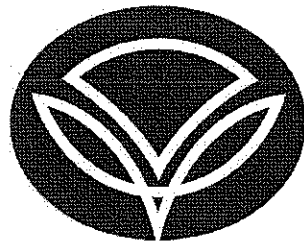


**CAELY HOLDINGS BHD.
(COMPANY NO. 408376-U)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2011**



Caely

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.12.2011 RM	Preceding Year Corresponding Quarter 31.12.2010 RM	Current Year To Date 31.12.2011 RM	Preceding Corresponding Year to Date 31.12.2010 RM
Revenue	13,618,563	15,459,596	42,583,428	44,669,157
Operating expenses	(14,246,428)	(17,230,015)	(44,652,708)	(52,930,074)
Other operating income	500,710	684,790	550,681	2,191,158
Profit / (Loss) from operations	(127,155)	(1,085,629)	(1,518,599)	(5,732,759)
Finance cost	(153,100)	(181,651)	(493,515)	(575,105)
Profit / (Loss) before taxation	(280,255)	(1,267,281)	(2,012,114)	(6,307,864)
Taxation	33,715	255,066	79,863	398,413
Profit / (Loss) after taxation	(246,540)	(1,012,215)	(1,932,251)	(5,909,451)
Profit / (Loss) attributable to:				
Owners of the Company	(246,540)	(1,012,215)	(1,932,251)	(5,909,451)
Non-controlling interest	-	-	-	-
Profit / (Loss) after taxation	(246,540)	(1,012,215)	(1,932,251)	(5,909,451)
Earnings per share:				
- basic (sen)	(0.3)	(1.3)	(2.4)	(7.4)
- 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 31.12.2011 RM (unaudited)	As at 31.03.2011 RM (audited)
NON CURRENT ASSETS		
Property, plant and equipment	27,902,512	26,015,093
Prepaid lease payments	2,468,698	806,010
Deferred tax assets	0	69,402
Receivables, deposits and prepayments	96,392	288,504
	<u>30,467,602</u>	<u>27,179,009</u>
CURRENT ASSETS		
Inventories	26,884,875	25,895,378
Receivables, deposits and prepayments	13,625,061	9,524,156
Derivative financial instruments	50,852	95,593
Tax recoverable	1,099,180	1,083,906
Marketable securities	1,953,642	2,410,746
Deposits, bank and cash balances	9,139,308	7,248,299
	<u>52,752,918</u>	<u>46,258,078</u>
TOTAL ASSETS	<u><u>83,220,520</u></u>	<u><u>73,437,087</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000,000	40,000,000
Reserves	21,508,578	20,597,807
Equity attributable to -owners of the Company	61,508,578	60,597,807
Non-controlling interest	-	-
	<u>61,508,578</u>	<u>60,597,807</u>
NON CURRENT LIABILITIES		
Hire-purchase creditors	711,576	376,921
Term loan	840,432	1,012,570
Payables and accruals	59,214	74,889
Deferred tax liabilities	1,784,404	489,440
	<u>3,395,626</u>	<u>1,953,820</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

	As at 31.12.2011 RM (unaudited)	As at 31.03.2011 RM (audited)
CURRENT LIABILITIES		
Payables and accruals	6,971,695	7,004,047
Derivative financial instruments	345,811	116,203
Hire-purchase creditors	167,007	210,590
Short term bank borrowings		
- bank overdrafts	7,905,395	1,694,160
- others	2,686,675	1,630,950
Term loan	239,230	228,615
Current tax liabilities	503	895
	<u>18,316,316</u>	<u>10,885,460</u>
TOTAL LIABILITIES	<u>21,711,942</u>	<u>12,839,280</u>
TOTAL EQUITY AND LIABILITIES	<u>83,220,520</u>	<u>73,437,087</u>
Net Assets per share of RM0.50 each	<u>0.77</u>	<u>0.76</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															
	Share capital		Reserve on consolidation		Revaluation reserve		Share premium		Currency Translation Reserve		Retained profits		Minority Interest		Total shareholders' equity	
	RM	RM	RM	RM	RM	RM	RM	RM	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>	-	-	-	-	-	(5,909,451)	-	(5,909,451)								
Net profit for the period	40,000,000	80,344	4,690,672	9,419,360	79,707	10,642,950	-	64,913,033								
At 1 April 2011	40,000,000	80,344	4,690,672	9,419,360	79,707	6,327,724	-	60,597,807								
Net surplus arising from Revaluation of landed properties, net of tax	-	-	-	2,843,022	-	-	-	2,843,022								2,843,022
Net profit (loss) for the period	-	-	-	-	-	(1,932,251)	-	(1,932,251)								
At 31 December 2011	40,000,000	80,344	7,533,694	9,419,360	79,707	4,395,473	-	61,508,578								

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

	31.12.2011 RM	31.12.2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) for the period/year	(1,932,251)	(5,909,451)
Adjustments for:		
Property, plant and equipment		
- depreciation	1,329,535	1,489,433
- (gain) / loss on disposals	(32,821)	(42,089)
- write off	-	-
Amortisation of investment property	-	17,496
Amortisation of prepaid lease payments	10,961	-
Allowance for doubtful debts	-	-
Interest expense	358,035	385,265
Taxation	(79,863)	(398,413)
Interest income	(137,601)	(97,778)
Fair Value (gains) / losses on marketable securities	334,458	-
Write back of impairment on marketable securities	-	(318,733)
(Gain) / loss on disposal of marketable securities	(38,376)	320,926
Fair value (gains) / losses on derivative financial instruments	274,348	-
Waiver of debt by a creditor	-	(4,392)
Property revaluation deficit	124,000	-
Gross dividend income from marketable securities	(30,271)	(28,721)
	<u>180,154</u>	<u>(4,586,457)</u>
Net movements in working capital:		
Inventories	(989,497)	192,079
Receivables	(3,908,793)	930,988
Payables	(48,027)	(461,492)
Cash flows generated/(used in) from operations	(4,766,163)	(3,924,882)
Interest paid	(358,035)	(385,265)
Tax refund	392,050	40,560
Tax paid	(204,194)	(1,442,570)
Net operating cash flow	<u>(4,936,342)</u>	<u>(5,712,157)</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)

	31.12.2011 RM	31.12.2010 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	(430,654)	(284,049)
- proceeds from disposals	41,600	42,520
Interest income received	137,601	77,288
Dividend income received	30,271	28,721
Marketable securities		
- payment for acquisition	(1,856,111)	(1,529,023)
- proceeds from disposals	2,017,134	1,181,495
Net investing cash flow	<u>(60,159)</u>	<u>(483,048)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of)/ Proceeds from short term bank borrowings	1,055,725	(408,100)
Repayments of hire-purchase creditors	(217,928)	(82,444)
Repayments of term loan	(161,523)	(425,135)
Drawdown of term loan		582,929
Net financing cash flow	<u>676,274</u>	<u>(332,750)</u>
Net movement in cash and cash equivalents	(4,320,227)	(6,527,955)
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>760,570</u></u>	<u><u>3,223,032</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 relevant 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 2011 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 31.12.2011	Direct Selling/Retail RM	Construction RM	Original Equipment Manufacturer RM	Own Brand RM	Car Accessories Manufacturer RM	Others RM	Total RM
Sales							
Total sales	3,513,923	1,602,910	37,340,584	1,711,990	126,011	11,250,090	55,545,508
Intersegment sales	-	-	-	(1,711,990)	-	(11,250,090)	(12,962,080)
External sales	<u>3,513,923</u>	<u>1,602,910</u>	<u>37,340,584</u>	<u>-</u>	<u>126,011</u>	<u>-</u>	<u>42,583,428</u>
Results							
Profit / (loss) on operations	(1,158,056)	(121,200)	159,962	638,720	(560,705)	(477,320)	(1,518,599)
Finance cost	(92,618)	(2,635)	(233,606)	(55,121)	(75,836)	(33,699)	(493,515)
Loss before tax							(2,012,114)
Taxation							<u>79,863</u>
Net loss for the period							<u>(1,932,251)</u>
Segment assets	11,537,649	240,754	45,424,197	14,343,440	2,827,685	8,846,795	83,220,520
Segment liabilities	2,335,508	364,589	14,083,202	2,437,453	1,390,728	1,100,462	21,711,942
Interest income	17	-	126,104	-	7,635	3,845	137,601
Capital expenditure	1,670	249,244	535,205	-	153,535	-	939,654
Depreciation and amortisation	129,604	8,491	884,240	152,065	112,715	53,382	1,340,496

Segment information (Continued)

Financial period ended 31.12.2010	Direct Selling/Retail RM	Construction RM	Original Equipment Manufacturer RM	Own Brand Manufacturer RM	Car Accessories Manufacturer RM	Others RM	Total RM
<u>Sales</u>							
Total sales	3,187,847	-	40,897,095	915,314	584,215	1,730,850	47,315,321
Intersegment sales	-	-	-	(915,314)	-	(1,730,850)	(986,789)
External sales	<u>3,187,847</u>	<u>-</u>	<u>40,897,095</u>	<u>-</u>	<u>584,215</u>	<u>-</u>	<u>44,669,157</u>
<u>Results</u>							
Profit / (loss) on operations	(2,718,794)	-	(2,278,884)	326,989	(735,680)	(45,137)	(5,451,507)
Finance cost	(165,667)	-	(231,555)	(70,987)	(65,151)	(41,745)	(575,105)
Loss before tax							(6,026,612)
Taxation							117,161
Net profit for the period							<u>(5,909,451)</u>
Segment assets	13,752,628	-	46,763,386	12,904,682	3,558,685	5,476,887	82,456,268
Segment liabilities	4,499,635	-	8,468,714	2,051,420	1,727,287	796,179	17,543,235
Interest income	68,586	-	28,573	-	-	619	97,778
Capital expenditure	154,368	-	292,622	-	4,059	-	451,049
Depreciation and amortisation	248,580	-	930,345	157,377	117,245	53,382	1,506,929

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 except for lands and buildings which have been restated to incorporate the latest valuations made in the third quarter of 2012 by a firm of independent valuers in accordance with the Group accounting policies.

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 RM13.6 million as compared to RM15.5 million registered in the preceding year's corresponding quarter. The decline in revenue was mainly attributable to the lower export from our OEM segment.

For the current quarter under review, the Group posted an after tax loss of RM0.2 million as compared to an after tax loss of RM1.0 million recorded in the preceding year corresponding quarter. Although revenue declined by RM1.9 million, the after tax loss was an improvement due to better margin from sales mix of the OEM segment as well as lower operating cost incurred by both the OEM and direct selling segments.

For the cumulative nine months under review, the Group recorded revenue of RM42.6 million compared to RM44.7 million recorded in the preceding year corresponding period. Despite the drop in revenue of RM2.1 million, the Group posted an after tax loss of RM1.9 million for the cumulative nine months compared to an after tax loss of RM5.9 million in the preceding corresponding period. This improvement of RM4.0 million was mainly attributable to lower operational costs incurred by both the OEM and direct selling segments.

14. Quarterly results comparison

The Group's current quarter revenue of RM13.6 million represented a decrease of RM2.4 million as compared to the immediate preceding quarter of RM16.0 million. In line with lower revenue recorded for the current quarter, the Group posted an after tax loss of RM0.2 million compared to after tax profit of RM0.6 million recorded in the immediate preceding quarter.

15. Prospects for the current financial year

The Group's operations are expected to face 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 31.12.2011 RM	Preceding Year Corresponding Quarter 31.12.2010 RM	Current Year To Date 31.12.2011 RM	Preceding Corresponding Year to Date 31.12.2010 RM
Taxation				
- current year	82,508	281,252	203,523	281,252
Deferred taxation				
- current year	(48,793)	(26,186)	(123,660)	117,161
	<u>33,715</u>	<u>255,066</u>	<u>79,863</u>	<u>398,413</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 31 December 2011, the Group has paid RM577,590 in accordance to the terms for the acquisition and the balance is to be paid in various instalments over the period of development.

20. Borrowings and debts securities

There were no debts securities for the current financial period to date. Particulars of the Group’s borrowings as at 31 December 2011 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	6,826,048	1,552,008	8,378,056
Unsecured	<u>2,150,584</u>	<u>0</u>	<u>2,150,584</u>
	8,976,632	1,552,008	10,528,640
<u>US Dollar</u>			
Secured	<u>2,021,675</u>	<u>0</u>	<u>2,021,675</u>
	<u>10,998,307</u>	<u>1,552,008</u>	<u>12,550,315</u>

21. 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 31.12.2011 RM	Fair value Gain / (loss) as at 31.12.2011 RM
Foreign currency forward contracts			
- less than 1 year	8,582,521	8,432,734	(149,787)
Enhanced knockout forward			
- less than 1 year	3,681,000	3,535,828	(145,172)

Derivative financial instruments (Continued)

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.

22. Fair value changes of financial liabilities

As at 31 December 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

23. Changes in material litigation

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

24. Proposed dividend

The Directors do not recommend any payment of dividends in respect of the three months ended 31 December 2011.

25. 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.

	Current Year Quarter 31.12.2011	Preceding Year Corresponding Quarter 31.12.2010	Current Year To Date 31.12.2011	Preceding Corresponding Year to Date 31.12.2010
Net profit / (loss) for the period (RM)	(246,540)	(1,012,215)	(1,932,251)	(5,909,451)
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	(0.3)	(1.3)	(2.4)	(7.4)
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

26. Capital commitments

As at 31 December 2011, there was no capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements.

27. Disclosure of realised and unrealised retained earnings

	Current Year to Date 31.12.2011 RM	As at the End of Financial Year 30.03.2011 RM
Total retained earnings of the Company and its subsidiaries		
Realised	31,960,191	32,265,035
Unrealised	(2,098,735)	(246,155)
	<u>29,861,456</u>	<u>32,018,880</u>
Less: Consolidation adjustments	(25,465,983)	(25,691,156)
Total Group retained earnings as per consolidated accounts	<u><u>4,395,473</u></u>	<u><u>6,327,724</u></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.

28. Profit / (Loss) before taxation

The profit / (loss) before taxation is arrived at after crediting / (charging) the following income / (expenses):

	Current Year Quarter 31.12.2011	Preceding Year Corresponding Quarter 31.12.2010	Current Year To Date 31.12.2011	Preceding Corresponding Year to Date 31.12.2010
(a) Interest income	48,158	33,193	137,601	97,778
(b) Other income including investment income	24,540	7,806	30,271	28,721
(c) Interest expense	112,305	123,923	358,035	385,265

Profit / (Loss) before taxation (Continued)

	Current Year Quarter 31.12.2011	Preceding Year Corresponding Quarter 31.12.2010	Current Year To Date 31.12.2011	Preceding Corresponding Year to Date 31.12.2010
(d) Depreciation and amortisation	446,680	468,780	1,340,496	1,506,929
(e) Provision for and write off of receivable	-	-	-	-
(f) Provision for and write off of inventories	-	-	-	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	146	(3,421)	38,376	(320,926)
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	482,638	419,006	304,065	1,434,289
(j) Gain/(Loss) on derivatives	471,689	-	(274,348)	-
(k) Exceptional items	-	-	-	-

29. 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 **22 February 2012**.

