

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016
CONTINUING OPERATIONS

	Current Quarter Ended 31/03/2016 RM '000	Corresponding Quarter Ended 31/03/2015 RM '000	Current 12 Months Ended 31/03/2016 RM '000	Corresponding 12 Months Ended 31/03/2015 RM '000
Revenue	97,016	91,050	389,252	337,232
Other income	(2,064)	6,241	1,423	6,249
	<hr/> 94,952	<hr/> 97,291	<hr/> 390,675	<hr/> 343,481
Operating expenses	(92,451)	(91,200)	(379,433)	(329,995)
Finance cost	(1,117)	(788)	(3,731)	(2,579)
Profit before tax	<hr/> 1,384	<hr/> 5,303	<hr/> 7,511	<hr/> 10,907
Taxation	(405)	1,059	(1,499)	(878)
Profit for the period attributable to equity holders of the Company	<hr/> 979	<hr/> 6,362	<hr/> 6,012	<hr/> 10,029
Other comprehensive income				
Currency translation difference arising from consolidation	(860)	264	407	733
Total comprehensive income for the period attributable to equity holders of the Company	<hr/> 119 <hr/>	<hr/> 6,626 <hr/>	<hr/> 6,419 <hr/>	<hr/> 10,762 <hr/>
Earnings per share				
- Basic/ Diluted (sen)	1.19	7.75	7.33	12.22

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Unaudited	Audited
	As At	As At
	31/03/2016	31/03/2015
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	52,020	42,905
Intangible assets	30,827	30,030
Deferred tax assets	1,377	1,533
	<u>84,224</u>	<u>74,468</u>
Current assets		
Inventories	90,494	62,944
Trade and other receivables	87,319	78,054
Tax recoverable	99	-
Cash and bank balances	8,347	10,228
	<u>186,259</u>	<u>151,226</u>
TOTAL ASSETS	<u>270,483</u>	<u>225,694</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	58,513	52,094
Total equity	<u>140,559</u>	<u>134,140</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	731	784
Bank borrowings (unsecured)	12,749	6,744
	<u>13,480</u>	<u>7,528</u>
Current liabilities		
Trade and other payables	26,192	17,578
Bank borrowings (unsecured)	90,252	66,167
Tax payable	-	281
	<u>116,444</u>	<u>84,026</u>
Total liabilities	<u>129,924</u>	<u>91,554</u>
TOTAL EQUITY AND LIABILITIES	<u>270,483</u>	<u>225,694</u>
Net assets per share (RM) *	1.71	1.63

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015

*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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FOR THE QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016

	Period Ended 31/03/2016 RM '000	Period Ended 31/03/2015 RM '000
CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES		
Profit before tax	7,511	10,907
Adjustments for:-		
Depreciation of property, plant and equipment	10,413	8,837
Interest income	(12)	(2)
Interest expenses	3,731	2,580
Property, plant and equipment written off	-	153
Inventories written off and written down	-	367
Trade and other receivables written off	-	181
Gain on disposal of property, plant and equipment	(4)	(54)
Loss / (gain) on foreign exchange - unrealised	849	(4,510)
Operating profit before changes in working capital	22,488	18,459
Changes in working capital:-		
Net change in current assets	(37,664)	(8,876)
Net change in current liabilities	8,614	(3,236)
Cash (used in) / generated from operations	(6,562)	6,347
Interest paid	(3,731)	(2,580)
Interest received	12	2
Taxation paid, net of refunds	(1,776)	(1,910)
Net cash (used in) / generated from operating activities	(12,057)	1,859
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,467)	(12,810)
Proceeds from disposal of property, plant and equipment	20	54
Increase in entrance fee	(797)	(846)
Net cash used in investing activities	(20,244)	(13,602)
CASH FLOWS FROM FINANCING ACTIVITY		
Increase in bank borrowings	30,501	17,678
Net cash generated from financing activity	30,501	17,678
Net (decrease) / increase in cash and cash equivalents	(1,800)	5,935
Net effect of exchange rate movements	330	29
Cash and cash equivalents brought forward	9,140	3,176
Net cash and cash equivalents carried forward	7,670	9,140
Cash and cash equivalents comprises:-		
Cash and bank balances	8,347	10,228
Bank overdraft	(677)	(1,088)
	7,670	9,140

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015

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INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016

	Attributable to equity holders of the Company			
	Share Capital RM '000	Foreign Exchange Translation Reserve RM '000	Retained Earnings RM '000	Total RM '000
12 Months				
<u>Ended 31 March 2016</u>				
Balance as at 1 April 2015	82,046	(1,739)	53,833	134,140
Total comprehensive income	-	407	6,012	6,419
Balance as at 31 March 2016	82,046	(1,332)	59,845	140,559
12 Months				
<u>Ended 31 March 2015</u>				
Balance as at 1 April 2014	82,046	(2,472)	43,804	123,378
Total comprehensive income	-	733	10,029	10,762
Balance as at 31 March 2015	82,046	(1,739)	53,833	134,140

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015

JERASIA CAPITAL BERHAD (503248-A)
NOTES TO THE INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2016

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 2015. 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 2015.

As announced on 28 December 2015, the Company has changed its financial year end from 31 March 2016 to 30 June 2016.

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 the financial year ended 31 March 2015 except for the adoption of the new and amendments to accounting standards with effect from 1 April 2015.

The adoption of the new and amendments to accounting standards with effect from 1 April 2015 did not have any impact on the interim financial report 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 2016

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities- Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements: Accounting for Acquisitions of Interest in Joint Operations
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities- Applying the Consolidation Exception
MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative
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: Investment Entities- Applying the Consolidation Exception
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	

2 Significant Accounting Policies (Cont'd)

Effective for financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
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Standards have been deferred, and yet to be announced by Malaysian Accounting Standards Board

Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 financial statements of the Group for the preceding financial year ended 31 March 2015 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 buy-back, 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 or Loss and Other Comprehensive Income

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

	Current Quarter	Period-to-Date
	RM '000	RM '000
Interest expense	1,117	3,731
Depreciation and amortization	2,676	10,414
Interest income	(8)	(12)
Foreign exchange loss / (gain)	2,924	(555)

There was no gain or loss on disposal of properties and quoted or unquoted investments; inventories written off and written down; trade and other receivables written off; provision for doubtful debts; 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	Others	Elimination	Group Total
	RM '000	RM '000	RM '000	RM '000	RM '000
12 Months					
<u>Ended 31 March 2016</u>					
Revenue					
External sales	216,699	172,553	-	-	389,252
Results					
Segment results	4,203	2,159	(344)	(6)	6,012
<u>As At 31 March 2016</u>					
Assets					
Segment assets	143,810	199,151	102,261	(174,739)	270,483

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 31/03/2016 RM '000	Audited As At 31/03/2015 RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	182,185	170,414

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 increased by 6.55% to RM97.02 million from RM91.05 million in the previous corresponding quarter.

Revenue for the retail segment increased by 13.10% to RM55.70 million from RM49.25 million in the previous corresponding quarter. The positive growth in retail revenue is mainly attributed to the effective and sustained promotional campaigns undertaken. However, profit before tax decreased by 15.38% to RM0.95 million from RM1.13 million in the previous corresponding quarter. This decrease was due to lower margins from aggressive promotional campaigns, increases in pre-operating expenses for new shops opening and also higher operating expenses.

Revenue for the garment manufacturing segment marginally decreased by 1.16% to RM41.32 million from RM41.80 million in the previous corresponding quarter. Profit before tax decreased by 86.23% to RM0.59 million from RM4.30 million in the previous corresponding quarter. This is mainly due to the unrealised foreign exchange gain in previous corresponding quarter.

Comparison with the corresponding cumulative financial period to date

Cumulatively for the twelve months period ended 31 March 2016, the Group's total revenue increased by 15.43% to RM389.25 million from RM337.23 million, a historical high.

The revenue for the retail segment was RM216.70 million, an increase of 8.05% compared to RM200.55 million in the previous corresponding period. Revenue for the garment manufacturing was RM172.55 million, an increase of 26.25% compared to RM136.68 million in the previous corresponding period, primarily due to the appreciation of the US Dollar vis-a-vis the Malaysian Ringgit.

Overall, the Group's profit before tax for the cumulative twelve months period amounted to RM7.51 million, a decrease of 31.15% from RM10.91 million. Of this, the retail segment contributed RM5.70 million, a decrease of 10.40% compared to RM6.36 million in the previous corresponding period. This decline is due to three main reasons. Firstly, the impact of the implementation of the Goods and Services Tax (GST) on 1 April 2015 that influenced consumer's commitments towards spending in the first quarter of the financial year. Secondly, lower margins arising from aggressive promotional campaigns, and thirdly, higher operating expenses and increases in pre-operating expenses for new shops. The garment manufacturing segment contributed RM2.16 million, a decrease of 55.46% compared to RM4.84 million in the previous corresponding period. As explained earlier, this is mainly due to the unrealised foreign exchange gain in previous financial year.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 31 March 2016, the Group's total revenue amounted to RM97.02 million, a decrease of 14.64% from RM113.65 million in the immediate preceding quarter. The Group's profit before tax in the current quarter decreased 49.47% to RM1.39 million from RM2.74 million in the immediate preceding quarter.

The retail segment's revenue decreased by 12.38% to RM55.70 million from RM63.57 million in the preceding quarter. Profit before tax decreased by 57.61% to RM0.95 million from RM2.25 million in the immediate preceding quarter. This is mainly due to year-end festivities, school holidays, tourist arrivals and end of season sale campaign in the preceding quarter.

The garment manufacturing segment's revenue was RM41.32 million, a decrease of 17.50% from RM50.09 million in the immediate preceding quarter. Profit before tax increased marginally to RM0.59 million from RM0.56 million in the immediate preceding quarter. This marginal increase is mainly due to improving production and operational efficiencies.

18 Prospects for the Current Financial Year

The Group remains mindful and will monitor closely the uncertainties surrounding the domestic and global economy. Nevertheless, it remains positive and confident about its prospects for the remaining quarter of the financial year.

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	302	1,396
Deferred taxation	103	103
	<u>405</u>	<u>1,499</u>

The Group's effective tax rate is lower than the statutory tax rate. The main reasons are non-taxable income, and three subsidiary companies benefiting from the utilisation of tax losses brought forward from prior years.

21 Retained Earnings

	As At	As At
	31/03/2016	31/03/2015
	RM '000	RM '000
Realised	101,325	89,876
Unrealised	(203)	5,260
	<u>101,122</u>	<u>95,136</u>
Consolidation adjustments	(41,277)	(41,303)
Group retained earnings as per consolidated accounts	<u>59,845</u>	<u>53,833</u>

22 Status of Corporate Proposals Announced and Not Completed

Share Buy-Back

At the Fifteenth Annual General Meeting held on 27 August 2015, 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
Bank borrowings (unsecured)	<u>103,001</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 31 March 2016; 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	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Profit for the period attributable to equity holders of the Company (RM' 000)	979	6,362	6,012	10,029
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046	82,046	82,046
Basic earnings per share (sen)	<u>1.19</u>	<u>7.75</u>	<u>7.33</u>	<u>12.22</u>