

**JERASIA CAPITAL BERHAD (503248-A)**  
**INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS**  
**FOR THE QUARTER ENDED 31 MARCH 2019**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2019**  
**CONTINUING OPERATIONS**

	<b>Current Quarter Ended 31/03/2019 RM '000</b>	<b>Corresponding Quarter Ended 31/03/2018 RM '000</b>	<b>Year-To-Date Ended 31/03/2019 RM '000</b>	<b>Corresponding Year-To-Date Ended 31/03/2018 RM '000</b>
<b>Revenue</b>	129,231	102,915	379,383	339,586
Other income	1,663	4,439	2,419	8,479
	<hr/> 130,894	<hr/> 107,354	<hr/> 381,802	<hr/> 348,065
Operating expenses	(128,425)	(100,418)	(372,911)	(335,395)
Finance cost	(1,739)	(1,354)	(5,137)	(4,212)
<b>Profit before tax</b>	<hr/> 730	<hr/> 5,582	<hr/> 3,754	<hr/> 8,458
Taxation	694	(1,287)	(238)	(2,059)
<b>Profit for the period attributable to equity holders of the Company</b>	<hr/> <b>1,424</b>	<hr/> <b>4,295</b>	<hr/> <b>3,516</b>	<hr/> <b>6,399</b>
<b>Other comprehensive income</b>				
Currency translation difference arising from consolidation	(420)	(1,471)	391	(3,437)
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<hr/> <b>1,004</b> <hr/>	<hr/> <b>2,824</b> <hr/>	<hr/> <b>3,907</b> <hr/>	<hr/> <b>2,962</b> <hr/>
<b>Earnings per share</b>				
- Basic/ Diluted (sen)	1.74	5.23	4.29	7.80

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.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>31/03/2019</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	55,436	66,171
Intangible assets	31,062	31,062
Deferred tax assets	2,684	1,833
Total non-current assets	<u>89,182</u>	<u>99,066</u>
<b>Current assets</b>		
Inventories	145,551	129,283
Trade and other receivables	74,808	73,282
Tax recoverable	44	729
Cash and bank balances	5,727	7,429
Total current assets	<u>226,130</u>	<u>210,723</u>
<b>TOTAL ASSETS</b>	<b><u>315,312</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	72,902	69,405
<b>Total equity</b>	<u>154,948</u>	<u>151,451</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	409	813
Bank borrowings (unsecured)	1,667	3,167
Total non-current liabilities	<u>2,076</u>	<u>3,980</u>
<b>Current liabilities</b>		
Trade and other payables	16,927	24,406
Bank borrowings (unsecured)	141,179	129,460
Tax payable	182	492
Total current liabilities	<u>158,288</u>	<u>154,358</u>
<b>Total liabilities</b>	<u>160,364</u>	<u>158,338</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>315,312</u></b>	<b><u>309,789</u></b>
Net assets per share (RM) *	1.89	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.

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**INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS**  
**FOR THE QUARTER ENDED 31 MARCH 2019**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>Period Ended 31/03/2019 RM '000</b>	<b>Period Ended 31/03/2018 RM '000</b>
<b>CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,754	8,458
Adjustments for:-		
Depreciation of property, plant and equipment	12,097	11,102
Interest received	(8)	(9)
Interest paid	5,137	4,212
Property, plant and equipment written off	-	1,294
Gain on disposal of property, plant and equipment	(8)	(4,936)
Loss on foreign exchange - unrealised	1,276	4,907
Operating profit before changes in working capital	<u>22,248</u>	<u>25,033</u>
Changes in working capital:-		
Net change in current assets	(19,069)	1,544
Net change in current liabilities	<u>(7,480)</u>	<u>(6,908)</u>
Cash (used in) / generated from operations	(4,301)	19,669
Taxation (paid)/refund	<u>(1,119)</u>	<u>165</u>
Net cash (used in) / generated from operating activities	<u>(5,420)</u>	<u>19,834</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,357)	(19,209)
Proceeds from disposal of property, plant and equipment	25	8,405
Interest received	8	9
Net cash used in investing activities	<u>(1,324)</u>	<u>(10,795)</u>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITY</b>		
Increase / (Decrease) in bank borrowings	10,509	(984)
Interest paid	(5,137)	(4,212)
Dividend paid	(410)	-
Net cash generated from / (used in) financing activity	<u>4,962</u>	<u>(5,196)</u>
Net (decrease) / increase in cash and cash equivalents	(1,782)	3,843
Net effect of exchange translation differences	369	(3,319)
Cash and cash equivalents brought forward	<u>6,459</u>	<u>7,531</u>
Net cash and cash equivalents carried forward	<u>5,046</u>	<u>8,055</u>
Cash and cash equivalents comprises:-		
Cash and bank balances	5,727	8,967
Bank overdraft	<u>(681)</u>	<u>(912)</u>
	<u>5,046</u>	<u>8,055</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 2018.**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

	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
<b>9 Months</b>				
<b><u>Ended 31 March 2019</u></b>				
Balance as at 1 July 2018	82,046	(2,452)	71,857	151,451
Total comprehensive income	-	391	3,516	3,907
Dividends paid	-	-	(410)	(410)
Balance as at 31 March 2019	<u>82,046</u>	<u>(2,061)</u>	<u>74,963</u>	<u>154,948</u>
<b>9 Months</b>				
<b><u>Ended 31 March 2018</u></b>				
Balance as at 1 Jul 2017	82,046	(400)	64,659	146,305
Total comprehensive income	-	(3,437)	6,399	2,962
Balance as at 31 March 2018	<u>82,046</u>	<u>(3,837)</u>	<u>71,058</u>	<u>149,267</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 QUARTER ENDED 31 MARCH 2019**

**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
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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 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**

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	1,739	5,137
Depreciation and amortization	3,994	12,097
Interest income	(3)	(8)
Foreign exchange loss / (gain)	463	(213)

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>9 Months</b>					
<b><u>Ended 31 March 2019</u></b>					
<b>Revenue</b>					
External sales	169,410	209,973	-	-	379,383

## 10 Segment Reporting (Con't)

	<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>9 Months</b>					
<b><u>Ended 31 March 2019</u></b>					
<b>Results</b>					
Segment results	1,609	2,571	(433)	(231)	3,516
<b><u>As At 31 March 2019</u></b>					
<b>Assets</b>					
Segment assets	178,813	176,436	101,961	(141,898)	315,312

## 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>31/03/2019</b>	<b>30/06/2018</b>
	<b>RM '000</b>	<b>RM '000</b>
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	267,693	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 March 2019 was RM129.23 million, an increase of 25.6% from RM102.92 million in the previous corresponding quarter. Profit before tax for the Group was RM0.73 million, a decrease of 86.9% from RM5.58 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 RM58.20 million, an increase of 15.1% from RM50.54 million in the previous corresponding quarter. Profit before tax decreased by 95.3% to RM0.25 million from RM5.24 million. The increase in revenue was primarily due to the effective and aggressive sales promotions which however, resulted in lower margins. In comparing against the corresponding quarter ending 31 March 2018, it should be noted that there was an extraordinary gain of RM4.90 million from the disposal of an asset which was reflected in that quarter.

The manufacturing segment achieved a higher revenue increase of 35.6% from RM52.37 million in the previous corresponding quarter to RM71.03 million in the current quarter. Arising from the improved revenue, profit before tax for this segment, improved to RM0.69 million from RM0.45 million.

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

Cumulatively for the nine months period ended 31 March 2019, the Group's total revenue was RM379.38 million, an increase of 11.7% from RM339.59 million in the previous corresponding period. Profit before tax for the Group was RM3.75 million, a decline of 55.6% from RM8.46 million in the previous corresponding quarter.

Revenue in the retail segment improved by 8.6% to RM169.41 million from RM156.05 million in the previous corresponding period. Profit before tax declined by 74.1% to RM1.66 million from RM6.39 million. As explained above, the increase in revenue was due to the effective and aggressive sales promotions which effected margins whilst the decline in profit before tax was due to the extraordinary gain from the disposal of an asset in the previous corresponding period.

Revenue in the manufacturing segment increased by 14.4% to RM209.73 million from RM183.54 million in the previous corresponding period. This increase in revenue was due in part to the continuing positive spill-over effects of the US-China trade spat. Correspondingly, profit before tax increased by 14.0% to RM2.53 million from RM2.22 million in the previous corresponding period, in tandem with the increased revenue.

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

In the current quarter ended 31 March 2019, the Group's total revenue amounted to RM129.23 million, a marginal decrease of 0.5% from RM129.89 million in the preceding quarter. The Group's profit before tax in the current quarter decreased to RM0.73 million from RM1.50 million in the preceding quarter.

Revenue in the retail segment declined by 2.9% to RM58.20 million from RM59.96 million in the preceding quarter. This segment registered a profit before tax of RM0.25 million compared to profit before tax of RM0.92 million in the preceding quarter, a decrease of 73.5%. This decrease in profit before tax is mainly due to lower margins and higher operating costs.

The manufacturing segment's revenue improved by 1.6% to RM71.03 million from RM69.93 million in the preceding quarter. Profit before tax however, saw a marginal decline to RM0.69 million in the current quarter under review from RM0.76 million in the preceding quarter.

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

The Group remains cautiously optimistic of its performance for the current financial year. This is despite the continuing and heightened global and domestic economic uncertainties and challenges. The Group is sustaining its efforts 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	42	1,494
Deferred taxation	(736)	(1,256)
	<u>(694)</u>	<u>238</u>

The Group's effective tax rate is 6.34%.

## 21 Retained Earnings

	<b>As At</b>	<b>As At</b>
	<b>31/03/2019</b>	<b>30/06/2018</b>
	<b>RM '000</b>	<b>RM '000</b>
Realised	116,085	115,416
Unrealised	999	(1,633)
	<u>117,084</u>	<u>113,783</u>
Consolidation adjustments	(42,121)	(41,926)
Group retained earnings as per consolidated accounts	<u>74,963</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>142,846</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>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
Profit for the period attributable to equity holders of the Company (RM' 000)	1,424	4,295	3,516	6,399
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046	82,046	82,046
Basic/ Diluted earnings per share (sen)	1.74	5.23	4.29	7.80