

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 JUNE 2013**



Caely

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 30.06.2013 RM	Preceding Year Corresponding Quarter 30.06.2012 RM	Current Year to Date 30.06.2013 RM	Preceding Corresponding Year to Date 30.06.2012 RM
Revenue	23,097,419	21,122,422	23,097,419	21,122,422
Operating expenses	(20,599,758)	(20,821,181)	(20,599,758)	(20,821,181)
Other operating income	614,450	52,302	614,450	52,302
Profit / (Loss) from operations	3,112,111	353,543	3,112,111	353,543
Finance cost	(304,267)	(163,249)	(304,267)	(163,249)
Profit / (Loss) before taxation	2,807,844	190,294	2,807,844	190,294
Taxation	(419,881)	56,286	(419,881)	56,286
Profit / (Loss) from continuing operations	2,387,963	246,580	2,387,963	246,580
Other comprehensive income	-	-	-	-
Total comprehensive income	2,387,963	246,580	2,387,963	246,580
Total comprehensive income attributable to:				
Owners of the Company	2,422,835	246,580	2,422,835	246,580
Non-controlling interest	(34,872)	-	(34,872)	-
Total comprehensive income	2,387,963	246,580	2,387,963	246,580
Earnings per share:				
- basic (sen)	3.0	0.3	3.0	0.3
- 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 2013.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30.06.2013 RM (Unaudited)	As at 31.03.2013 RM (Audited)
NON CURRENT ASSETS		
Property, plant and equipment	26,489,439	26,690,279
Prepaid lease payments	272,310	273,357
Goodwill	172,022	172,022
Receivables, deposits and prepayments	12,205	13,907
	<u>26,945,976</u>	<u>27,149,565</u>
CURRENT ASSETS		
Property development costs	12,780,312	12,221,114
Inventories	21,493,342	23,849,892
Receivables, deposits and prepayments	21,720,131	19,734,122
Derivative financial instruments	59,682	10,177
Tax recoverable	303,884	518,977
Marketable securities	2,161,269	2,199,194
Deposits, bank and cash balances	8,457,586	6,993,617
	<u>66,976,206</u>	<u>65,527,094</u>
TOTAL ASSETS	<u><u>93,922,182</u></u>	<u><u>84,008,409</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000,000	40,000,000
Reserves	27,742,850	25,320,015
Non-controlling interest	(179,207)	(144,335)
Equity attributable to owners of the Company	<u>67,563,643</u>	<u>65,175,680</u>
NON CURRENT LIABILITIES		
Hire-purchase creditors	379,538	430,334
Term loan	4,705,586	4,726,526
Payables and accruals	27,865	33,090
Deferred tax liabilities	1,178,625	1,310,365
	<u>6,291,614</u>	<u>6,500,315</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

	As at 30.06.2013 RM (Unaudited)	As at 31.03.2013 RM (Audited)
CURRENT LIABILITIES		
Payables and accruals	10,364,864	11,802,046
Derivative financial instruments	163,047	1,950
Hire-purchase creditors	225,267	229,181
Short term bank borrowings		
- bank overdrafts	5,985,657	5,661,142
- others	2,673,895	2,827,082
Term loan	403,647	477,318
Current tax liabilities	250,548	1,945
	<u>20,066,925</u>	<u>21,000,664</u>
TOTAL LIABILITIES	<u>26,358,539</u>	<u>27,500,979</u>
TOTAL EQUITY AND LIABILITIES	<u>93,922,182</u>	<u>92,676,659</u>
Net Assets per share of RM0.50 each	<u>0.84</u>	<u>0.81</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital	Share premium	Reserve on consolidation	Revaluation reserve	Retained profits	Total	Non-controlling interest	Total equity		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2012	40,000,000	9,419,360	80,344	6,681,853	7,492,780	63,674,337	-	63,674,337	-	63,674,337
Effects of transition to MFRS	-	-	-	(36,835)	1,253	(35,582)	-	(35,582)	-	(35,582)
Restated balance	40,000,000	9,419,360	80,344	6,645,018	7,494,033	63,638,755	-	63,638,755	-	63,638,755
Net profit for the financial year					246,580	246,580		246,580		246,580
At 30 June 2012	40,000,000	9,419,360	80,344	6,645,018	7,740,613	63,885,335	-	63,885,335	-	63,885,335
At 1 April 2013	40,000,000	9,419,360	80,344	6,645,018	9,175,293	65,320,015	(144,335)	65,175,680		65,175,680
Net profit / (loss) for the financial year				-	2,422,835	2,422,835	(34,872)	2,387,963		2,387,963
At 30 June 2013	40,000,000	80,344	6,645,018	9,419,360	11,598,128	67,742,850	(179,207)	67,563,643		67,563,643

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30.06.2013 RM (Unaudited)	30.06.2012 RM (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations	2,387,963	246,580
Adjustments for:		
Property, plant and equipment		
- depreciation	435,838	414,851
- (gain) / loss on disposals	-	-
- write off	-	1,421
Amortisation of prepaid lease payments	1,047	1,182
Interest expense	276,122	135,859
Interest income	(34,061)	(33,540)
Gross dividend income from marketable securities	(2,365)	(2,076)
Fair Value (gain) / loss on marketable securities	33,121	106,393
(Gain) / Loss on disposal of marketable securities	(265)	-
Fair value (gain) / loss on derivative financial instruments	111,592	248,205
Taxation	419,880	(56,286)
	<u>3,628,872</u>	<u>1,062,589</u>
Net movements in working capital:		
Inventories	2,356,550	(1,556,865)
Property development cost	(559,198)	(19,311)
Receivables	(1,984,307)	(1,251,916)
Payables	(1,442,407)	(321,603)
Cash flows generated from /(used in) operations	1,995,510	(2,087,106)
Interest paid	(276,122)	(135,859)
Tax refund	-	-
Tax paid	(87,924)	(86,458)
Net operating cash flow	<u>1,635,464</u>	<u>(2,309,423)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Continued)

	30.06.2013 RM (Unaudited)	30.06.2012 RM (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	(234,997)	(102,166)
- proceeds from disposals	-	-
Interest income received	34,061	33,540
Dividend income received	2,365	2,076
Marketable securities		
- payment for acquisition	(294,932)	-
- proceeds from disposals	300,000	-
Net Investing cash flow	<u>(193,503)</u>	<u>(66,550)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits pledged as securities	(245,430)	-
(Repayments of)/ Proceeds from short term bank borrowings	(153,187)	(110,025)
Repayments of hire-purchase creditors	(54,711)	(48,187)
Repayments of term loan	(94,610)	(34,602)
Net financing cash flow	<u>(547,938)</u>	<u>(192,814)</u>
Net movement in cash and cash equivalents	894,023	(2,568,787)
Cash and cash equivalent at beginning of the financial period/year	<u>(3,120,526)</u>	<u>387,877</u>
Cash and cash equivalent at end of the financial period/year	<u><u>(2,226,503)</u></u>	<u><u>(2,180,910)</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 2013.

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 2013.

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 2013, except for the following MFRSs and Amendments to MFRSs which were adopted by the Group:

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 does not have a material impact on the Group’s financial statements.

2. Qualification of Auditors’ Report

The auditors’ report of the preceding financial statements ended 31 March 2013 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 year ended 30.06.2013	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales (OEM) RM	Manufacturing Sales (Own Brand) RM	Others RM	Total RM
<u>Sales</u>						
Total sales	901,930	5,613,165	16,440,556	500,061	143,743	23,601,430
Intersegment sales	-	-	-	(502,036)	-	(502,036)
External sales	<u>901,930</u>	<u>5,613,165</u>	<u>16,440,556</u>	<u>(1,975)</u>	<u>143,743</u>	<u>23,097,419</u>
<u>Results</u>						
Profit / (loss) on operations	(201,802)	1,822,714	1,736,886	(6,504)	(239,183)	3,112,111
Finance cost	(6,464)	(21,006)	(272,752)	(350)	(3,695)	(304,267)
Profit before tax						2,807,844
Taxation						(419,881)
Net profit for the period						<u>2,387,963</u>
Segment assets	18,739,694	13,663,392	41,564,865	14,085,675	5,868,556	93,922,182
Segment liabilities	1,271,875	5,619,501	16,902,170	786,351	1,778,642	26,358,539
Interest income	195	-	32,603	-	1,263	34,061
Capital expenditure	2,244	25,300	103,997	52,964	50,493	234,998
Depreciation and amortisation	31,230	19,831	235,942	89,940	59,942	436,885

Segmental information (Continued)

Financial period ended 30.06.2012	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	
Sales								
Total sales	859,561	6,752,714	13,510,147	459,991	3,750,030	25,332,443	-	25,332,443
Intersegment sales	-	-	-	(459,991)	(3,750,030)	(4,210,021)	-	(4,210,021)
External sales	<u>859,561</u>	<u>6,752,714</u>	<u>13,510,147</u>	<u>-</u>	<u>-</u>	<u>21,122,422</u>	<u>-</u>	<u>21,122,422</u>
Results								
Profit / (loss) on operations	(435,094)	765,334	120,387	121,669	(218,753)	353,543	-	353,543
Finance cost	(31,442)	(3,407)	(99,381)	(22,657)	(6,362)	(163,249)	-	(163,249)
Loss before tax								<u>190,294</u>
Taxation								<u>56,286</u>
Net loss for the period								<u>246,580</u>
Segment assets	13,282,708	7,835,532	44,847,573	14,443,190	4,292,811	84,701,814	1,583,067	86,284,881
Segment liabilities	2,988,083	3,087,896	11,904,309	2,157,564	765,636	20,903,488	1,460,476	22,363,964
Interest income	3	-	32,298	-	1,239	33,540	-	33,540
Capital expenditure	6,179	44,698	7,118	78,172	-	136,167	-	136,167
Depreciation and amortisation	33,801	14,606	293,580	55,702	18,344	416,033	-	416,033

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 2013.

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.

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 RM23.1 million during the current quarter under review. This represents a 9.4% increase compared to RM21.1 million revenue recorded during the same quarter last year. This improvement in revenue was mainly attributable to the contribution by the OEM segment.

In line with the increased revenue, the Group recorded a profit after tax of RM2.4 million as compared to a profit of RM246,580 for the preceding year corresponding quarter. This was mainly attributable to the contributions by the OEM and the property and construction segments.

14. Quarterly results comparison

The Group recorded revenue of RM23.1 million for the current quarter, which was a marginal decrease of RM0.5 million as compared to RM23.6 million for the immediate preceding quarter. The Group posted a profit after tax of RM2.4 million for the current quarter as compared to a profit after tax of RM652,293 in the immediate preceding quarter. The improvement in profit after tax was mainly due to better profit margin in the property and construction and the OEM segments.

15. Prospects for the current financial year

In view of the present economic outlook, the Group anticipates the operating environment for the coming financial year to be challenging. The global economic conditions have not improved significantly while on the local front, the implementation of the minimum wage policy will certainly affect the Group's profit margin. Nevertheless, the Group will continue to adopt prudent measures to lessen the impact these challenges may have on the performance of the Group. Barring any unforeseen circumstances, the Board is cautiously optimistic that the financial performance for the ensuing financial year will be satisfactory.

16. Profit forecast and profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter 30.06.2013 RM	Preceding Year Corresponding Quarter 30.06.2012 RM	Current Year To Date 30.06.2013 RM	Preceding Corresponding Year to Date 30.06.2012 RM
Taxation - current	551,621	(56,286)	551,621	(56,286)
Deferred taxation - current	(131,740)	-	(131,740)	-
Tax charge / (credit)	<u>419,881</u>	<u>(56,286)</u>	<u>419,881</u>	<u>(56,286)</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 for a total consideration of RM3,695,300 consisting of RM1,925,300 in cash and RM1,770,000 in kind. The SPA is still pending completion.

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 30 June 2013 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	3,214,799	5,085,124	8,299,923
Unsecured	<u>4,134,916</u>	<u>0</u>	<u>4,134,916</u>
	7,349,715	5,085,124	12,434,839
<u>US Dollar</u>			
Secured	<u>1,938,750</u>	<u>0</u>	<u>1,938,750</u>
	<u><u>9,288,465</u></u>	<u><u>5,085,124</u></u>	<u><u>14,373,589</u></u>

21. Derivative financial instruments

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

	Contract / Notional amount RM	Fair value as at 30.06.2013 RM	Fair value Gain / (loss) as at 30.06.2013 RM
Foreign currency forward contracts			
- less than 1 year	7,023,919	7,002,713	21,206
Option forward contracts			
- less than 1 year	8,222,000	8,346,571	(124,571)

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 2013.

22. Fair value changes of financial liabilities

As at 30 June 2013, 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 30 June 2013.

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 30.06.2013	Preceding Year Corresponding Quarter 30.06.2012	Current Year To Date 30.06.2013	Preceding Corresponding Year to Date 30.06.2012
Net profit / (loss) for the period (RM)	2,387,963	246,580	2,387,963	246,580
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	3.0	0.3	3.0	0.3
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 30 June 2013, 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 30.06.2013 RM	As at the End of Financial Year 31.03.2013 RM
Total retained earnings of the Company and its subsidiaries		
Realised	42,606,535	40,393,920
Unrealised	(1,264,185)	(1,361,555)
	<u>41,342,350</u>	<u>39,032,365</u>
Less: Consolidation adjustments	(29,744,222)	(29,857,072)
Total Group retained earnings as per consolidated accounts	<u><u>11,598,128</u></u>	<u><u>9,175,293</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 30.06.2013	Current Year To Date 30.06.2013
(a) Interest income	34,061	34,061
(b) Other income including investment income	2,365	2,365
(c) Interest expense	276,122	276,122
(d) Depreciation and amortisation	436,885	436,885
(e) Provision for and write off of receivables	-	-

Profit / (Loss) before taxation (Continued)

	Current Year Quarter 30.06.2013	Current Year To Date 30.06.2013
(f) Provision for and write off of inventories	678,548	678,548
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	265	265
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss)	454,426	454,426
(j) Gain/(Loss) on derivatives	(111,591)	(111,591)
(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 **27 August 2013**.