

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

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

	<b>Current Quarter Ended 31/12/2018 RM '000</b>	<b>Corresponding Quarter Ended 31/12/2017 RM '000</b>	<b>Year-To-Date Ended 31/12/2018 RM '000</b>	<b>Corresponding Year-To-Date Ended 31/12/2017 RM '000</b>
Revenue	129,889	121,652	250,152	236,671
Other income	328	2,758	754	4,040
	<hr/> 130,217	<hr/> 124,410	<hr/> 250,906	<hr/> 240,711
Operating expenses	(126,993)	(113,432)	(244,484)	(113,432)
Finance cost	(1,724)	(1,440)	(3,398)	(2,858)
<b>Profit before tax</b>	<hr/> 1,500	<hr/> 1,425	<hr/> 3,024	<hr/> 2,877
Taxation	(491)	(311)	(932)	(772)
<b>Profit for the period attributable to equity holders of the Company</b>	<hr/> <b>1,009</b>	<hr/> <b>1,114</b>	<hr/> <b>2,092</b>	<hr/> <b>2,105</b>
<b>Other comprehensive income</b>				
Currency translation difference arising from consolidation	(4)	(1,392)	812	(1,966)
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<hr/> <b>1,005</b> <hr/>	<hr/> <b>(278)</b> <hr/>	<hr/> <b>2,904</b> <hr/>	<hr/> <b>139</b> <hr/>
<b>Earnings per share</b>				
- Basic/ Diluted (sen)	1.23	1.36	2.55	2.57

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 2018.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>31/12/2018</b>	<b>30/06/2018</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	58,983	66,171
Intangible assets	31,062	31,062
Deferred tax assets	1,935	1,833
Total non-current assets	<u>91,980</u>	<u>99,066</u>
<b>Current assets</b>		
Inventories	135,393	129,283
Trade and other receivables	90,880	73,282
Tax recoverable	37	729
Cash and bank balances	7,904	7,429
Total current assets	<u>234,214</u>	<u>210,723</u>
<b>TOTAL ASSETS</b>	<b><u>326,194</u></b>	<b><u>309,789</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	82,046	82,046
Reserves	72,309	69,405
<b>Total equity</b>	<u>154,355</u>	<u>151,451</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	395	813
Bank borrowings (unsecured)	2,167	3,167
Total non-current liabilities	<u>2,562</u>	<u>3,980</u>
<b>Current liabilities</b>		
Trade and other payables	29,853	24,406
Bank borrowings (unsecured)	138,869	129,460
Tax payable	555	492
Total current liabilities	<u>169,277</u>	<u>154,358</u>
<b>Total liabilities</b>	<u>171,839</u>	<u>158,338</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>326,194</u></b>	<b><u>309,789</u></b>
Net assets per share (RM) *	1.88	1.85

**The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018.**

\*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.

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

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

	Period Ended 31/12/2018 RM '000	Period Ended 31/12/2017 RM '000
<b>CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,024	2,877
Adjustments for:-		
Depreciation of property, plant and equipment	8,103	7,120
Interest received	(5)	(4)
Interest paid	3,398	2,858
Property, plant and equipment written off	-	1,292
Gain on disposal of property, plant and equipment	(8)	(34)
Loss on foreign exchange - unrealised	484	4,611
Operating profit before changes in working capital	14,996	18,720
Changes in working capital:-		
Net change in current assets	(24,192)	5,349
Net change in current liabilities	5,447	(2,402)
Cash (used in) / generated from operations	(3,749)	21,667
Taxation (paid)/refund	(698)	301
Net cash (used in) / generated from operating activities	(4,447)	21,968
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(885)	(18,360)
Proceeds from disposal of property, plant and equipment	25	42
Interest received	5	4
Net cash used in investing activities	(855)	(18,314)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Increase in bank borrowings	8,734	4,060
Interest paid	(3,398)	(2,858)
Net cash generated from financing activity	5,336	1,202
Net increase in cash and cash equivalents	34	4,856
Net effect of exchange translation differences	765	(1,899)
Cash and cash equivalents brought forward	6,459	7,531
Net cash and cash equivalents carried forward	7,258	10,488
Cash and cash equivalents comprises:-		
Cash and bank balances	7,904	11,522
Bank overdraft	(646)	(1,034)
	7,258	10,488

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018.**

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

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

	Attributable to equity holders of the Company			
	Share Capital RM '000	Foreign Exchange Translation Reserve RM '000	Retained Earnings RM '000	Total RM '000
<b>6 Months</b>				
<b><u>Ended 31 December 2018</u></b>				
Balance as at 1 July 2018	82,046	(2,452)	71,857	151,451
Total comprehensive income	-	812	2,092	2,904
Balance as at 31 December 2018	<u>82,046</u>	<u>(1,640)</u>	<u>73,949</u>	<u>154,355</u>
<b>6 Months</b>	82,046			
<b><u>Ended 31 December 2017</u></b>				
Balance as at 1 Jul 2017	82,046	(400)	64,659	146,305
Total comprehensive income	-	(1,966)	2,105	139
Balance as at 31 December 2017	<u>82,046</u>	<u>(2,366)</u>	<u>66,764</u>	<u>146,444</u>

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 2018.

**JERASIA CAPITAL BERHAD (503248-A)**  
**NOTES TO THE INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 2018. 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 2018.

**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 2018 except for the adoption of the new and amendments to accounting standards with effect from 1 July 2018.

The adoption of the new and amendments to accounting standards with effect from 1 July 2018 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 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
---------	---------------------

**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 2018 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**

At the Eighteenth Annual General Meeting of the Company held on 29 November 2018, the Shareholders had approved a single-tier final dividend of 0.5 sen per share, amounting to RM410,219.64 in respect of the financial year ended 30 June 2018. The said dividend was paid on 13 February 2019.

#### **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	1,724	3,398
Depreciation and amortization	4,019	8,103
Interest income	(2)	(5)
Foreign exchange gain	(263)	(676)

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>6 Months</b>					
<b><u>Ended 31 December 2018</u></b>					
<b>Revenue</b>					
External sales	111,212	138,940	-	-	250,152

## 10 Segment Reporting (Con't)

	Retail RM '000	Garment Manufacturing RM '000	Others RM '000	Elimination RM '000	Group Total RM '000
<b>6 Months</b>					
<b><u>Ended 31 December 2018</u></b>					
<b>Results</b>					
Segment results	1,252	1,084	(230)	(14)	2,092
<b><u>As At 31 December 2018</u></b>					
<b>Assets</b>					
Segment assets	184,749	179,211	102,103	(139,869)	326,194

## 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 31/12/2018 RM '000	Audited As At 30/06/2018 RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	269,704	269,357

## 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 31 December 2018 was RM129.89 million, an increase of 6.8% from RM121.65 million in the previous corresponding quarter. Profit before tax for the Group was RM1.50 million, an improvement of 5.3% from RM1.43 million in the previous corresponding quarter.

## **16 Review of Performance (Con't)**

### **Comparison with the corresponding quarter in the previous financial year (Con't)**

The retail segment recorded a revenue of RM59.96 million, an increase of 4.7% from RM57.27 million in the previous corresponding quarter. Profit before tax improved by 59.7% to RM0.92 million from RM0.58 million. The increase in revenue was primarily due to the effective and aggressive year end festive promotional campaigns which in turn successfully resulted in the higher profit before tax recorded.

The manufacturing segment achieved a higher revenue increase of 8.6% from RM64.38 million in the previous corresponding quarter to RM69.93 million in the current quarter. Profit before tax for this segment, however, declined marginally to RM0.76 million from RM0.87 million, due in part to unforeseen operational cost increases arising from disruptions to material flows from China, in the Cambodian operations.

### **Comparison with the corresponding previous financial year-to-date**

Cumulatively for the six months period ended 31 December 2018, the Group's total revenue was RM250.15 million, an increase of 5.7% from RM236.67 million in the previous corresponding period. Profit before tax for the Group was RM3.02 million, an improvement of 5.1% from RM2.88 million in the previous corresponding quarter.

Revenue in the retail segment improved by 5.4% to RM111.21 million from RM105.50 million in the previous corresponding period. Profit before tax increased by 22.9% to RM1.41 million from RM1.15 million. As explained above, increases in revenue and profit were due to the effective and aggressive festive promotional campaigns.

Revenue in the manufacturing segment increased by 5.9% to RM138.94 million from RM131.17 million in the previous corresponding period. This increase in revenue was due in part to the accruing positive spill-over effects of the US-China trade spat. Correspondingly, profit before tax increased by 3.8% to RM1.84 million from RM1.78 million in the previous corresponding period, in tandem with the increased orders.

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

In the current quarter ended 31 December 2018, the Group's total revenue amounted to RM129.89 million, an increase of 8.0% from RM120.26 million in the preceding quarter. The Group's profit before tax in the current quarter decreased marginally to RM1.50 million from RM1.52 million in the preceding quarter.

Revenue in the retail segment improved by 17.0% to RM59.96 million from RM51.26 million in the preceding quarter. This segment registered a profit before tax of RM0.92 million compared to profit before tax of RM0.49 million in the preceding quarter, an increase of 89.5%. This increase in profit before tax is mainly due to improved sales, as explained above.

The manufacturing segment's revenue improved marginally by 1.3% to RM69.93 million from RM69.01 million in the preceding quarter. Profit before tax however, decreased from RM1.08 in the preceding quarter to RM0.76 million in the current quarter under review due to higher operational costs as explained above.

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

The Group, while confident of its continuing positive performance for the current financial year, remains mindful of the surrounding global and domestic economic uncertainties and challenges. It stands poised to mitigate any risks that may be posed. In addition, the Group is continuing actively to realise fresh opportunities to strengthen and to broaden its manufacturing activities.



**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	523	1,452
Deferred taxation	(32)	(520)
	<u>491</u>	<u>932</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>31/12/2018</b>	<b>30/06/2018</b>
	<b>RM '000</b>	<b>RM '000</b>
Realised	114,837	115,416
Unrealised	1,056	(1,633)
	<u>115,893</u>	<u>113,783</u>
Consolidation adjustments	(41,944)	(41,926)
Group retained earnings as per consolidated accounts	<u>73,949</u>	<u>71,857</u>

**22 Status of Corporate Proposals Announced and Not Completed**

Share Buy-Back

At the Eighteenth Annual General Meeting held on 29 November 2018, 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>141,036</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.

	<b>3 Months Ended</b>		<b>Year-to-Date</b>	
	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Profit for the period attributable to equity holders of the Company (RM' 000)	1,009	1,114	2,092	2,105
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046	82,046	82,046
Basic/ Diluted earnings per share (sen)	1.23	1.36	2.55	2.57