

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2018
CONTINUING OPERATIONS

	Current Quarter Ended 30/06/2018 RM '000	Corresponding Quarter Ended 30/06/2017 RM '000	Year-To-Date Ended 30/06/2018 RM '000	Corresponding Year-To-Date Ended 30/06/2017 RM '000
Revenue	123,962	111,635	463,549	462,143
Other income	(1,229)	(3,928)	7,249	4,876
	<hr/> 122,733	<hr/> 107,707	<hr/> 470,798	<hr/> 467,019
Operating expenses	(119,817)	(106,033)	(455,212)	(456,497)
Finance cost	(1,586)	(1,320)	(5,798)	(4,991)
Profit before tax	<hr/> 1,330	<hr/> 354	<hr/> 9,788	<hr/> 5,531
Taxation	(121)	(1,324)	(2,180)	(1,818)
Profit/ (Loss) for the year attributable to equity holders of the Company	<hr/> 1,209	<hr/> (970)	<hr/> 7,608	<hr/> 3,713
Other comprehensive income				
Currency translation difference arising from consolidation	1,385	(325)	(2,052)	650
Total comprehensive income/ (loss) for the year attributable to equity holders of the Company	<hr/> 2,594 <hr/>	<hr/> (1,295) <hr/>	<hr/> 5,556 <hr/>	<hr/> 4,363 <hr/>
Earnings per share				
- Basic / Diluted (sen)	1.47	(1.18)	9.27	4.53

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 30 JUNE 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Unaudited	Audited
	As At	As At
	30/06/2018	30/06/2017
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	66,171	58,856
Intangible assets	31,062	31,947
Deferred tax assets	1,833	1,649
Total non-current assets	<u>99,066</u>	<u>92,452</u>
Current assets		
Inventories	129,283	98,696
Trade and other receivables	73,284	104,760
Tax recoverable	728	3,920
Cash and bank balances	7,429	8,539
	<u>210,724</u>	<u>215,915</u>
Asset held-for-sale	-	3,497
Total current assets	<u>210,724</u>	<u>219,412</u>
TOTAL ASSETS	<u>309,790</u>	<u>311,864</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	69,405	64,259
Total equity	<u>151,451</u>	<u>146,305</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	813	1,425
Bank borrowings (unsecured)	3,167	7,075
Total non-current liabilities	<u>3,980</u>	<u>8,500</u>
Current liabilities		
Trade and other payables	24,408	34,219
Bank borrowings (unsecured)	129,460	122,366
Tax payable	491	474
Total current liabilities	<u>154,359</u>	<u>157,059</u>
Total liabilities	<u>158,339</u>	<u>165,559</u>
TOTAL EQUITY AND LIABILITIES	<u>309,790</u>	<u>311,864</u>
Net assets per share (RM) *	1.85	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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INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Year Ended 30/06/2018 RM '000	Year Ended 30/06/2017 RM '000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	9,788	5,531
Adjustments for:-		
Depreciation of property, plant and equipment	15,104	13,347
Interest received	(12)	(9)
Interest paid	5,798	4,991
Property, plant and equipment written off	1,536	1,343
Inventories written off and written down	85	2
Gain on disposal of property, plant and equipment	(4,901)	-
Loss on foreign exchange - unrealised	2,652	1,994
Operating profit before changes in working capital	30,050	27,199
Changes in working capital:-		
Net change in current assets	(5,907)	(28,599)
Net change in current liabilities	(5,545)	(7,082)
Cash generated from / (used in) operations	18,598	(8,482)
Taxation refund / (paid)	233	(1,599)
Net cash generated from / (used in) operating activities	18,831	(10,081)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,030)	(14,319)
Proceeds from disposal of property, plant and equipment	8,405	-
Interest received	12	9
Decrease/ (Increase) in entrance fee	885	(1,120)
Net cash used in investing activities	(14,728)	(15,430)
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES		
Increase in bank borrowings	1,837	29,530
Interest paid	(5,798)	(4,991)
Dividend paid	(410)	-
Net cash (used in) / generated from financing activities	(4,371)	24,539
Net decrease in cash and cash equivalents	(268)	(972)
Net effect of exchange translation differences	(804)	(178)
Cash and cash equivalents brought forward	7,531	8,681
Net cash and cash equivalents carried forward	6,459	7,531
Cash and cash equivalents comprises:-		
Cash and bank balances	7,429	8,539
Bank overdrafts	(970)	(1,008)
	6,459	7,531

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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INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Attributable to equity holders of the Company			
	Share	Foreign	Retained	Total
	Capital	Exchange	Earnings	Total
	RM '000	Translation	Reserve	RM '000
	RM '000	RM '000	RM '000	RM '000
12 Months				
<u>Ended 30 June 2018</u>				
Balance as at 1 July 2017	82,046	(400)	64,659	146,305
Total comprehensive income	-	(2,052)	7,608	5,556
Dividends paid	-	-	(410)	(410)
	<hr/>			
Balance as at 30 June 2018	82,046	(2,452)	71,857	151,451
	<hr/> <hr/>			
12 Months				
<u>Ended 30 June 2017</u>				
Balance as at 1 Jul 2016	82,046	(1,050)	60,946	141,942
Total comprehensive income	-	650	3,713	4,363
Dividends paid	-	-	-	-
	<hr/>			
Balance as at 30 June 2017	82,046	(400)	64,659	146,305
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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 30 JUNE 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 2020

Amendments to MFRS 2	Share-Based Payment
Amendment to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14	Regulatory Deferral Accounts

2 Significant Accounting Policies (Cont'd)

Effective for financial periods beginning on or after 1 January 2020 (Cont'd)

Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to MFRS 138	Intangible Assets
Amendment to IC Interpretation 12	Service Concession Arrangements
Amendment to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets—Web Site Costs

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

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	1,586	5,798
Depreciation and amortization	4,002	15,104
Inventories written off and written down	80	85
Interest received	(3)	(12)
Foreign exchange (gain) / loss	(1,052)	321
Gain on disposal of property	-	(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
12 Months					
<u>Ended 30 June 2018</u>					
Revenue					
External sales	206,470	257,079	-	-	463,549
Results					
Segment results	6,796	1,590	9	(787)	7,608
<u>As At 30 June 2018</u>					
Assets					
Segment assets	169,188	165,897	101,861	(127,156)	309,790

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	Audited
	As At	As At
	30/06/2018	30/06/2017
	RM '000	RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	269,357	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 30 June 2018 was RM123.96 million, an increase of 11.0% from RM111.64 million in the previous corresponding quarter. Profit before tax for the Group was RM1.33 million, an increase of 275.4% from RM0.35 million, in the previous corresponding quarter.

The revenue for the retail segment was RM50.42 million, a decrease of 6.8% from RM54.13 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 RM0.90 million from a loss of RM0.55 million in the previous corresponding quarter. This increase was due to the effectiveness of rationalisation and realignment exercise carried by the Group.

The revenue for the manufacturing segment was RM73.54 million, an increase of 27.9% from RM57.51 million in the previous corresponding quarter. Profit before tax decreased by 41.5% to RM0.66 million from RM1.14 million in the previous corresponding quarter. This increase in revenue was mainly due to a marginally stronger US Dollar against the Malaysian Ringgit as well as increased export orders. However, profit before tax fell due to higher minimum wages in Cambodia.

Comparison with the corresponding previous financial year-to-date

The Group's year-to-date revenue for the current financial year ended 30 June 2018 was 463.55 million, a moderate increase of 0.3% from RM462.14 million in the previous corresponding financial year. Profit before tax for the Group was RM9.79 million, an increase of 77.0% from RM5.53 million in the previous corresponding financial year. This increase was due to the gain on disposal of property reported in the previous quarter.

Revenue in the retail segment declined by 9.0% to RM206.47 million from RM226.99 million in the previous corresponding financial year. The retail segment experienced sluggishness, amidst domestic political uncertainties as well as global economic concerns, causing consumer sentiments to dip. Profit before tax increased to RM7.29 million from RM2.35 million. As mentioned above, this increase was due to the gain on disposal of an asset as previously reported.

16 Review of Performance (Cont'd)

Comparison with the corresponding previous financial year-to-date (Cont'd)

Revenue in the manufacturing segment increased by 9.3% to RM257.08 million from RM235.15 million in the previous corresponding financial year. Profit before tax however, decreased by 22.3% to RM2.89 million from RM3.71 million in the previous corresponding financial year, reflecting US Dollar movements and the impact of minimum wage increases in Cambodia.

17 Comparison with Immediate Preceding Quarter

In the current quarter ended 30 June 2018, the Group's total revenue amounted to RM123.96 million, an increase of 20.4% from RM102.92 million in the preceding quarter. The Group's profit before tax in the current quarter decreased to RM1.33 million from RM5.58 million in the preceding quarter. As mentioned before, the preceding quarter saw an extraordinary gain from the disposal of a property.

Revenue in the retail segment declined slightly by 0.2% to RM50.42 million from RM50.54 million in the preceding quarter. Profit before tax decreased to RM0.90 million from RM5.24 million in the preceding quarter. This decrease, again, was due to the gain from the disposal of the said property.

Revenue in the manufacturing segment increased by 40.4% to RM73.54 million from RM52.37 million in the preceding quarter. Profit before tax increased to RM0.66 million from RM0.44 million in the preceding quarter. As stated above, the decline was mainly due to minimum wage increases.

18 Prospects for the Current Financial Year

Looking ahead, the Group is confident of sustaining its positive performance into the new financial year. This is particularly so with renewed consumer confidence in the Malaysian economy, post zero rated GST era as well as the positive spillover effects emanating from the US-China trade spat.

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	207	2,976
Deferred taxation	(86)	(796)
	<u>121</u>	<u>2,180</u>

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

21 Retained Earnings

	As At 30/06/2018 RM '000	As At 30/06/2017 RM '000
Realised	115,416	107,994
Unrealised	(1,633)	(1,770)
	<u>113,783</u>	<u>106,224</u>
Consolidation adjustments	(41,926)	(41,565)
Group retained earnings as per consolidated accounts	<u><u>71,857</u></u>	<u><u>64,659</u></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><u>RM '000</u></u> 132,627
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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		Year-to-Date	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Profit for the period attributable to equity holders of the Company (RM' 000)	1,209	(970)	7,608	3,713
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><u>1.47</u></u>	<u><u>(1.18)</u></u>	<u><u>9.27</u></u>	<u><u>4.53</u></u>