81,649)	(80,275)	(313,806)	(309,264)
Finance cost	(685)	(539)	(2,503)	(2,009)
Profit before tax	<hr/> 1,144	<hr/> 330	<hr/> 5,025	<hr/> 10,118
Taxation	(312)	(1,056)	(1,741)	(3,123)
Profit for the period attributable to equity holders of the Company	<hr/> 832	<hr/> (726)	<hr/> 3,284	<hr/> 6,995
Other comprehensive income				
Currency translation difference arising from consolidation	(16)	82	344	67
Total comprehensive income for the period attributable to equity holders of the Company	<hr/> 816 <hr/>	<hr/> (644) <hr/>	<hr/> 3,628 <hr/>	<hr/> 7,062 <hr/>
Earnings per share				
- Basic (sen)	1.01	(0.88)	4.00	8.53
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the audited annual financial report for the year ended 31 March 2013

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Unaudited	Audited
	As At	As At
	31/03/2014	31/03/2013
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	38,898	39,250
Intangible assets	29,184	28,743
Long term deposits	8,019	6,891
Deferred tax assets	582	627
	<u>76,683</u>	<u>75,511</u>
Current assets		
Inventories	61,791	56,003
Trade and other receivables	53,443	36,685
Tax recoverable	35	345
Cash and bank balances	3,975	11,038
	<u>119,244</u>	<u>104,071</u>
TOTAL ASSETS	<u>195,927</u>	<u>179,582</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	41,333	37,705
Total equity	<u>123,379</u>	<u>119,751</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	843	862
Current liabilities		
Trade and other payables	16,424	11,715
Short term bank borrowings (unsecured)	54,944	47,023
Taxation payable	337	231
	<u>71,705</u>	<u>58,969</u>
Total liabilities	<u>72,548</u>	<u>59,831</u>
TOTAL EQUITY AND LIABILITIES	<u>195,927</u>	<u>179,582</u>
Net assets per share (RM) *	1.50	1.46

The Condensed Consolidated Statement of Financial Position
should be read in conjunction with the audited annual financial report for the year ended 31 March 2013

*The net assets per share is based on the computation of total assets (including intangibles) minus total liabilities divided by total number of ordinary shares in circulation

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INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Year Ended 31/03/2014 RM '000	Year Ended 31/03/2013 RM '000
CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES		
Profit before tax	5,025	10,118
Adjustments for :-		
Depreciation of property, plant and equipment	6,656	6,672
Interest income	(82)	(3)
Interest expenses	1,921	1,578
Property, plant and equipment written off	127	882
Inventories written off and written down	119	546
Trade and other receivables written off	-	128
Loss / (gain) on disposal of property, plant and equipment	1	(72)
Loss / (gain) on foreign exchange - unrealised	142	(49)
Operating profit before changes in working capital	<u>13,909</u>	<u>19,800</u>
Changes in working capital:-		
Net change in current assets	(22,808)	(2,627)
Net change in current liabilities	4,709	(72)
Cash (used in) / generated from operations	<u>(4,190)</u>	<u>17,101</u>
Interest paid	(1,921)	(1,578)
Interest received	82	3
Taxation paid, net of refunds	(1,299)	(3,765)
Net cash (used in) / from operating activities	<u>(7,328)</u>	<u>11,761</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,285)	(13,274)
Proceeds from disposal of property, plant and equipment	1	72
Increase in entrance fee	(441)	(378)
Long term deposits	(1,128)	(636)
Net cash used in investing activities	<u>(7,853)</u>	<u>(14,216)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	7,990	5,090
Dividend paid	-	(1,231)
Net cash from financing activities	<u>7,990</u>	<u>3,859</u>
Net (decrease) / increase in cash and cash equivalents	(7,191)	1,404
Net effect of exchange rate movements	197	33
Cash and cash equivalents brought forward	<u>10,170</u>	<u>8,733</u>
Net cash and cash equivalents carried forward	<u><u>3,176</u></u>	<u><u>10,170</u></u>
Cash and cash equivalents comprises:-		
Cash and bank balances	3,975	11,038
Bank overdraft	(799)	(868)
	<u>3,176</u>	<u>10,170</u>

The Condensed Consolidated Statement of Cash Flows

should be read in conjunction with the audited annual financial report for the year ended 31 March 2013 3

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FOR THE FOURTH QUARTER ENDED 31 MARCH 2014
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Attributable to equity holders of the Company			Total RM '000
	Share Capital RM '000	Foreign Exchange Reserve RM '000	Unappropriated Profits RM '000	
12 Months				
<u>Ended 31 March 2014</u>				
Balance as at 1 April 2013	82,046	(2,816)	40,521	119,751
Total comprehensive income	-	344	3,284	3,628
Balance as at 31 March 2014	82,046	(2,472)	43,805	123,379
12 Months				
<u>Ended 31 March 2013</u>				
Balance as at 1 April 2012	82,046	(2,883)	34,757	113,920
Total comprehensive income	-	67	6,995	7,062
Dividends paid	-	-	(1,231)	(1,231)
Balance as at 31 March 2013	82,046	(2,816)	40,521	119,751

The Condensed Consolidated Statement of Changes in Equity
should be read in conjunction with the audited annual financial report for the year ended 31 March 2013

**NOTES TO THE INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014**

1 Basis of Preparation and Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2013. These explanatory notes attached to the interim financial report 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 2013.

2 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for year ended 31 March 2013 except for adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations by the Group with effect from 1 April 2013:

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS- Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and MFRSs 2009-2011 Cycle	

The adoption of the above did not have any significant impact on the interim financial reports of the Group.

As at the date of this interim financial report, the following MFRSs and Amendments to MFRSs were issued but are not yet effective and have not been adopted by the Group:-

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation- Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting

2 Significant Accounting Policies (Cont'd)

Effective for financial periods beginning on or after 1 January 2014 (Cont'd)

IC Interpretation

Levies

Effective for financial periods beginning on or after 1 July 2014

Amendments to MFRS 119

Defined Benefit Plans: Employee Contributions

Annual Improvements to IC Interpretations and MFRSs 2010-2012 Cycle

Annual Improvements to IC Interpretations and MFRSs 2011-2013 Cycle

Effective for financial periods to be announced by Malaysian Accounting Standards Board (MASB)

MFRS 9

Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)

MFRS 9

Financial Instruments (IFRS 9 issued by IASB in October 2010)

MFRS 9

Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)

MFRS 9

Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant impact to the financial statements of the Group upon their initial application.

3 Preceding Year's Audited Annual Accounts

The audited accounts of the Group for the preceding financial year ended 31 March 2013 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 Profit and Loss and Other 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	526	1,921
Depreciation and amortization	1,712	6,656
Inventories written off and written down	28	119
Interest income	-	(82)
Foreign exchange gain	(398)	(209)

There was no gain or loss on disposal of properties and 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 is as follows: -

	Retail	Garment	Elimination	Group Total
	RM '000	RM '000	RM '000	RM '000
12 Months				
<u>Ended 31 March 2014</u>				
Revenue				
External sales	193,591	127,294	-	320,885
Inter-segment sales	15	7,182	(7,197)	-
	<u>193,606</u>	<u>134,476</u>	<u>(7,197)</u>	<u>320,885</u>
Results				
Segment results	6,165	1,640	-	7,805
Unallocated results				(277)
Profit from operations				<u>7,528</u>
Finance cost				(2,503)
Profit before tax				<u><u>5,025</u></u>
<u>As At 31 March 2014</u>				
Assets				
Segment assets	113,107	82,096	-	195,203
Unallocated assets				724
Total assets				<u><u>195,927</u></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

	As At 31/03/2014 RM '000	Audited As At 31/03/2013 RM '000
Corporate guarantee given to banks to secure banking facilities granted to subsidiaries	154,313	120,711
Third party legal claim (*)	-	525

* The liability has been resolved and was reflected previously in the second quarter reporting of this financial year.

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

The Group's total revenue for the current quarter under review, amounted to RM83.11 million, an increase of 2.57% from RM81.03 million in the previous corresponding quarter.

The retail segment contributed RM46.93 million, a decrease of 6.13% from RM49.99 million in the previous corresponding quarter. Profit before tax decreased to RM1.10 million from RM2.20 million in the previous corresponding quarter. This was due mainly to more aggressive promotional campaigns and discounts offered amidst a more competitive retail environment.

The garment manufacturing segment contributed RM40.30 million, an increase of 9.87% from RM36.68 million in the previous corresponding quarter. Of this, inter-company sales is RM4.12 million, versus RM5.65 million in the previous corresponding quarter. Profit before tax amounted to RM0.15 million from a loss of RM1.76 million in the previous corresponding quarter. This reflects an improving environment for garment manufacturing as a whole.

Comparison with the previous financial year

For the current financial year ended 31 March 2014, the Group's total revenue amounted to RM320.89 million, a marginal decrease of 0.02% from RM320.94 million.

The revenue for the retail segment contributed RM193.59 million, a decline of 5.82% from the previous RM205.55 million. This decrease is primarily due to the discontinuation of our association with the Calvin Klein Jeans brand, temporary closure of 3 major boutiques for refurbishment, closure of 20 consignment counters and a generally sluggish retail environment, especially during the first half of this financial year.

16 Review of Performance (Cont'd)

Comparison with the previous financial year (Cont'd)

On the other hand, revenue for the garment manufacturing contributed RM127.29 million, an increase of 10.31%, from the previous financial year of RM115.39 million. This is after the elimination of inter-company sales which amounted to RM7.18 million in the current year, as compared to RM17.39 million in the previous corresponding year.

Overall, the Group's profit before tax for the current financial year declined to RM5.03 million from RM10.12 million in the previous financial year. Of this, the retail segment contributed RM4.74 million as compared to the previous RM13.05 million. This is due mainly to the reduction in revenue attributed to the discontinuation of our association with the Calvin Klein Jeans brand; increases in pre-operating expenses for a renewed phase of new shop openings and refurbishments; start up expenses associated with the launch of a new brand as well as lower margins. The garment manufacturing segment, on the other hand, registered a significant improvement in its performance to achieve a profit before tax of RM0.56 million, as compared to a loss of RM2.61 million for the previous financial year. This is as a result of better capacity utilisation and gains in production and operational efficiencies.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 31 March 2014, the Group's total revenue amounted to RM83.11 million, a decrease of 6.03% from RM88.44 million in the immediate preceding quarter.

Of the total, the retail segment's revenue was RM46.93 million, a decrease of 16.19% from RM55.99 million in the preceding quarter. The garment manufacturing segment's revenue was RM40.30 million, registering an increase of 18.69% from RM33.96 million in the immediate preceding quarter, inclusive of inter-company sales of RM4.12 million versus RM1.51 million in the immediate preceding quarter.

Profit before tax for the current quarter amounted to RM1.14 million, a decrease of 46.77% from RM2.15 million in the immediate preceding quarter. Of this, the retail segment contributed RM1.10 million, from RM1.89 million in the immediate preceding quarter, whilst the garment manufacturing segment contributed RM0.15 million, from RM0.30 million in the immediate preceding quarter.

18 Prospects for the Next Financial Year

The Group is maintaining a positive longer term outlook and is continuing on its expansionary mode, going forward. The Group will however remain vigilant and mindful of the challenging trading environment, both in domestic and external markets.

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
Estimated current tax payable	267	1,715
Deferred taxation	45	26
	<u>312</u>	<u>1,741</u>

The Group's effective tax rate is higher than the statutory tax rate. This is mainly due to non-deductible expenses for tax calculation.

21 Realised and Unrealised Profits / Losses Disclosure

	As At 31/03/2014 RM '000	As At 31/03/2013 RM '000
Realised	85,709	81,995
Unrealised	(403)	(185)
	<hr/> 85,306	<hr/> 81,810
Consolidation adjustments	(41,501)	(41,289)
Total Group retained earnings as per consolidated accounts	<hr/> <hr/> 43,805	<hr/> <hr/> 40,521

22 Status of Corporate Proposals Announced and Not Completed

Share Buy-Back

At the Thirteenth Annual General Meeting held on 28 Aug 2013, 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
Short term bank borrowings (unsecured)	<hr/> <hr/> 54,944

There was no debt securities issued.

24 Derivatives

- a) There was no outstanding derivatives (including instruments designated as hedging instruments) as at the end of the financial year ended 31 March 2014; 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	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Profit for the period attributable to equity holders of the Company (RM'000)	832	(726)	3,284	6,995
Weighted average number of ordinary shares in issue (RM'000)	82,046	82,046	82,046	82,046
Basic earnings per share (sen)	<hr/> <hr/> 1.01	<hr/> <hr/> (0.88)	<hr/> <hr/> 4.00	<hr/> <hr/> 8.53