

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 28 FEBRUARY 2021
CONTINUING OPERATIONS

	Current Quarter Ended 28/02/2021 RM '000	Year-To-Date Ended 28/02/2021 RM '000
Revenue	35,948	35,948
Other income	1,175	1,175
	<hr/>	<hr/>
	37,123	37,123
Operating expenses	(40,995)	(40,995)
Finance cost	(802)	(802)
Loss before tax	<hr/>	<hr/>
	(4,674)	(4,674)
Taxation	27	27
Loss for the period	<hr/>	<hr/>
attributable to equity holders of the Company	(4,647)	(4,647)
Other comprehensive income		
Currency translation difference arising from consolidation	139	139
Total comprehensive loss	<hr/>	<hr/>
for the period attributable to	(4,508)	(4,508)
equity holders of the Company		
Loss per share		
- Basic/ Diluted (sen)	(5.66)	(5.66)

Note: Pursuant to the change in the financial year end from 30 June 2020 to 30 November 2020, there are no comparative figures presented.

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 November 2020.

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021

	Unaudited	Audited
	As At	As At
	28/02/2021	30/11/2020
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	43,508	45,813
Right of use assets	19,807	21,361
Intangible assets	3,482	3,482
Deferred tax assets	2,041	2,014
Total non-current assets	<u>68,838</u>	<u>72,670</u>
Current assets		
Inventories	72,592	70,385
Trade and other receivables	160,374	170,067
Tax recoverable	781	781
Cash and bank balances	659	1,328
Total current assets	<u>234,407</u>	<u>242,561</u>
TOTAL ASSETS	<u>303,245</u>	<u>315,231</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,046	82,046
Reserves	(37,420)	(32,912)
Total equity	<u>44,626</u>	<u>49,134</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	1,934	1,934
Lease liabilities	4,128	8,259
Total non-current liabilities	<u>6,061</u>	<u>10,193</u>
Current liabilities		
Trade and other payables	45,210	49,315
Bank borrowings (unsecured)	193,215	192,420
Lease liabilities	13,881	13,881
Tax payable	250	288
Total current liabilities	<u>252,557</u>	<u>255,904</u>
Total liabilities	<u>258,618</u>	<u>266,097</u>
TOTAL EQUITY AND LIABILITIES	<u>303,245</u>	<u>315,231</u>
Net assets per share (RM) *	0.54	0.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 November 2020.

*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 FIRST QUARTER ENDED 28 FEBRUARY 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Period Ended 28/02/2021 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	(4,674)
Adjustments for:-	
Depreciation of property, plant and equipment	2,608
Depreciation of right-of-use assets	1,719
Interest expenses	802
Gain on foreign exchange - unrealised	(661)
Operating loss before changes in working capital	<u>(206)</u>
Changes in working capital:-	
Net change in current assets	8,147
Net change in current liabilities	<u>(4,272)</u>
Cash generated from operations	3,669
Interest paid	(802)
Taxation paid	(37)
Net cash generated from operating activities	<u><u>2,830</u></u>
CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchase of property, plant and equipment	<u>(294)</u>
Net cash used in investing activities	<u><u>(294)</u></u>
CASH FLOWS USED IN FINANCING ACTIVITY	
Increase in bank borrowings	730
Repayment of lease liabilities	<u>(4,131)</u>
Net cash used in financing activity	<u><u>(3,401)</u></u>
Net decrease in cash and cash equivalents	(865)
Net effect of exchange translation differences	131
Cash and cash equivalents brought forward	<u>(46,130)</u>
Net cash and cash equivalents carried forward	<u><u>(46,864)</u></u>
Cash and cash equivalents comprises:-	
Cash and bank balances	659
Bank overdraft	<u>(47,523)</u>
	<u><u>(46,864)</u></u>

Note: Pursuant to the change in the financial year end from 30 June 2020 to 30 November 2020, there are no comparative figures presented.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 November 2020.

JERASIA CAPITAL BERHAD (503248-A)
INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Attributable to equity holders of the Company				Total RM '000
	Share Capital RM '000	Foreign Exchange Translation Reserve RM '000	Revaluation Reserve RM '000	Accumulated Losses RM '000	
3 Months					
<u>Ended 28 February 2021</u>					
Balance as at 1 December 2020	82,046	(1,959)	13,979	(44,932)	49,134
Total comprehensive income	-	139		(4,647)	(4,508)
Balance as at 28 February 2021	82,046	(1,820)	13,979	(49,579)	44,626

Note: Pursuant to the change in the financial year end from 30 June 2020 to 30 November 2020, there are no comparative figures presented.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 November 2020.

JERASIA CAPITAL BERHAD (503248-A)
NOTES TO THE INTERIM FINANCIAL REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2021

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 period ended 30 November 2020. 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 period ended 30 November 2020.

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 period ended 30 November 2020 except for the adoption of the new and amendments to accounting standards with effect from 1 December 2020.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 December 2020.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

3 Preceding Year's Audited Annual Accounts

The audited financial statements of the Group for the preceding financial period ended 30 November 2020 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:-

	Current Quarter	Year-to-Date
	RM '000	RM '000
Interest expense	802	802
Depreciation and amortization	4,327	4,327
Foreign exchange gain	(372)	(372)

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: -

	Retail	Garment Manufacturing	Others	Elimination	Group Total
	RM '000	RM '000	RM '000	RM '000	RM '000
3 Months					
<u>Ended 28 February 2021</u>					
Revenue					
External sales	7,000	28,948	-	-	35,948
3 Months					
<u>Ended 28 February 2021</u>					
Results					
Segment results	(3,689)	(729)	(122)	(107)	(4,647)
<u>As At 28 February 2021</u>					
Assets					
Segment assets	212,011	239,325	76,552	(224,643)	303,245

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	Financial
	28/02/2021	As At
	RM '000	30/11/2020
	RM '000	RM '000
Corporate guarantees given to banks in respect of banking facilities granted to subsidiaries (unsecured)	298,718	298,386

15 Significant Related Party Transaction

There is no significant related party transaction for the quarter under review.

16 Review of Performance

The Group had changed its financial year end from 30th June 2020 to 30th November 2020. The first financial statements that made up to 30 Nov was for a 17-month period ended 30 November 2020. As such, there are no comparative figures presented in this report.

The Group's total revenue for the three month period ended 28 February 2021 was RM35.95 million. Loss before tax for the Group was RM4.67 million

The retail segment generated a revenue of RM7.00 million. Loss before tax for this segment was RM3.69 million. The Group had closed two new Stores during the quarter under review.

The manufacturing segment's revenue contributed RM28.95 million to the Group. Loss before tax was RM0.86 million.

17 Comparison with Immediate Preceding Quarter

	3 Months	2 Months
	Ended	Ended
	28/02/2021	30/11/2020
	RM '000	RM '000
Revenue	35,948	36,673
Loss before tax	(4,674)	(49,084)

For the current quarter ended 28 February 2021 under review, the Group recorded a revenue of RM35.95 million and loss before tax of RM4.67 million as compared to a revenue of RM36.67 million and loss before tax of RM49.08 million reported in the preceding period (2-month period ended 30 November 2020).

For the current quarter under review revenue was impacted from temporary closure of stores from time to time and from region to region depending on outbreak and spikes in COVID-19 cases.

17 Comparison with Immediate Preceding Quarter (Con't)

The losses for 2 months period ended 30 November 2020, was mainly to the Group writing off items due to cessation of operations of an international label as part of the Group's cost control measures and rationalisation efforts.

18 Prospects for the Current Financial Year

The Group is bracing itself for a continuing difficult trading environment in the near term. The current intensification of the Covid-19 pandemic has impacted and will delay sustainable recovery.

On a positive note, the expected rapid vaccination rollouts by the Malaysian Government targeted to achieve herd immunity by year end will boost economic confidence and a turnaround towards a positive and stable outlook. In this regard, it is noteworthy that 80% of the Group's workforce in Cambodia has been administered their first dose of vaccination with their second dose expected by the end of May. This augurs well for stability going forward. Earlier recovery and better resilience can therefore be expected from the export manufacturing sector as compared to the domestic retail sector.

The Group's capital raising exercise by way of a Rights Issue, as announced on 29 January 2021, is again pivotal and must be on track.

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	-	-
Deferred taxation	(27)	(27)
	<u>(27)</u>	<u>(27)</u>

21 Retained Earnings

	As At	As At
	28/02/2021	30/11/2020
	RM '000	RM '000
Realised	(9,401)	(2,603)
Unrealised	768	(1,518)
	<u>(8,633)</u>	<u>(4,121)</u>
Consolidation adjustments	(40,946)	(40,811)
Group retained earnings as per consolidated accounts	<u>(49,579)</u>	<u>(44,932)</u>

22 Status of Corporate Proposals Announced and Not Completed

Share Buy-Back

At the Twentieth Annual General Meeting held on 31 May 2021, shareholders approved the renewal of Share Buy-Back mandate. To-date, the Company has not effected any Share Buy-Back transaction.

Multiple Proposals as announced to Bursa on 29 January 2021

(I) Proposed Supply Arrangement;

(II) Proposed Diversification;

(III) Proposed Private Placement of up to 30% of the Issued Ordinary Shares in Jerasia Capital Bhd

(IV) Proposed Rights Issue with Warrants

The above proposals are pending review and finalisation

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>193,215</u>

There was no debt securities issued.

24 Pending Material Litigation

There is no pending material litigation.

25 Loss per Share

Loss per share have been computed based on loss 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 28/02/2021	3 Months (YTD) Ended 28/02/2021
Loss for the period attributable to equity holders of the Company (RM' 000)	(4,647)	(4,647)
Weighted average number of ordinary shares in issue (RM' 000)	82,046	82,046
Basic / Diluted loss per share (sen)	<u>(5.66)</u>	<u>(5.66)</u>