

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2012**



**Caely**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Year Quarter 31.12.2012 RM	Preceding Year Corresponding Quarter 31.12.2011 RM	Current Year To Date 31.12.2012 RM	Preceding Corresponding Year to Date 31.12.2011 RM
<b>Revenue</b>	24,113,792	13,618,563	67,965,136	42,583,428
Operating expenses	(23,979,359)	(14,246,428)	(67,535,657)	(44,652,708)
Other operating income	634,206	500,710	1,434,619	550,681
<b>Profit / (Loss) from operations</b>	768,639	(127,155)	1,864,098	(1,518,599)
Finance cost	(205,883)	(153,100)	(535,331)	(493,515)
<b>Profit / (Loss) before taxation</b>	562,756	(280,255)	1,328,767	(2,012,114)
Taxation	(206,467)	33,715	(299,800)	79,863
<b>Profit / (Loss) after taxation</b>	356,289	(246,540)	1,028,967	(1,932,251)
<b>Profit / (Loss) attributable to:</b>				
Owners of the Company	356,289	(246,540)	1,028,967	(1,932,251)
Non-controlling interest	-	-	-	-
<b>Profit / (Loss) after taxation</b>	356,289	(246,540)	1,028,967	(1,932,251)
<b>Earnings per share:</b>				
- basic (sen)	0.4	(0.3)	1.3	(2.4)
- 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 2012.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 31.12.2012 RM (Unaudited)	As at 31.03.2012 RM (Audited)
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	25,702,367	26,391,981
Prepaid lease payments	321,622	325,168
Deferred tax assets	0	92,439
Receivables, deposits and prepayments	17,907	60,070
	<u>26,041,896</u>	<u>26,869,658</u>
<b>CURRENT ASSETS</b>		
Property development costs	5,065,670	4,546,997
Inventories	24,821,920	25,587,108
Receivables, deposits and prepayments	23,734,900	17,674,326
Derivative financial instruments	20,707	8,916
Tax recoverable	395,580	689,001
Marketable securities	2,061,946	2,141,947
Deposits, bank and cash balances	5,584,887	5,047,894
	<u>61,685,610</u>	<u>55,696,189</u>
Non current assets held for sale	-	1,442,562
<b>TOTAL ASSETS</b>	<u><u>87,727,506</u></u>	<u><u>84,008,409</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000,000	40,000,000
Reserves	24,703,304	23,674,337
Equity attributable to owners of the Company	<u>64,703,304</u>	<u>63,674,337</u>
<b>NON CURRENT LIABILITIES</b>		
Hire-purchase creditors	427,851	541,183
Term loan	150,702	192,641
Payables and accruals	38,315	53,990
Deferred tax liabilities	1,101,758	811,305
	<u>1,718,626</u>	<u>1,599,119</u>

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(Continued)**

	As at 31.12.2012 RM (Unaudited)	As at 31.03.2012 RM (Audited)
<b>CURRENT LIABILITIES</b>		
Payables and accruals	10,304,798	10,641,111
Derivative financial instruments	15,437	35,331
Hire-purchase creditors	189,347	186,416
Short term bank borrowings		
- bank overdrafts	8,092,168	4,186,675
- others	2,611,448	2,065,500
Term loan	89,807	153,544
Current tax liabilities	2,571	5,900
	<u>21,305,576</u>	<u>17,274,477</u>
<b>Liabilities associated with assets held for sale</b>	<u>-</u>	<u>1,460,476</u>
<b>TOTAL LIABILITIES</b>	<u>23,024,202</u>	<u>20,334,072</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>87,727,506</u>	<u>84,008,409</u>
Net Assets per share of RM0.50 each	<u><u>0.81</u></u>	<u><u>0.80</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012.

**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 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 property, net of tax	-	-	2,843,022	-	-	-	-	2,843,022
Net 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
At 1 April 2012	40,000,000	80,344	6,681,853	9,419,360	-	7,492,780	-	63,674,337
Net profit for the period	-	-	-	-	-	1,028,967	-	1,028,967
At 31 December 2012	40,000,000	80,344	6,681,853	9,419,360	-	8,521,747	-	64,703,304

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	31.12.2012 RM (Unaudited)	31.12.2011 RM (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) for the period/year	1,028,967	(1,932,251)
Adjustments for:		
Property, plant and equipment		
- depreciation	1,212,634	1,329,535
- (gain) / loss on disposals	-	(32,821)
- write off	1,421	-
Amortisation of prepaid lease payments	3,548	10,961
Interest expense	433,455	358,035
Taxation	299,800	(79,863)
Write back of allowance for doubtful debts	(5,829)	-
Interest income	(118,528)	(137,601)
Fair Value (gains) / losses on marketable securities	77,486	334,458
(Gain) / loss on disposal of marketable securities	1,468	(38,376)
Fair value (gains) / losses on derivative financial instruments	(31,685)	274,348
Property revaluation deficit	-	124,000
Gross dividend income from marketable securities	(32,407)	(30,271)
	<u>2,870,330</u>	<u>180,154</u>
Net movements in working capital:		
Inventories	765,188	(989,497)
Property development cost	(518,673)	-
Receivables	(4,570,020)	(3,908,793)
Payables	(1,812,464)	(48,027)
Cash flows generated/(used in) from operations	(3,265,639)	(4,766,163)
Interest paid	(433,455)	(358,035)
Tax refund	638,943	392,050
Tax paid	(265,258)	(204,194)
Net operating cash flow	<u>(3,325,409)</u>	<u>(4,936,342)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Continued)**

	31.12.2012	31.12.2011
	RM	RM
	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(490,440)	(430,654)
- proceeds from disposals	-	41,600
Interest income received	118,528	137,601
Dividend income received	31,907	30,271
Marketable securities		
- payment for acquisition	(1,143,514)	(1,856,111)
- proceeds from disposals	1,144,560	2,017,134
Net investing cash flow	<u>(338,959)</u>	<u>(60,159)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayments of)/ Proceeds from short term bank borrowings	545,948	1,055,725
Repayments of hire-purchase creditors	(144,401)	(217,928)
Repayments of term loan	(105,676)	(161,523)
Net financing cash flow	<u>295,871</u>	<u>676,274</u>
Net movement in cash and cash equivalents	(3,368,497)	(4,320,227)
Cash and cash equivalent at beginning of the financial period/year	<u>387,877</u>	<u>5,080,797</u>
Cash and cash equivalent at end of the financial period/year	<u>(2,980,620)</u>	<u>760,570</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012.

## 1. Basis of Preparation

The interim financial statements are unaudited and are prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 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 2012.

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 2012, except for the first time adoption of MFRS Frameworks.

In the transition to the MFRS Framework, the Group has applied MFRS 1 “First time Adoption of MFRS” which provides certain optional exemptions and mandatory exemptions for first-time MFRS adopters.

At the date of these interim financial statements, the following MFRSs and Amendments to MFRSs were issued but not yet effective and the Group has not yet applied:

MFRS 9	Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurements
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income

The application of the above new accounting standards are not expected to have a material impact on the Group’s financial statements other than MFRS 9. MFRS 9 replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.



**2. Qualification of Auditors' Report**

The auditors' report of the preceding financial statements ended 31 March 2012 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 31.12.2012	Continuing Operations					Discontinued Operations		Total RM
	Direct Selling/Retail RM	Construction RM	Original Equipment Manufacturer RM	Own Brand RM	Others RM	Total RM	Car Accessories Manufacturer RM	
<b>Sales</b>								
Total sales	2,867,687	17,306,099	47,791,350	1,452,000	7,814,312	77,231,448	-	77,231,448
Intersegment sales	-	-	-	(1,452,000)	(7,814,312)	(9,266,312)	-	(9,266,312)
External sales	1,904,094	12,370,392	29,576,859	-	-	67,965,136	-	67,965,136
<b>Results</b>								
Profit / (loss) on operations	(2,322,247)	1,957,135	2,120,335	364,108	(255,233)	1,864,097	-	1,864,098
Finance cost	(96,265)	(39,170)	(307,829)	(74,911)	(17,156)	(535,331)	-	(535,331)
Loss before tax								1,328,767
Taxation								(299,800)
Net loss for the period								1,028,967
Segment assets	12,396,570	11,125,336	45,267,540	14,724,203	4,213,857	87,727,506	-	87,727,506
Segment liabilities	2,778,302	5,221,660	12,203,499	2,287,541	533,200	23,024,202	-	23,024,202
Interest income	8	-	114,736	-	3,784	118,528	-	118,528
Capital expenditure	196,559	48,523	15,696	263,662	-	524,440	-	524,440
Depreciation and amortisation	101,792	43,991	836,540	178,827	55,032	1,216,182	-	1,216,182

**Caely Holdings Bhd (408376-U)**

Incorporated in Malaysia

**Unaudited Interim Financial Statements  
for 3<sup>rd</sup> Quarter ended 31 December 2012**

**Segment information (Continued)**

Financial period ended 31.12.2011	Continuing Operations					Discontinued Operations		Total RM
	Direct Selling/Retail RM	Construction RM	Original Equipment Manufacturer RM	Own Brand RM	Others RM	Total RM	Car Accessories Manufacturer RM	
<b>Sales</b>								
Total sales	3,513,923	1,602,910	37,340,584	1,711,990	11,250,090	55,419,497	126,011	55,545,508
Intersegment sales	-	-	-	(1,711,990)	(11,250,090)	(12,962,080)	-	(12,962,080)
External sales	<u>3,513,923</u>	<u>1,602,910</u>	<u>37,340,584</u>	<u>-</u>	<u>-</u>	<u>42,457,417</u>	<u>126,011</u>	<u>42,583,428</u>
<b>Results</b>								
Profit / (loss) on operations	(1,158,056)	(121,200)	159,962	638,720	(477,320)	(957,894)	(560,705)	(1,518,599)
Finance cost	(92,618)	(2,635)	(233,606)	(55,121)	(33,699)	(417,679)	(75,836)	(493,515)
Loss before tax						(1,375,573)	(636,541)	(2,012,114)
Taxation						79,863	-	79,863
Net profit for the period						<u>(1,295,710)</u>	<u>(636,541)</u>	<u>(1,932,251)</u>
Segment assets	11,537,649	240,754	45,424,197	14,343,440	8,846,795	80,392,835	2,827,685	83,220,520
Segment liabilities	2,335,508	364,589	14,083,202	2,437,453	1,100,462	20,321,214	1,390,728	21,711,942
Interest income	17	-	126,104	-	3,845	129,966	7,635	137,601
Capital expenditure	1,670	249,244	535,205	-	-	786,119	153,535	939,654
Depreciation and amortisation	129,604	8,491	884,240	152,065	53,382	1,227,782	112,714	1,340,496

## **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 2012.

## **10. Subsequent events**

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

On 31 January 2013, the Group entered into a share sale agreement to acquire 51% equity interest in Omni Green Sdn Bhd for a consideration of RM250,000. The transaction was completed on 22 February 2013.

## **12. Contingent liabilities and contingent assets**

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

## **13. Performance review**

The Group recorded revenue of RM24.1 million for the current quarter ended 31 December 2012 as compared to revenue of RM13.6 million registered in the preceding year's corresponding quarter. The increase in revenue of RM10.5 million was mainly contributed by the property and construction segment (RM4.7 million) and OEM segment (RM6.2 million) while the direct selling segment recorded a decline of RM0.4 million.

For the current quarter, the Group's after tax profit was RM0.356 million, an increase of RM0.603 million from the preceding year corresponding quarter's after tax loss of RM0.246 million. The increase in profit was mainly attributable to higher revenue generated by the OEM and Property and Construction segments and better margin from sales mix of the OEM segment. However, the direct sales segment recorded a loss of RM2.4 million after taking a provision on inventories of RM1.0 million.

For the nine months ended 31 December 2012, the Group recorded revenue of RM68.0 million compared to RM42.6 million for the preceding year's corresponding period. Profit after tax for the current nine months was RM1.0 million compared to an after tax loss of RM1.9 million for the preceding year's corresponding period. The improvement of the profit after tax was mainly due to the contribution by the OEM and Property and Construction segments.

#### 14. Quarterly results comparison

As compared to RM22.7 million recorded in the immediate preceding quarter, the revenue of the Group increased 6% to RM24.1 million in the current quarter mainly due to the increase in sales of the OEM. The Group posted a profit after tax of RM0.356 million for the current quarter compared to RM0.426 million for the immediate preceding quarter. The Group's after tax profit declined marginally compared to the immediate preceding quarter due to higher provision for inventories of RM1.0 million.

#### 15. Prospects for the current financial year

In view of the current global economic challenges and the volatility of the foreign currency exchange rates, the Group expects the present challenging business conditions to continue. In view of this, the Group's performance will largely depend on market demand, operating efficiencies and cost control measures of its various operations and the Group will continue to adopt prudent measures so as to lessen the impact these challenges may have on the Group.

#### 16. Profit forecast and profit guarantee

Not applicable.

#### 17. Taxation

	Current Year Quarter 31.12.2012 RM	Preceding Year Corresponding Quarter 31.12.2011 RM	Current Year To Date 31.12.2012 RM	Preceding Corresponding Year to Date 31.12.2011 RM
Taxation				
- current year	(100,163)	(88,508)	91,890	(121,015)
- prior year	(174,984)		(174,984)	
Deferred taxation				
- current year	481,614	74,867	382,894	74,867
Tax charge / (credit)	<u>206,467</u>	<u>(13,641)</u>	<u>299,800</u>	<u>(46,148)</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**

- (a) 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 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 2012, the Group has paid RM1,363,760 in accordance to the terms for the acquisition and the balance is to be paid in various instalments over the period of development.
- (b) On 31 January 2013, the Group entered into a share sale agreement to acquire 51% equity interest in Omni Green Sdn Bhd for a consideration of RM250,000. The transaction was completed on 22 February 2013.
- (c) At the Extraordinary General Meeting held on 6 February 2013, the shareholders of Caely Holdings Bhd approved the Group to diversify and expand its business to property development and construction.

**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 2012 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	3,978,593	578,553	4,557,146
Unsecured	5,053,202	0	5,053,202
	<u>9,031,795</u>	<u>578,553</u>	<u>9,610,348</u>
<u>US Dollar</u>			
Secured	1,950,975	0	1,950,975
	<u>10,982,770</u>	<u>578,553</u>	<u>11,561,323</u>

**21. Derivative financial instruments**

The derivative instruments for foreign currency forward contracts and option forward contracts are as follows:

**Derivative financial instruments (Continued)**

	<b>Contract / Notional amount RM</b>	<b>Fair value as at 31.12.2012 RM</b>	<b>Fair value Gain / (loss) as at 31.12.2012 RM</b>
Foreign currency forward contracts - less than 1 year	808,450	812,690	(4,240)
Option forward contracts - less than 1 year	7,450,000	7,440,490	9,510

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 2012.

**22. Fair value changes of financial liabilities**

As at 31 December 2012, 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 nine months ended 31 December 2012.

**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.

**Earnings per share (Continued)**

	Current Year Quarter 31.12.2012	Preceding Year Corresponding Quarter 31.12.2011	Current Year To Date 31.12.2012	Preceding Corresponding Year to Date 31.12.2011
Net profit / (loss) for the period (RM)	356,289	(246,540)	1,028,967	(1,932,251)
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	0.4	(0.3)	1.3	(2.4)
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 2012, 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 31.12.2012 RM	As at the End of Financial Year 31.03.2012 RM
Total retained earnings of the Company and its subsidiaries		
Realised	39,674,335	33,700,293
Unrealised	(1,077,816)	(888,282)
	<u>38,596,519</u>	<u>32,812,011</u>
Less: Consolidation adjustments	<u>(30,074,772)</u>	<u>(25,319,231)</u>
Total Group retained earnings as per consolidated accounts	<u>8,521,747</u>	<u>7,492,780</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 31.12.2012	Current Year To Date 31.12.2012
(a) Interest income	35,104	118,528
(b) Other income including investment income	24,271	32,406
(c) Interest expense	168,286	433,455
(d) Depreciation and amortisation	400,147	1,216,182
(e) Provision for and write off of receivables	(5,829)	(5,829)
(f) Provision for and write off of inventories	1,174,478	1,174,478
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	(1,208)	(1,468)
(h) Impairment of assets	-	1,421
(i) Foreign exchange gain/(loss)	478,838	684,470
(j) Gain/(Loss) on derivatives	(42,076)	31,685
(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 **26 February 2013**.