

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 JUNE 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2016
CONTINUING OPERATIONS

	Current Quarter Ended 30/06/2016 RM '000	Current 15 Months Ended 30/06/2016 RM '000
Revenue	114,357	503,610
Other income	1,819	3,242
	<hr/> 116,176	<hr/> 506,852
Operating expenses	(113,485)	(492,919)
Finance cost	(1,034)	(4,765)
Profit before tax	<hr/> 1,657	<hr/> 9,168
Taxation	(236)	(1,735)
Profit for the period attributable to equity holders of the Company	<hr/> 1,421	<hr/> 7,433
Other comprehensive income		
Currency translation difference arising from consolidation	282	690
Total comprehensive income for the period attributable to equity holders of the Company	<hr/> 1,703 <hr/>	<hr/> 8,123 <hr/>
Earnings per share		
- Basic/ Diluted (sen)	1.73	9.06

Note: Pursuant to the change in the financial year end from 31 March 2016 to 30 June 2016, there are no comparative figures presented.

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 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Unaudited	Audited
	As At	As At
	30/06/2016	31/03/2015
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	62,632	42,905
Intangible assets	30,827	30,030
Deferred tax assets	1,271	1,533
	<u>94,730</u>	<u>74,468</u>
Current assets		
Inventories	82,128	62,944
Trade and other receivables	94,703	78,054
Tax recoverable	492	-
Cash and bank balances	9,823	10,228
	<u>187,146</u>	<u>151,226</u>
TOTAL ASSETS	<u>281,876</u>	<u>225,694</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	60,217	52,094
Total equity	<u>142,263</u>	<u>134,140</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	804	784
Bank borrowings (unsecured)	12,319	6,744
	<u>13,123</u>	<u>7,528</u>
Current liabilities		
Trade and other payables	36,055	17,578
Bank borrowings (unsecured)	90,435	66,167
Tax payable	-	281
	<u>126,490</u>	<u>84,026</u>
Total liabilities	<u>139,613</u>	<u>91,554</u>
TOTAL EQUITY AND LIABILITIES	<u>281,876</u>	<u>225,694</u>
Net assets per share (RM) *	1.73	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 30 JUNE 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Period Ended 30/06/2016 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	9,168
Adjustments for:-	
Depreciation of property, plant and equipment	13,748
Interest income	(14)
Interest expenses	4,765
Property, plant and equipment written off	97
Trade and other receivables written off	61
Gain on disposal of property, plant and equipment	(7)
Gain on foreign exchange - unrealised	(2,020)
Operating profit before changes in working capital	<u>25,798</u>
Changes in working capital:-	
Net change in current assets	(29,880)
Net change in current liabilities	14,980
Cash generated from operations	<u>10,898</u>
Interest paid	(4,765)
Interest received	14
Taxation paid, net of refunds	(2,224)
Net cash generated from operating activities	<u>3,923</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(33,459)
Proceeds from disposal of property, plant and equipment	25
Increase in entrance fee	(797)
Net cash used in investing activities	<u>(34,231)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Increase in bank borrowings	29,788
Net cash generated from financing activity	<u>29,788</u>
Net decrease in cash and cash equivalents	(520)
Net effect of exchange rate movements	61
Cash and cash equivalents brought forward	9,140
Net cash and cash equivalents carried forward	<u>8,681</u>
Cash and cash equivalents comprises:-	
Cash and bank balances	9,823
Bank overdraft	(1,142)
	<u>8,681</u>

Note: Pursuant to the change in the financial year end from 31 March 2016 to 30 June 2016, there are no comparative figures presented.

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 30 JUNE 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
15 Months				
<u>Ended 30 June 2016</u>				
Balance as at 1 April 2015	82,046	(1,739)	53,833	134,140
Total comprehensive income	-	690	7,433	8,123
Balance as at 30 June 2016	82,046	(1,049)	61,266	142,263

Note: Pursuant to the change in the financial year end from 31 March 2016 to 30 June 2016, there are no comparative figures presented.

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 30 JUNE 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 Group and the Company have 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 2017

Amendments to MFRS 107	Statement of Cash Flows: Disclosure Initiative
Amendments to MFRS 112	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

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
MFRS 15	Clarifications to 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	1,034	4,765
Depreciation and amortization	3,334	13,748
Trade and other receivables written off	61	61
Interest income	(2)	(14)
Foreign exchange gain	(1,395)	(1,950)

There was no gain or loss on disposal of properties or quoted or unquoted investments; inventories written off and written down; 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
15 Months					
<u>Ended 30 June 2016</u>					
Revenue					
External sales	272,076	231,534	-	-	503,610
Results					
Segment results	4,926	2,913	(397)	(9)	7,433
<u>As At 30 June 2016</u>					
Assets					
Segment assets	150,781	203,635	102,205	(174,745)	281,876

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
	30/06/2016	31/03/2015
	RM '000	RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	188,692	170,414

15 Significant Related Party Transaction

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

16 Review of Performance

The Group has changed its financial year end from 31 March 2016 to 30 June 2016. This reporting covers the fifteen months period from 1 April 2015 to 30 June 2016. As such, there are no comparative information presented in this report.

The Group's total revenue for the fifteen months period ended 30 June 2016 was RM503.61 million. Profit before tax for the Group was RM9.17 million.

The retail segment generated a revenue of RM272.08 million. Despite the challenging economic environment, the retail segment's revenue has increased substantially through effective product mix and competitive pricing, notwithstanding lower margins which concomitantly translated to lower profit before tax. Profit before tax for retail segment was RM6.65 million.

Appreciation of the US Dollar vis-à-vis the Malaysian Ringgit during this financial period as well as the increase in demand from buyers, the manufacturing segment's revenue also rose substantially, contributing RM231.53 million to the Group. Profit before tax was RM2.91 million.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 30 June 2016, the Group's total revenue amounted to RM114.36 million, an increase of 17.87% from RM97.02 million in the immediate preceding quarter. The Group's profit before tax in the current quarter increased by 19.64% to RM1.66 million from RM1.39 million in the immediate preceding quarter.

The retail segment's revenue decreased by 0.57% to RM55.38 million from RM55.70 million in the preceding quarter. Profit before tax marginally increased to RM0.96 million from RM0.95 million in the immediate preceding quarter. This slight decrease in revenue was expected as there were no aggressive promotional campaigns in conjunction with festivities compared to the preceding quarter.

The garment manufacturing segment's revenue was RM58.98 million, an increase of 42.74% from RM41.32 million in the immediate preceding quarter. Profit before tax increased by 27.2% to RM0.75 million from RM0.59 million in the immediate preceding quarter. This increase is mainly due to increased demand from buyers, despite the slight depreciation of US Dollar in current quarter compared to the preceding quarter.

18 Prospects for the Next Financial Year

The Group is continuously reviewing every facet of its operations and it is mindful of the challenges faced in the domestic and global front. However, it remains positive about its prospects for the financial year ending 30 June 2017.

19 Profit Forecast or Guarantee

Not applicable.

20 Taxation

The breakdown of taxation is as follows:-

	Current Quarter Period-to-Date	
	RM '000	RM '000
Estimated current tax payable	56	1,452
Deferred taxation	180	283
	<u>236</u>	<u>1,735</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 30/06/2016 RM '000	As At 31/03/2015 RM '000
Realised	100,047	89,876
Unrealised	2,486	5,260
	<u>102,533</u>	<u>95,136</u>
Consolidation adjustments	(41,267)	(41,303)
Group retained earnings as per consolidated accounts	<u>61,266</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:-

Bank borrowings (unsecured)	<u>102,754</u>
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There was no debt securities issued.

24 Derivatives

- There was no outstanding derivatives (including instruments designated as hedging instruments) as at the end of the financial period ended 30 June 2016; and
- 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 Period-to-Date	
	30/06/2016	30/06/2016
Profit for the period attributable to equity holders of the Company (RM' 000)	1,421	7,433
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046
Basic/ Diluted earnings per share (sen)	<u>1.73</u>	<u>9.06</u>