

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2018
CONTINUING OPERATIONS

	Current Quarter Ended 31/03/2018 RM '000	Corresponding Quarter Ended 31/03/2017 RM '000	Year-To-Date Ended 31/03/2018 RM '000	Corresponding Year-To-Date Ended 31/03/2017 RM '000
Revenue	102,915	108,189	339,586	350,509
Other income	4,439	3,570	8,479	8,804
	<hr/> 107,354	<hr/> 111,759	<hr/> 348,065	<hr/> 359,313
Operating expenses	(100,418)	(109,429)	(335,395)	(350,465)
Finance cost	(1,354)	(1,226)	(4,212)	(3,671)
Profit before tax	<hr/> 5,582	<hr/> 1,104	<hr/> 8,458	<hr/> 5,177
Taxation	(1,287)	(181)	(2,059)	(494)
Profit for the period attributable to equity holders of the Company	<hr/> 4,295	<hr/> 923	<hr/> 6,399	<hr/> 4,683
Other comprehensive income				
Currency translation difference arising from consolidation	(1,471)	(138)	(3,437)	975
Total comprehensive income for the period attributable to equity holders of the Company	<hr/> 2,824 <hr/>	<hr/> 785 <hr/>	<hr/> 2,962 <hr/>	<hr/> 5,658 <hr/>
Earnings per share				
- Basic / Diluted (sen)	5.23	1.12	7.80	5.71

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.

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Unaudited	Audited
	As At	As At
	31/03/2018	30/06/2017
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	65,578	58,856
Intangible assets	31,947	31,947
Deferred tax assets	1,803	1,649
Total non-current assets	<u>99,328</u>	<u>92,452</u>
Current assets		
Inventories	114,199	98,696
Trade and other receivables	82,801	104,760
Tax recoverable	1,335	3,920
Cash and bank balances	8,967	8,539
	<u>207,302</u>	<u>215,915</u>
Asset held-for-sale	-	3,497
Total current assets	<u>207,302</u>	<u>219,412</u>
TOTAL ASSETS	<u>306,630</u>	<u>311,864</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	67,221	64,259
Total equity	<u>149,267</u>	<u>146,305</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	870	1,425
Bank borrowings (unsecured)	3,719	7,075
Total non-current liabilities	<u>4,589</u>	<u>8,500</u>
Current liabilities		
Trade and other payables	27,311	34,219
Bank borrowings (unsecured)	124,641	122,366
Tax payable	822	474
Total current liabilities	<u>152,774</u>	<u>157,059</u>
Total liabilities	<u>157,363</u>	<u>165,559</u>
TOTAL EQUITY AND LIABILITIES	<u>306,630</u>	<u>311,864</u>
Net assets per share (RM) *	1.82	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 QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018

	Period Ended 31/03/2018 RM '000	Period Ended 31/03/2017 RM '000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	8,458	5,177
Adjustments for:-		
Depreciation of property, plant and equipment	11,102	9,932
Interest received	(9)	(7)
Interest paid	4,212	3,671
Property, plant and equipment written off	1,294	-
Inventories written off and written down	5	-
Gain on disposal of property, plant and equipment	(4,936)	-
Loss on foreign exchange - unrealised	4,907	4,632
Operating profit before changes in working capital	<u>25,033</u>	<u>23,405</u>
Changes in working capital:-		
Net change in current assets	1,544	(39,887)
Net change in current liabilities	(6,908)	6,939
Cash generated from / (used in) operations	<u>19,669</u>	<u>(9,543)</u>
Taxation refund / (paid)	165	(1,145)
Net cash generated from / (used in) operating activities	<u>19,834</u>	<u>(10,688)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,209)	(8,840)
Proceeds from disposal of property, plant and equipment	8,405	-
Interest received	9	7
Increase in entrance fee	-	(774)
Net cash used in investing activities	<u>(10,795)</u>	<u>(9,607)</u>
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES		
(Decrease) / Increase in bank borrowings	(984)	19,515
Interest paid	(4,212)	(3,671)
Net cash (used in) / generated from financing activities	<u>(5,196)</u>	<u>15,844</u>
Net increase / (decrease) in cash and cash equivalents	3,843	(4,451)
Net effect of exchange translation differences	(3,319)	839
Cash and cash equivalents brought forward	7,531	8,681
Net cash and cash equivalents carried forward	<u>8,055</u>	<u>5,069</u>
Cash and cash equivalents comprises:-		
Cash and bank balances	8,967	6,035
Bank overdrafts	(912)	(966)
	<u>8,055</u>	<u>5,069</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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FOR THE QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018

	Attributable to equity holders of the Company			
	Share Capital	Foreign Exchange Translation Reserve	Retained Earnings	Total
	RM '000	RM '000	RM '000	RM '000
9 Months				
<u>Ended 31 March 2018</u>				
Balance as at 1 July 2017	82,046	(400)	64,659	146,305
Total comprehensive income	-	(3,437)	6,399	2,962
Balance as at 31 March 2018	82,046	(3,837)	71,058	149,267
9 Months				
<u>Ended 31 March 2017</u>				
Balance as at 1 Jul 2016	82,046	(1,050)	60,946	141,942
Total comprehensive income	-	975	4,683	5,658
Balance as at 31 March 2017	82,046	(75)	65,629	147,600

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 QUARTER ENDED 31 MARCH 2018

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 Standards, Amendments to Standards, Annual Improvements to Standards and Issues Committee (“IC”) Interpretation 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
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle	

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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2 Significant Accounting Policies (Cont'd)

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 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

The Board of Directors had declared a single tier interim dividend of 0.5 sen per share, amounting to RM410,219.59 in respect of the financial year ending 30 June 2018. The said dividend was paid on 27 April 2018.

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 paid	1,354	4,212
Depreciation and amortization	3,981	11,102
Inventories written off and written down	5	5
Interest received	(5)	(9)
Foreign exchange loss	764	1,373
Gain on disposal of property	4,902	4,902

There was no gain or loss on 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: -

	Retail	Garment Manufacturing	Others	Elimination	Group Total
	RM '000	RM '000	RM '000	RM '000	RM '000
9 Months					
<u>Ended 31 March 2018</u>					
Revenue					
External sales	156,045	183,541	-	-	339,586
Results					
Segment results	6,205	648	(155)	(299)	6,399
<u>As At 31 March 2018</u>					
Assets					
Segment assets	181,609	237,592	102,124	(214,695)	306,630

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

	Unaudited As At 31/03/2018 RM '000	Audited As At 30/06/2017 RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	270,765	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 months period ended 31 March 2018 was RM102.92 million, a slight decline of 4.9% from RM108.19 million in the previous corresponding quarter. Profit before tax for the Group was RM5.58 million, an increase of 405.6% from RM1.10 million, in the previous corresponding quarter. This is largely attributed to the extraordinary gain of RM 4.90 million resulting from an asset disposal previously reported.

The revenue for the retail segment was RM50.54 million, a decrease of 8.4% from RM55.20 million in the previous corresponding quarter. The decline in revenue was reflective of the generally sluggish environment in the domestic retail sector. Profit before tax increased to RM5.24 million from RM0.38 million in the previous corresponding quarter. This increase is due to the gain on disposal of property as stated above.

The revenue for the manufacturing segment was RM52.37 million, a decrease of 1.2% from RM52.99 million in the previous corresponding quarter. Profit before tax decreased by 50.8% to RM0.45 million from RM0.91 million in the previous corresponding quarter. This was mainly due to the weakening of the US Dollar against the Malaysian Ringgit.

Comparison with the corresponding previous financial year-to-date

Cumulatively for the nine months period ended 31 March 2018, the Group's total revenue was RM339.59 million, a slight decrease of 3.1% from RM350.51 million in the previous corresponding period. Profit before tax for the Group was RM8.46 million, an increase of 63.4% from RM5.18 million in the previous corresponding quarter.

Revenue in the retail segment declined by 9.7% to RM156.05 million from RM172.87 million in the previous corresponding period. As previously explained, the retail segment is going through a sluggish retail environment with declining consumer confidence and spending. The Group strongly believes this segment will rebound and is expected to continue contributing positively to the Group. It is also expected that the announced zero rating of the Goods and Services Tax, GST, on 1st June, 2018, will augur well for the retail environment, going forward. Profit before tax increased to RM6.39 million from RM2.90 million. As mentioned above, this increase is due to the gain on disposal of an asset as previously reported.

Revenue in the manufacturing segment increased by 3.3% to RM183.54 million from RM177.64 million in the previous corresponding period. Profit before tax decreased by 13.8% to RM2.22 million from RM2.58 million in the previous corresponding period, reflective of the current weakness in Dollar-Ringgit trend.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 31 March 2018, the Group's total revenue amounted to RM102.92 million, a decrease of 15.4% from RM121.65 million in the preceding quarter. The Group's profit before tax in the current quarter increased to RM5.58 million from RM1.43 million in the preceding quarter.

Revenue in the retail segment decreased by 11.8% to RM50.54 million from RM57.27 million in the preceding quarter. Profit before tax increased to RM5.24 million from RM0.58 million in the preceding quarter. The decrease in revenue in the current quarter as compared to the preceding quarter was due to year end sales and festivities in the preceding quarter.

Revenue in the manufacturing segment decreased by 18.6% to RM52.37 million from RM64.38 million in the preceding quarter. Profit before tax decreased by 48.6% to RM0.45 million from RM0.87 million in the preceding quarter. As stated above, the decline was mainly due to the weakening of the US Dollar vis-à-vis the Ringgit.

18 Prospects for the Current Financial Year

The Group remains confident of its continuing positive performance for the current financial year. This is especially so with the surrounding political uncertainties in the country abating, an expected rejuvenation of business confidence and renewed optimism for a better operating environment.

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	1,493	2,769
Deferred taxation	(206)	(710)
	<u>1,287</u>	<u>2,059</u>

The Group's effective tax rate is marginally higher than the statutory tax rate. This was mainly due to non-deductible expenses which was higher than non-taxable income, for tax computation.

21 Retained Earnings

	As At	As At
	31/03/2018	30/06/2017
	RM '000	RM '000
Realised	116,918	107,994
Unrealised	(3,973)	(1,770)
	<u>112,945</u>	<u>106,224</u>
Consolidation adjustments	(41,887)	(41,565)
Group retained earnings as per consolidated accounts	<u>71,058</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:-

	RM '000
Bank borrowings (unsecured)	<u>128,360</u>

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		Year-to-Date	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Profit for the period attributable to equity holders of the Company (RM' 000)	4,295	923	6,399	4,683
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046	82,046	82,046
Basic / Diluted earnings per share (sen)	<u>5.23</u>	<u>1.12</u>	<u>7.80</u>	<u>5.71</u>