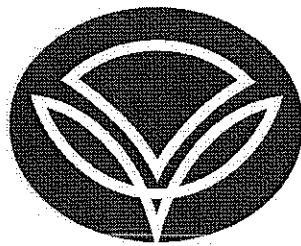


**CAELY HOLDINGS BHD.
(COMPANY NO. 408376-U)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 JUNE 2011**



Caely

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 30.06.2011 RM	Preceding Year Corresponding Quarter 30.06.2010 RM	Current Year To Date 30.06.2011 RM	Preceding Corresponding Year to Date 30.06.2010 RM
Revenue	13,006,262	13,500,578	13,006,262	13,500,578
Operating expenses	(15,783,375)	(16,901,777)	(15,783,375)	(16,901,777)
Other operating income	597,288	559,258	597,288	559,258
Profit / (Loss) from operations	(2,179,825)	(2,841,941)	(2,179,825)	3,911,252
Finance cost	(161,171)	(159,615)	(161,171)	(159,615)
Profit / (Loss) before taxation	(2,340,996)	(3,001,556)	(2,340,996)	(3,001,556)
Taxation	32,508	-	32,508	-
Profit / (Loss) after taxation	(2,308,488)	(3,001,556)	(2,308,488)	(3,001,556)
Profit / (Loss) attributable to:				
Owners of the Company	(2,308,488)	(3,001,556)	(2,308,488)	(3,001,556)
Non-controlling interest	-	-	-	-
Profit / (Loss) after taxation	(2,308,488)	(3,001,556)	(2,308,488)	(3,001,556)
Earnings per share:				
- basic (sen)	(2.9)	(3.8)	(2.9)	(3.8)
- diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30.06.2011 RM (unaudited)	As at 31.03.2011 RM (audited)
NON CURRENT ASSETS		
Property, plant and equipment	26,232,079	26,015,093
Prepaid lease payments	802,357	806,010
Deferred tax assets	69,402	69,402
Receivables, deposits and prepayments	72,114	288,504
	<u>27,175,952</u>	<u>27,179,009</u>
CURRENT ASSETS		
Inventories	25,566,275	25,895,378
Receivables, deposits and prepayments	10,687,276	9,524,156
Derivative financial instruments	61,679	95,593
Tax recoverable	1,072,488	1,083,906
Marketable securities	2,205,348	2,410,746
Deposits, bank and cash balances	9,351,061	7,248,299
	<u>48,944,127</u>	<u>46,258,078</u>
TOTAL ASSETS	<u><u>76,120,079</u></u>	<u><u>73,437,087</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000,000	40,000,000
Reserves	<u>18,289,319</u>	<u>20,597,807</u>
Equity attributable to -owners of the Company	58,289,319	60,597,807
Non-controlling interest	-	-
	<u>58,289,319</u>	<u>60,597,807</u>
NON CURRENT LIABILITIES		
Hire-purchase creditors	573,012	376,921
Term loan	956,279	1,012,570
Payables and accruals	74,889	74,889
Deferred tax liabilities	489,440	489,440
	<u>2,093,620</u>	<u>1,953,820</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

	As at 31.03.2011 RM (unaudited)	As at 31.03.2010 RM (audited)
CURRENT LIABILITIES		
Payables and accruals	6,160,323	7,004,047
Derivative financial instruments	17,433	116,203
Hire-purchase creditors	170,026	210,590
Short term bank borrowings		
- bank overdrafts	7,666,961	1,694,160
- others	1,489,950	1,630,950
Term loan	231,552	228,615
Current tax liabilities	895	895
	<u>15,737,140</u>	<u>10,885,460</u>
TOTAL LIABILITIES	<u>17,830,760</u>	<u>12,839,280</u>
TOTAL EQUITY AND LIABILITIES	<u>76,120,079</u>	<u>73,437,087</u>
Net Assets per share of RM0.50 each	<u><u>0.73</u></u>	<u><u>0.76</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total shareholders' equity
	Share capital	Reserve on consolidation	Revaluation reserve	Share premium	Currency Translation Reserve	Retained profits	Minority Interest	
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2010	40,000,000	80,344	4,690,672	9,419,360	79,707	16,473,440	-	70,743,523
Effects on adoption of FRS 139	-	-	-	-	-	78,961	-	78,961
As restated	40,000,000	80,344	4,690,672	9,419,360	79,707	16,552,401	-	70,822,484
<u>Total comprehensive income</u>	-	-	-	-	-	(3,001,556)	-	(3,001,556)
Net profit for the period	40,000,000	80,344	4,690,672	9,419,360	79,707	13,550,845	-	67,820,928
At 1 April 2011	40,000,000	80,344	4,690,672	9,419,360	79,707	6,327,724	-	60,597,807
Net profit (loss) for the period	-	-	-	-	-	(2,308,488)	-	(2,308,488)
At 30 June 2011	40,000,000	80,344	4,690,672	9,419,360	79,707	4,019,236	-	58,289,319

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30.06.2011 RM	30.06.2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) for the period/year	(2,308,488)	(3,001,556)
Adjustments for:		
Property, plant and equipment		
- depreciation	445,434	509,492
- (gain) / loss on disposals	-	431
- write off	-	-
Amortisation of investment property	-	5,832
Amortisation of prepaid lease payments	3,654	-
Allowance for doubtful debts	-	-
Interest expense	115,401	169,930
Taxation	(32,508)	-
Interest income	(43,793)	(27,745)
Fair Value (gains) / losses on marketable securities	67,291	-
Write back of impairment on marketable securities	-	(4,392)
(Gain) / loss on disposal of marketable securities	(38,309)	-
Fair value losses on derivative financial instruments	(64,856)	-
Gross dividend income from marketable securities	(500)	-
	<u>(1,856,674)</u>	<u>(2,144,465)</u>
Net movements in working capital:		
Inventories	329,102	(1,577,244)
Receivables	(946,731)	177,835
Payables	(843,723)	72,498
Cash flows generated/(used in) from operations	<u>(3,318,026)</u>	<u>(3,471,376)</u>
Interest paid	(115,401)	(169,930)
Tax refund	102,602	-
Tax paid	<u>(58,677)</u>	<u>(170,830)</u>
Net operating cash flow	<u>(3,389,502)</u>	<u>(3,812,136)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Continued)

	30.06.2011	31.06.2011
	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	(372,420)	(177,646)
- proceeds from disposals	-	-
Interest income received	43,793	27,745
Dividend income received	500	-
Marketable securities		
- payment for acquisition	(1,690,718)	(507,220)
- proceeds from disposals	1,867,134	293,542
Net investing cash flow	<u>(151,711)</u>	<u>(296,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of)/ Proceeds from short term bank borrowings	(141,000)	1,532,133
Repayments of hire-purchase creditors	(134,473)	(25,694)
Repayments of term loan	(53,354)	(98,323)
Drawdown of term loan		243,608
Net financing cash flow	<u>(328,827)</u>	<u>1,651,724</u>
Net movement in cash and cash equivalents	(3,870,040)	(2,456,442)
Cash and cash equivalent at beginning of the financial period/year	<u>5,080,797</u>	<u>9,750,987</u>
Cash and cash equivalent at end of the financial period/year	<u><u>1,210,757</u></u>	<u><u>7,294,545</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

1. Basis of Preparation

The interim financial statements are unaudited and are prepared in accordance with Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2011.

The accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 March 2011, except for the adoption of the following FRSs, amendments to FRSs and IC Interpretations.

FRS 3	Business Combination (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendment to FRS 1	First-time Adoption of Financial reporting Standard
Amendment to FRS 127	Consolidated & Separate Financial Statements
Amendment to FRS 134	Interim Financial Statements
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 140	Investment Property
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting Impairment
IC Interpretation 18	Transfer of Assets from Customers

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group

2. Qualification of Auditors’ Report

The auditors’ report of the preceding financial statements ended 31 March 2010 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The business of the Group was not affected materially by any seasonal or cyclical factors for the quarter under review.

4. Extraordinary or Exceptional Items

There were no extraordinary or exceptional items for the current financial period under review.

5. Changes in Estimates

There were no material changes in the estimates that have had a material effect in the current financial quarter.

6. Debts and Equity or Securities

There were no issuance and repayment of debts and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares for period under review.

7. Dividend Paid

No dividend has been paid during the current financial quarter.

8. Segmental information

Financial period ended 30.06.2011	Direct Selling/Retail RM	Original Equipment Manufacturer RM	Own Brand Manufacturer RM	Car Accessories Manufacturer RM	Others RM	Total RM
<u>Sales</u>						
Total sales	1,220,030	11,716,733	574,207	69,499	3,750,030	17,330,499
Intersegment sales	0	0	(574,207)	0	(3,750,030)	(4,324,237)
External sales	<u>1,220,030</u>	<u>11,716,733</u>	<u>0</u>	<u>69,499</u>	<u>57,652,025</u>	<u>13,006,262</u>
<u>Results</u>						
Profit / (loss) on operations	(724,724)	(1,440,568)	111,559	(181,448)	55,356	(2,179,825)
Finance cost	(30,252)	(77,648)	(22,365)	(22,208)	(8,698)	(161,171)
Loss before tax						(2,340,996)
Taxation						<u>32,508</u>
Net loss for the period						<u>(2,308,488)</u>
Segment assets	9,048,664	43,989,678	12,670,253	3,100,522	7,310,962	76,120,079
Segment liabilities	2,941,506	10,443,040	1,950,776	1,638,150	857,288	17,830,760
Interest income	34	39,232		2,623	1,904	43,793
Capital expenditure	3,398	505,487		153,535		662,420
Depreciation and amortisation	48,110	296,172	50,688	36,323	17,794	449,087

Segment information (Continued)

Financial period ended 30.06.2010	Selling/Retail RM	Direct RM	Original Equipment Manufacturer RM	Own Brand Manufacturer RM	Car Accessories Manufacturer RM	Others RM	Total RM
Sales							
Total sales	1,088,451	1,088,451	12,314,257	157,043	97,870	202,070	13,859,691
Intersegment sales	0	0	0	(157,043)		(202,070)	(359,113)
External sales	<u>1,088,451</u>	<u>1,088,451</u>	<u>12,314,257</u>	<u>-</u>	<u>97,870</u>	<u>-</u>	<u>13,500,578</u>
Results							
Profit / (loss) on operations	(737,838)	(737,838)	(1,567,215)	30,711	(274,698)	(292,901)	(2,841,941)
Finance cost	(33,762)	(33,762)	(76,872)	(18,041)	(20,624)	(10,316)	(159,615)
Loss before tax							(2,967,797)
Taxation							-
Net profit for the period							<u>(3,001,556)</u>
Segment assets	14,663,332	14,663,332	49,345,331	13,008,291	4,034,546	4,301,904	85,353,404
Segment liabilities	3,911,989	3,911,989	8,850,882	2,010,308	1,802,638	956,656	17,532,473
Interest income	6,091	6,091	21,533			121	27,745
Capital expenditure	1,698	1,698	108,399				108,568
Depreciation and amortisation	85,928	85,928	313,698	57,131	40,773	17,794	515,324

9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the financial statements for the financial period ended 31 March 2011.

10. Subsequent events

There have been no material events subsequent to the financial period end that require adjustment or disclosure in this interim financial statements.

11. Changes in composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

12. Contingent liabilities and contingent assets

There are no contingent liabilities nor contingent assets to be disclosed as at the date of this interim financial statements.

13. Performance review

For the current quarter under review, the Group recorded revenue of RM13.0 million as compared to RM13.5 million registered in the preceding year's corresponding quarter. The decline of RM0.5 million in revenue was mainly attributable to lower contribution by the OEM segment.

Despite the slightly lower revenue generated from our OEM, the Group posted an after tax loss of RM2.3 million for the current quarter compared to an after tax loss of RM3.0 million recorded in the preceding year corresponding quarter. This improvement in the after tax loss was due to lower cost incurred by both the OEM and direct selling segments.

14. Quarterly results comparison

The Group's current quarter revenue of RM13.0 million was almost the same as compared to the immediate preceding quarter. Although revenue was almost the same, the after tax loss of RM2.3 million has improved by RM2 million as compared to an after tax loss of RM4.3 million in the immediate preceding quarter. This improvement was primarily due to lower costs incurred by the OEM and direct selling segments and also the impairment of trade receivables incurred in the immediate preceding quarter.

15. Prospects for the current financial year

The Group's operations are expected to face stiff challenges such as the rising operation cost and debt concerns in Europe and the United States which may affect market sentiment in the global and local economies. In view of this, the Group will continue to remain cautious and will adopt prudent measures to mitigate the impacts that these factors may have on the Group's performance.

16. Profit forecast and profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter 30.06.2011 RM	Preceding Year Corresponding Quarter 30.06.2010 RM	Current Year To Date 30.06.2011 RM	Preceding Corresponding Year to Date 30.06.2010 RM
Taxation				
- current year	32,508	-	32,508	-
	<u>32,508</u>	<u>-</u>	<u>32,508</u>	<u>-</u>

18. Unquoted investments and properties

There were no other material transactions involving unquoted investments and properties during the financial quarter under review.

19. Corporate proposal

On 27 June 2011, Caely (M) Sdn Bhd, a subsidiary of the Group, entered into a sale and purchase agreement ("SPA") to acquire a piece of land from Tenaga Danawa Sdn Bhd for a total consideration of RM3,695,300 consisting of RM1,925,300 in cash and RM1,770,000 in kind. The land is intended for future mixed property development. As at 30 June 2011, the Group has paid RM192,530 in accordance to the terms for the acquisition and the balance is to be paid in various instalments over the period of development.

20. Quoted investments

(a) Purchases and disposals

	Current Year Quarter 30.06.2011 RM	Current Year To Date 30.06.2011 RM
Total purchase consideration	1,690,718	1,690,718
Total sales proceeds	1,867,134	1,867,134
Total profit / (loss) on disposal	<u>38,309</u>	<u>38,309</u>

(b) Investments as at 30 June 2011

	RM
At cost	2,451,551
At carrying value	2,205,348
At fair value	<u>2,205,348</u>

21. Borrowings and debts securities

There were no debts securities for the current financial period to date. Particulars of the Group's borrowings as at 30 June 2011 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	6,572,960	1,529,292	8,102,252
Unsecured	<u>2,515,580</u>	<u>0</u>	<u>2,515,580</u>
	9,088,540	1,529,292	10,617,832
<u>US Dollar</u>			
Secured	<u>469,950</u>	<u>0</u>	<u>469,950</u>
	<u>9,558,490</u>	<u>1,529,292</u>	<u>11,087,782</u>

22. Derivative financial instruments

With the adoption of FRS 139, foreign currency forward contracts which were previously classified as off balance sheet financial instruments are now recognised in the balance sheet as derivative instruments as follows:

	Contract / Notional amount RM	Fair value as at 30.06.2011 RM	Fair value Gain / (loss) as at 30.06.2011 RM
Foreign currency forward contracts - less than 1 year	8,685,762	8,730,008	44,246

The management objectives and policies in respect of the above derivatives and its various risk management are consistent with those adopted during the last financial year ended 31 March 2011.

23. Fair value changes of financial liabilities

As at 30 June 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

24. Changes in material litigation

There is no material litigation as at the date of these interim financial statements.

25. Proposed dividend

The Directors do not recommend any payment of dividends in respect of the three months ended 30 June 2011.

26. Earnings per share

The earnings per ordinary share is calculated by dividing the net profit after tax and non-controlling interest for the period by the weighted average number of ordinary shares in issue during the period.

Earnings per share (continued)

	Current Year Quarter 30.06.2011	Preceding Year Corresponding Quarter 30.06.2010	Current Year To Date 30.06.2011	Preceding Corresponding Year to Date 30.06.2010
Net profit / (loss) for the period (RM)	(2,308,488)	(3,001,556)	(2,308,488)	(3,001,556)
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	(2.9)	(3.8)	(2.9)	(3.8)
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

27. Capital commitments

There was no capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2011.

28. Disclosure of realised and unrealised retained earnings

	Current Year Year to Date 30.06.2011 RM	As at the End of Financial Year 30.03.2011 RM
Total retained earnings of the Company and its subsidiaries		
Realised	29,995,731	32,265,035
Unrealised	(374,553)	(246,155)
	<u>29,621,178</u>	<u>32,018,880</u>
Less: Consolidation adjustments	(25,601,942)	(25,691,156)
Total Group retained earnings as per consolidated accounts	<u>4,019,236</u>	<u>6,327,724</u>

The determination of realised and unrealised profit is compiled based on the format prescribed by Bursa Malaysian - Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

30. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on **23 August 2011**.