

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2014
CONTINUING OPERATIONS

	Current Quarter Ended 30/09/2014 RM '000	Corresponding Quarter Ended 30/09/2013 RM '000	Current 6 Months Ended 30/09/2014 RM '000	Corresponding 6 Months Ended 30/09/2013 RM '000
Revenue	80,168	78,665	158,390	149,334
Other income	(227)	315	11	316
	<hr/> 79,941	<hr/> 78,980	<hr/> 158,401	<hr/> 149,650
Operating expenses	(77,745)	(77,609)	(153,353)	(146,763)
Finance cost	(779)	(648)	(1,516)	(1,155)
Profit before tax	<hr/> 1,417	<hr/> 723	<hr/> 3,532	<hr/> 1,732
Taxation	(450)	(310)	(1,053)	(652)
Profit for the period attributable to equity holders of the Company	<hr/> 967	<hr/> 413	<hr/> 2,479	<hr/> 1,080
Other comprehensive income				
Currency translation difference arising from consolidation	140	196	33	328
Total comprehensive income for the period attributable to equity holders of the Company	<hr/> 1,107 <hr/>	<hr/> 609 <hr/>	<hr/> 2,512 <hr/>	<hr/> 1,408 <hr/>
Earnings per share				
- Basic (sen)	1.18	0.50	3.02	1.32
- 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 2014

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Unaudited	Audited
	As At	As At
	30/09/2014	31/03/2014
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	44,035	38,898
Intangible assets	29,611	29,184
Long term deposits	7,943	8,019
Deferred tax assets	563	582
	<u>82,152</u>	<u>76,683</u>
Current assets		
Inventories	66,363	61,791
Trade and other receivables	54,958	53,443
Tax recoverable	35	35
Cash and bank balances	5,950	3,975
	<u>127,306</u>	<u>119,244</u>
TOTAL ASSETS	<u>209,458</u>	<u>195,927</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	43,845	41,333
Total equity	<u>125,891</u>	<u>123,379</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	871	843
Current liabilities		
Trade and other payables	15,746	16,424
Short term bank borrowings (unsecured)	66,366	54,944
Taxation payable	584	337
	<u>82,696</u>	<u>71,705</u>
Total liabilities	<u>83,567</u>	<u>72,548</u>
TOTAL EQUITY AND LIABILITIES	<u>209,458</u>	<u>195,927</u>
Net assets per share (RM) *	1.53	1.50

The Condensed Consolidated Statement of Financial Position
should be read in conjunction with the audited annual financial report for the year ended 31 March 2014

*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 SECOND QUARTER ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Period Ended 30/09/2014 RM '000	Period Ended 30/09/2013 RM '000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	3,532	1,732
Adjustments for :-		
Depreciation of property, plant and equipment	4,208	3,261
Interest income	(1)	(81)
Interest expenses	1,173	889
Property, plant and equipment written off	153	-
Inventories written off and written down	13	57
Loss on disposal of property, plant and equipment	-	1
Operating profit before changes in working capital	<u>9,078</u>	<u>5,859</u>
Changes in working capital:-		
Net change in current assets	(6,099)	(14,982)
Net change in current liabilities	(680)	642
Cash generated from / (used in) operations	<u>2,299</u>	<u>(8,481)</u>
Interest paid	(1,173)	(889)
Interest received	1	81
Taxation paid, net of refunds	(759)	(739)
Net cash generated from / (used in) operating activities	<u>368</u>	<u>(10,028)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,503)	(3,211)
Proceeds from disposal of property, plant and equipment	15	1
Increase in entrance fee	(427)	(395)
Decrease / (Increase) in long term deposits	77	(364)
Net cash used in investing activities	<u>(9,838)</u>	<u>(3,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank borrowings	<u>11,531</u>	<u>12,799</u>
Net cash generated from financing activities	<u>11,531</u>	<u>12,799</u>
Net increase / (decrease) in cash and cash equivalents	2,061	(1,198)
Net effect of exchange rate movements	23	175
Cash and cash equivalents brought forward	<u>3,176</u>	<u>10,170</u>
Net cash and cash equivalents carried forward	<u>5,260</u>	<u>9,147</u>
Cash and cash equivalents comprises:-		
Cash and bank balances	5,950	9,834
Bank overdraft	(690)	(687)
	<u>5,260</u>	<u>9,147</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 2014

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to equity holders of the Company			Total RM '000
	Share Capital RM '000	Foreign Exchange Reserve RM '000	Unappropriated Profits RM '000	
6 Months				
<u>Ended 30 September 2014</u>				
Balance as at 1 April 2014	82,046	(2,472)	43,805	123,379
Total comprehensive income	-	33	2,479	2,512
Balance as at 30 September 2014	82,046	(2,439)	46,284	125,891
6 Months				
<u>Ended 30 September 2013</u>				
Balance as at 1 April 2013	82,046	(2,816)	40,521	119,751
Total comprehensive income	-	328	1,080	1,408
Balance as at 30 September 2013	82,046	(2,488)	41,601	121,159

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 2014

**NOTES TO THE INTERIM FINANCIAL REPORTS ON THE CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 2014. 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 2014.

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 2014 except for adoption of the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations by the Group with effect from 1 April 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	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instrument: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above pronouncements did not have any 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 July 2014

Amendments to MFRS 119	Employee Benefits: Defined Benefit Plans- Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

Effective for financial periods beginning on or after 1 January 2016

Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Joint Arrangements: Accounting for Acquisitions of Interest in Joint Operations
MFRS 14	Regulatory Deferral Accounts

2 Significant Accounting Policies (Cont'd)

Effective for financial periods beginning on or after 1 January 2016 (Cont'd)

Amendments to MFRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116	Property, Plant and Equipment: Agriculture- Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 138	Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 141	Agriculture: Bearer Plants
Annual Improvements to MFRSs 2012-2014 Cycle	

Effective for financial periods beginning on or after 1 January 2017

MFRS 15	Revenue from Contracts with Customers
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Effective for financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
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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 2014 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	613	1,173
Depreciation and amortization	2,233	4,208
Inventories written off and written down	4	13
Interest income	(1)	(1)
Foreign exchange loss	809	571

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 Segment Reporting

The analysis of the Group by activity is as follows: -

	Retail	Garment Manufacturing	Elimination	Group Total
	RM '000	RM '000	RM '000	RM '000
6 Months				
<u>Ended 30 September 2014</u>				
Revenue				
External sales	97,857	60,533	-	158,390
Inter-segment sales	-	870	(870)	-
	<u>97,857</u>	<u>61,403</u>	<u>(870)</u>	<u>158,390</u>
Results				
Segment results	4,287	879	-	5,166
Unallocated results				(118)
Profit from operations				<u>5,048</u>
Finance cost				(1,516)
Profit before tax				<u><u>3,532</u></u>
<u>As At 30 September 2014</u>				
Assets				
Segment assets	119,672	89,082	-	208,754
Unallocated assets				704
Total assets				<u><u>209,458</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	Audited
	30/09/2014	31/03/2014
	RM '000	RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	144,543	154,313

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 RM80.17 million, an increase of 1.91% from RM78.67 million in the previous corresponding quarter.

The retail segment contributed RM48.83 million, an increase of 3.37% from RM47.24 million in the previous corresponding quarter. Profit before tax increased to RM1.35 million from RM0.74 million in the previous corresponding quarter. Notwithstanding revenue was higher, as a result of aggressive promotional campaigns, the impact was lower margins compared to the previous corresponding quarter.

Revenue for the garment manufacturing segment dipped slightly by 0.28% to RM31.34 million from RM31.43 million in the previous corresponding quarter. Profit before tax however, improved to RM0.18 million from RM0.10 million in the previous corresponding quarter due to improving production efficiencies.

Comparison with the corresponding previous financial year to date

For the cumulative six months period ended 30 September 2014, the Group's total revenue totalled RM158.39 million, an increase of 6.07% from RM149.33 million.

The revenue for the retail segment was RM97.86 million, an increase of 7.92% compared to RM90.67 million in the previous corresponding period. Revenue for the garment manufacturing was RM60.53 million, an increase of 3.19% compared to RM58.66 million in the previous corresponding period.

Overall, the Group's profit before tax for the cumulative six months period amounted to RM3.53 million, an increase of 103.93% from RM1.73 million. Of this, the retail segment contributed RM3.33 million, an increase of 90.07% compared to RM1.75 million in the previous corresponding period. The garment manufacturing segment contributed RM0.32 million, an increase of 193.58% compared to RM0.11 million in the previous corresponding period.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 30 September 2014, the Group's total revenue amounted to RM80.17 million, an increase of 2.49% from RM78.22 million in the immediate preceding quarter.

Of the total, the retail segment's revenue was marginally lower at RM48.83 million, a decrease of 0.41% from RM49.03 million in the preceding quarter. The garment manufacturing segment's revenue was RM31.34 million, an increase of 7.36% from RM29.19 million in the immediate preceding quarter.

Profit before tax for the current quarter amounted to RM1.42 million, a decrease of 33.00% from RM2.12 million in the immediate preceding quarter. Of this, the retail segment contributed RM1.35 million, from RM1.98 million in the immediate preceding quarter due to aggressive promotional campaigns which resulted in lower margins, taking into account weak market sentiments. The garment manufacturing segment contributed RM0.18 million, from RM0.14 million in the immediate preceding quarter, despite a foreign exchange loss of RM0.81 million.

18 Current Year Prospects

The Group is maintaining a positive longer term outlook and is continuing its expansionary mode in both the retail and manufacturing segments.

19 Profit Forecast or Guarantee

Not applicable.

20 Taxation

The breakdown of taxation is as follows:-

	Current Quarter	Year-to-Date
	RM '000	RM '000
Estimated current tax payable	433	1,006
Deferred taxation	17	47
	<u>450</u>	<u>1,053</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 Retained Earnings

	As At	As At
	30/09/2014	31/03/2014
	RM '000	RM '000
Realised	88,016	85,709
Unrealised	(307)	(403)
	<u>87,709</u>	<u>85,306</u>
Consolidation adjustments	(41,425)	(41,501)
Group retained earnings as per consolidated accounts	<u>46,284</u>	<u>43,805</u>

22 Status of Corporate Proposals Announced and Not Completed

Share Buy-Back

At the Fourteenth Annual General Meeting held on 24 September 2014, 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)	<u>66,366</u>

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 quarter ended 30 September 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	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Profit for the period attributable to equity holders of the Company (RM' 000)	967	413	2,479	1,080
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046	82,046	82,046
Basic earnings per share (sen)	<u>1.18</u>	<u>0.50</u>	<u>3.02</u>	<u>1.32</u>