

**JERASIA CAPITAL BERHAD (503248-A)**  
**INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2017**  
**CONTINUING OPERATIONS**

	<b>Current Quarter Ended 30/09/2017 RM '000</b>	<b>Corresponding Quarter Ended 30/09/2016 RM '000</b>	<b>Year-To-Date Ended 30/09/2017 RM '000</b>	<b>Corresponding Year-To-Date Ended 30/09/2016 RM '000</b>
<b>Revenue</b>	115,020	112,196	115,020	112,196
Other income	1,281	1,592	1,281	1,592
	<hr/> 116,301	<hr/> 113,788	<hr/> 116,301	<hr/> 113,788
Operating expenses	(113,432)	(110,697)	(113,432)	(110,697)
Finance cost	(1,418)	(1,133)	(1,418)	(1,133)
<b>Profit before tax</b>	<hr/> 1,451	<hr/> 1,958	<hr/> 1,451	<hr/> 1,958
Taxation	(459)	(208)	(459)	(208)
<b>Profit for the period attributable to equity holders of the Company</b>	<hr/> <b>992</b>	<hr/> <b>1,750</b>	<hr/> <b>992</b>	<hr/> <b>1,750</b>
<b>Other comprehensive income</b>				
Currency translation difference arising from consolidation	(574)	259	(574)	259
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<hr/> <b>418</b> <hr/>	<hr/> <b>2,009</b> <hr/>	<hr/> <b>418</b> <hr/>	<hr/> <b>2,009</b> <hr/>
<b>Earnings per share</b>				
- Basic/ Diluted (sen)	1.21	2.13	1.21	2.13

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 30 June 2017.

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**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30/09/2017</b>	<b>30/06/2017</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,501	58,856
Intangible assets	31,947	31,947
Deferred tax assets	1,743	1,649
Total non-current assets	<u>91,191</u>	<u>92,452</u>
<b>Current assets</b>		
Inventories	99,897	98,696
Trade and other receivables	119,043	104,760
Tax recoverable	3,054	3,920
Cash and bank balances	6,431	8,539
	<u>228,425</u>	<u>215,915</u>
Asset held-for-sale	3,497	3,497
Total current assets	<u>231,922</u>	<u>219,412</u>
<b>TOTAL ASSETS</b>	<b><u>323,113</u></b>	<b><u>311,864</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	82,046	82,046
Reserves	64,677	64,259
<b>Total equity</b>	<u>146,723</u>	<u>146,305</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,125	1,425
Bank borrowings (unsecured)	5,850	7,075
Total non-current liabilities	<u>6,975</u>	<u>8,500</u>
<b>Current liabilities</b>		
Trade and other payables	38,479	34,219
Bank borrowings (unsecured)	130,470	122,366
Tax payable	466	474
Total current liabilities	<u>169,415</u>	<u>157,059</u>
<b>Total liabilities</b>	<u>176,390</u>	<u>165,559</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>323,113</u></b>	<b><u>311,864</u></b>
Net assets per share (RM) *	1.79	1.78

**The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017.**

\*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 FIRST QUARTER ENDED 30 SEPTEMBER 2017**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	<b>Period Ended 30/09/2017 RM '000</b>	<b>Period Ended 30/09/2016 RM '000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Profit before tax	1,451	1,958
Adjustments for:-		
Depreciation of property, plant and equipment	3,475	3,291
Interest income	(2)	(3)
Interest expenses	1,418	1,133
Loss on foreign exchange - unrealised	1,379	491
Operating profit before changes in working capital	<u>7,721</u>	<u>6,870</u>
Changes in working capital:-		
Net change in current assets	(16,863)	(16,736)
Net change in current liabilities	<u>4,260</u>	<u>6,936</u>
Cash used in operations	(4,882)	(2,930)
Interest paid	(1,418)	(1,133)
Interest received	2	3
Taxation refund/ (paid)	5	(435)
Net cash used in operating activities	<u>(6,293)</u>	<u>(4,495)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,140)	(886)
Increase in entrance fee	-	(293)
Net cash used in investing activities	<u>(2,140)</u>	<u>(1,179)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Increase in bank borrowings	7,165	2,868
Net cash generated from financing activity	<u>7,165</u>	<u>2,868</u>
Net decrease in cash and cash equivalents	(1,268)	(2,806)
Net effect of exchange translation differences	(554)	223
Cash and cash equivalents brought forward	<u>7,531</u>	<u>8,681</u>
Net cash and cash equivalents carried forward	<u>5,709</u>	<u>6,098</u>
Cash and cash equivalents comprises:-		
Cash and bank balances	6,431	6,934
Bank overdraft	(722)	(836)
	<u>5,709</u>	<u>6,098</u>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017.**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	Attributable to equity holders of the Company			
	Share	Foreign	Retained	Total
	Capital	Exchange	Earnings	Total
	RM '000	Translation	RM '000	RM '000
	RM '000	Reserve	RM '000	RM '000
	RM '000	RM '000	RM '000	RM '000
<b>3 Months</b>				
<b><u>Ended 30 September 2017</u></b>				
Balance as at 1 July 2017	82,046	(400)	64,659	146,305
Total comprehensive income	-	(574)	992	418
Balance as at 30 September 2017	82,046	(974)	65,651	146,723
<b>3 Months</b>				
<b><u>Ended 30 September 2016</u></b>				
Balance as at 1 Jul 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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017.

**JERASIA CAPITAL BERHAD (503248-A)**  
**NOTES TO THE INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

**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 30 June 2017. 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 30 June 2017.

**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 30 June 2017 except for the adoption of the new and amendments to accounting standards with effect from 1 July 2017.

The adoption of the new and amendments to accounting standards with effect from 1 July 2017 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 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
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRS Standards 2014-2016 Cycle	

**Effective for financial periods beginning on or after 1 January 2019**

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments

**Effective for financial periods beginning on or after 1 January 2021**

MFRS 17	Insurance Contracts
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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

## **2 Significant Accounting Policies (Cont'd)**

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 30 June 2017 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:-

	<b>Current Quarter</b>	<b>Year-to-Date</b>
	<b>RM '000</b>	<b>RM '000</b>
Interest expense	1,418	1,418
Depreciation and amortization	3,475	3,475
Interest income	(2)	(2)
Foreign exchange loss	324	324

There was no gain or loss on disposal of properties or quoted or unquoted investments; 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: -

	<b>Retail</b>	<b>Garment Manufacturing</b>	<b>Others</b>	<b>Elimination</b>	<b>Group Total</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>3 Months</b>					
<b><u>Ended 30 September 2017</u></b>					
<b>Revenue</b>					
External sales	48,230	66,790	-	-	115,020
<b>Results</b>					
Segment results	477	721	(28)	(178)	992
<b><u>As At 30 September 2017</u></b>					
<b>Assets</b>					
Segment assets	173,375	251,865	102,088	(204,215)	323,113

## 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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30/09/2017</b>	<b>30/06/2017</b>
	<b>RM '000</b>	<b>RM '000</b>
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	274,310	272,935

## 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 three month period ended 30 September 2017 was RM115.02 million, an increase of 2.5% from RM112.20 million in the previous corresponding quarter. Profit before tax for the Group was RM1.45 million, a decrease of 25.8% from RM1.96 million in the previous corresponding quarter.

The retail segment contributed a revenue of RM48.23 million, a decrease of 12.0% from RM54.81 million in the previous corresponding quarter. Profit before tax decreased by 55.8% to RM0.57 million from RM1.29 million. The decline in both revenue and profit contribution was due primarily to the planned temporary closures of stores for renovation, the relocation of other stores for better locational advantages and a generally weaker retail environment. This situation is transitory and temporary in nature.

The manufacturing segment's revenue contributed RM66.79 million, an increase of 16.4% from RM57.38 million in the previous corresponding quarter. Correspondingly, profit before tax increased by 32.8% to RM0.91 million from RM0.69 million. Despite an also weaker international trading environment, this segment has demonstrated resilience and achieved improved results through better realised capacity utilisation.

## **17 Comparison with Immediate Preceding Quarter**

In the current quarter ended 30 September 2017, the Group's total revenue amounted to RM115.02 million, an increase of 3.0% from RM111.64 million in the preceding quarter. The Group's profit before tax in the current quarter increased to RM1.45 million from RM0.35 million in the preceding quarter.

Revenue in the retail segment declined by 10.9% to RM48.23 million from RM54.13 million in the preceding quarter. This segment registered a profit before tax of RM0.57 million compared to a loss before tax of RM0.55 million in the preceding quarter. The reduction in revenue in the current quarter as compared to the preceding quarter was also due to mid-year sales and festivities in the preceding quarter.

The garment manufacturing segment's revenue increased by 16.1% to RM66.79 million from RM57.51 million in the preceding quarter. Profit before tax reduced marginally from RM1.14 in the preceding quarter to RM0.91 million in the current quarter under review. As stated above, the revenue increase was primarily due to better realised capacity utilisation.

## **18 Prospects for the Current Financial Year**

The Group maintains a positive outlook for the financial year supported by sustaining interest in its well established brands, freshness afforded by recently undertaken store openings/refurbishments and continuing innovative fashions introduced season on season. Additionally, the export segment continued to demonstrate resilience, strength and improving yields from better realised capacity utilisation.

## **19 Profit Forecast or Guarantee**

Not applicable.



## 20 Taxation

The breakdown of taxation is as follows:-

	<b>Current Quarter</b>	<b>Year-to-Date</b>
	<b>RM '000</b>	<b>RM '000</b>
Estimated current tax payable	853	853
Deferred taxation	(394)	(394)
	<u>459</u>	<u>459</u>

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

## 21 Retained Earnings

	<b>As At</b>	<b>As At</b>
	<b>30/09/2017</b>	<b>30/06/2017</b>
	<b>RM '000</b>	<b>RM '000</b>
Realised	108,176	107,994
Unrealised	(760)	(1,770)
	<u>107,416</u>	<u>106,224</u>
Consolidation adjustments	(41,765)	(41,565)
Group retained earnings as per consolidated accounts	<u>65,651</u>	<u>64,659</u>

## 22 Status of Corporate Proposals Announced and Not Completed

### Share Buy-Back

At the Seventeenth Annual General Meeting held on 28 November 2017, 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>136,320</u>
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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.

	<b>3 Months Ended</b>		<b>Year-to-Date</b>	
	<b>30/09/2017</b>	<b>30/09/2016</b>	<b>30/09/2017</b>	<b>30/09/2016</b>
Profit for the period attributable to equity holders of the Company (RM' 000)	992	1,750	992	1,750
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046	82,046	82,046
Basic/ Diluted earnings per share (sen)	1.21	2.13	1.21	2.13