

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

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

	Current Quarter Ended 30/09/2016 RM '000	Year- To-Date Ended 30/09/2016 RM '000
Revenue	112,196	112,196
Other income	1,592	1,592
	<hr/> 113,788	<hr/> 113,788
Operating expenses	(110,697)	(110,697)
Finance cost	(1,133)	(1,133)
Profit before tax	<hr/> 1,958	<hr/> 1,958
Taxation	(208)	(208)
Profit for the period attributable to equity holders of the Company	<hr/> 1,750	<hr/> 1,750
Other comprehensive income		
Currency translation difference arising from consolidation	259	259
Total comprehensive income for the period attributable to equity holders of the Company	<hr/> 2,009 <hr/>	<hr/> 2,009 <hr/>
Earnings per share		
- Basic/ Diluted (sen)	2.13	2.13

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

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 period ended 30 June 2016.

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	Unaudited	Audited
	As At	As At
	30/09/2016	30/06/2016
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	60,263	62,632
Intangible assets	31,120	30,827
Deferred tax assets	1,353	1,271
	<u>92,736</u>	<u>94,730</u>
Current assets		
Inventories	95,057	82,128
Trade and other receivables	98,019	94,703
Tax recoverable	437	492
Cash and bank balances	6,934	9,823
	<u>200,447</u>	<u>187,146</u>
TOTAL ASSETS	<u>293,183</u>	<u>281,876</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	61,905	59,896
Total equity	<u>143,951</u>	<u>141,942</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	925	1,125
Bank borrowings (unsecured)	10,780	12,319
	<u>11,705</u>	<u>13,444</u>
Current liabilities		
Trade and other payables	42,991	36,055
Bank borrowings (unsecured)	94,536	90,435
	<u>137,527</u>	<u>126,490</u>
Total liabilities	<u>149,232</u>	<u>139,934</u>
TOTAL EQUITY AND LIABILITIES	<u>293,183</u>	<u>281,876</u>
Net assets per share (RM) *	1.75	1.73

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2016.

*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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(The figures have not been audited)

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

	Period Ended 30/09/2016 RM '000
CASH FLOWS USED IN OPERATING ACTIVITIES	
Profit before tax	1,958
Adjustments for:-	
Depreciation of property, plant and equipment	3,291
Interest income	(3)
Interest expenses	1,133
Loss on foreign exchange - unrealised	491
Operating profit before changes in working capital	<u>6,870</u>
Changes in working capital:-	
Net change in current assets	(16,736)
Net change in current liabilities	<u>6,936</u>
Cash used in operations	(2,930)
Interest paid	(1,133)
Interest received	3
Taxation paid, net of refunds	(435)
Net cash used in operating activities	<u>(4,495)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(886)
Increase in entrance fee	(293)
Net cash used in investing activities	<u>(1,179)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Increase in bank borrowings	<u>2,868</u>
Net cash generated from financing activity	<u>2,868</u>
Net decrease in cash and cash equivalents	(2,806)
Net effect of exchange rate movements	223
Cash and cash equivalents brought forward	<u>8,681</u>
Net cash and cash equivalents carried forward	<u><u>6,098</u></u>
Cash and cash equivalents comprises:-	
Cash and bank balances	6,934
Bank overdraft	(836)
	<u><u>6,098</u></u>

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

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 30 June 2016.

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INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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
3 Months				
<u>Ended 30 September 2016</u>				
Balance as at 1 July 2016	82,046	(1,050)	60,946	141,942
Total comprehensive income	-	259	1,750	2,009
Balance as at 30 September 2016	82,046	(791)	62,696	143,951

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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2016.

JERASIA CAPITAL BERHAD (503248-A)
NOTES TO THE INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 period ended 30 June 2016. 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 period ended 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 period ended 30 June 2016 except for the adoption of the new and amendments to accounting standards with effect from 1 July 2016.

The adoption of the new and amendments to accounting standards with effect from 1 July 2016 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 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
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions

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 period ended 30 June 2016 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 financial years that have a material effect in the current financial 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	Year-to-Date
	RM '000	RM '000
Interest expense	1,133	1,133
Depreciation and amortization	3,291	3,291
Interest income	(3)	(3)
Foreign exchange gain	(1,093)	(1,093)
	<u>(1,093)</u>	<u>(1,093)</u>

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
3 Months					
<u>Ended 30 September 2016</u>					
Revenue					
External sales	54,811	57,385	-	-	112,196
Results					
Segment results	1,075	683	(15)	7	1,750
<u>As At 30 September 2016</u>					
Assets					
Segment assets	157,510	218,935	102,192	(185,454)	293,183

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 30/09/2016 RM '000	Audited As At 30/06/2016 RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	197,352	188,692

15 Significant Related Party Transaction

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

16 Review of Performance

The Group had changed its financial year end from 31 March to 30 June. The first financial statements that made up to 30 June was for a 15-month period ended 30 June 2016. As such, there are no comparative figures presented in this report.

The Group's total revenue for the three month period ended 30 September 2016 was RM112.20 million. Profit before tax for the Group was RM1.96 million.

The retail segment generated a revenue of RM54.81 million. Profit before tax for this segment was RM1.29 million. The Group continued its planned expansion during the quarter, opening 3 new Trio boutiques of which 2 were under a new concept "Trio Basic".

The manufacturing segment's revenue contributed RM57.38 million to the Group. Profit before tax was RM0.69 million. Export sales in manufacturing segment continues to be encouraging and sustainable.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 30 September 2016, the Group's total revenue amounted to RM112.20 million, a decline of 1.89% from RM114.36 million in the preceding quarter. However, the Group's profit before tax in the current quarter improved by 18.11% to RM1.96 million from RM1.66 million in the preceding quarter.

The retail segment's revenue declined by 1.02% to RM54.81 million from RM55.38 million in the preceding quarter. Notwithstanding this marginal decline in revenue, profit before tax increased by 34.38% to RM1.29 million from RM0.96 million in the preceding quarter due to effective product mix and better control on operational cost.

The garment manufacturing segment's revenue was at RM57.38 million, a marginal decrease of 2.71% from RM58.98 million in the preceding quarter. Profit before tax declined by 9.03% to RM0.69 million from RM0.75 million in the preceding quarter. This decrease is primarily due to higher operating cost arising from the higher minimum wage rate in Malaysia effective from 1 July 2016.

18 Prospects for the Current Financial Year

The Group is mindful of the challenges and uncertainties surrounding the domestic and global economies. Notwithstanding this, the Group views its prospect positively for the financial year ending 30 June 2017, whilst continuing to exercise caution and vigilance during the period.

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	490	490
Deferred taxation	(282)	(282)
	<u>208</u>	<u>208</u>

20 Taxation (Cont'd)

The Group's effective tax rate is lower than the statutory tax rate. This is mainly due to three subsidiary companies benefiting from the utilisation of tax losses brought forward from prior years.

21 Retained Earnings

	As At 30/09/2016 RM '000	As At 30/06/2016 RM '000
Realised	104,054	101,506
Unrealised	(63)	707
	<hr/> 103,991	<hr/> 102,213
Consolidation adjustments	(41,295)	(41,267)
Group retained earnings as per consolidated accounts	<hr/> <hr/> 62,696	<hr/> <hr/> 60,946

22 Status of Corporate Proposals Announced and Not Completed

Share Buy-Back

At the Sixteenth Annual General Meeting held on 23 November 2016, 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)	RM '000 <hr/> <hr/> 105,316
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There was no debt securities issued.

24 Pending Material Litigation

There is no pending material litigation.

25 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 30/09/2016	Year-to-Date 30/09/2016
Profit for the period attributable to equity holders of the Company (RM' 000)	1,750	1,750
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046
Basic/ Diluted earnings per share (sen)	<hr/> <hr/> 2.13	<hr/> <hr/> 2.13