

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2014**



Caely

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.12.2014 RM	Preceding Year Corresponding Quarter 31.12.2013 RM	Current Year to Date 31.12.2014 RM	Preceding Corresponding Year to Date 31.12.2013 RM
Revenue	26,920,917	25,309,674	67,381,127	74,536,057
Operating expenses	(25,959,967)	(23,853,554)	(64,553,824)	(68,447,070)
Other operating income	431,223	333,985	1,274,266	1,268,377
Profit / (Loss) from operations	1,392,173	1,790,105	4,101,569	7,357,365
Finance cost	(392,037)	(503,407)	(1,001,859)	(1,074,184)
Profit / (Loss) before taxation	1,000,136	1,286,697	3,099,710	6,283,180
Taxation	(370,631)	188,000	(761,888)	(327,016)
Profit / (Loss) from continuing operations	629,505	1,474,697	2,337,822	5,956,164
Other comprehensive income	-	-	-	-
Total comprehensive income	629,505	1,474,697	2,337,822	5,956,164
Total comprehensive income attributable to:				
Owners of the Company	686,628	1,551,593	2,459,046	6,117,368
Non-controlling interest	(57,123)	(76,896)	(121,224)	(161,204)
Total comprehensive income	629,505	1,474,697	2,337,822	5,956,164
Earnings per share:				
- basic (sen)	0.8	1.8	3.1	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 2014.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31.12.2014 RM (Unaudited)	As at 31.03.2014 RM (Audited)
NON CURRENT ASSETS		
Property, plant and equipment	24,192,792	25,400,182
Investment property	3,200,000	3,200,000
Deferred tax assets	2,381,691	2,381,691
Receivables, deposits and prepayments	<u>738,165</u>	<u>746,413</u>
	<u>30,512,648</u>	<u>31,728,286</u>
CURRENT ASSETS		
Property development costs	32,434,041	21,986,353
Inventories	14,628,513	13,377,227
Receivables, deposits and prepayments	37,796,286	30,190,109
Tax recoverable	20,367	284,321
Marketable securities	645,113	754,566
Derivative financial instruments	7,402	6,473
Deposits, bank and cash balances	<u>5,189,338</u>	<u>9,635,601</u>
	<u>90,721,060</u>	<u>76,234,650</u>
TOTAL ASSETS	<u><u>121,233,708</u></u>	<u><u>107,962,936</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000,000	40,000,000
Reserves	35,822,848	34,163,802
Non-controlling interest	<u>(238,998)</u>	<u>(117,774)</u>
Equity attributable to owners of the Company	<u>75,583,850</u>	<u>74,046,028</u>
NON CURRENT LIABILITIES		
Payables and accruals	0	12,191
Hire-purchase creditors	266,394	437,003
Term loan	5,614,728	4,583,608
Deferred tax liabilities	<u>808,738</u>	<u>831,862</u>
	<u>6,689,860</u>	<u>5,864,664</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

	As at 31.12.2014 RM (Unaudited)	As at 31.03.2014 RM (Audited)
CURRENT LIABILITIES		
Payables and accruals	25,364,856	18,004,770
Derivative financial instruments	104,801	7,242
Hire-purchase creditors	240,697	274,762
Term loan	576,892	506,314
Short term bank borrowings		
- bank overdrafts	9,492,885	7,018,580
- others	2,723,939	1,869,412
Current tax liabilities	455,928	371,164
	<u>38,959,998</u>	<u>28,052,244</u>
TOTAL LIABILITIES	45,649,858	33,916,908
TOTAL EQUITY AND LIABILITIES	121,233,708	107,962,936
Net Assets per share of RM0.50 each	<u><u>0.94</u></u>	<u><u>0.93</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Reserve on consolidation	Revaluation reserve	Retained profits	Total		
	RM	RM	RM	RM	RM	RM	RM	RM
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
Net profit for the financial year					6,117,368	6,117,368	(161,204)	5,956,164
At 31 December 2013	40,000,000	9,419,360	80,344	6,645,018	15,292,661	71,437,383	(305,539)	71,131,844
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2014	40,000,000	9,419,360	80,344	8,385,011	16,279,087	74,163,802	(117,774)	74,046,028
First and final single tier dividend in respect of financial year ended 31 March 2014 of 1 sen per share					(800,000)	(800,000)		(800,000)
Net profit / (loss) for the financial year	-	-	-	-	2,459,046	2,459,046	(121,224)	2,337,822
At 31 December 2014	40,000,000	9,419,360	80,344	8,385,011	17,938,133	75,822,848	(238,998)	75,583,850

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31.12.2014 RM (Unaudited)	31.12.2013 RM (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations	2,337,822	5,956,164
Adjustments for:		
Property, plant and equipment		
- depreciation	1,261,424	1,324,530
- losses / (gains) on disposal	(38,000)	-
- write off	44,965	-
Amortisation of prepaid lease payments	-	3,547
Impairment of Goodwill	-	172,022
Allowance for doubtful debts	(9,716)	214,249
Writeback of doubtful debts	-	(64,935)
Interest expense	924,181	692,481
Interest income	(101,527)	(104,160)
Gross dividend income from marketable securities	(13,190)	(12,031)
Fair Value (gain) / loss on marketable securities	109,453	(19,063)
(Gain) / Loss on disposal of marketable securities	-	(7,577)
Fair value (gain) / loss on derivative financial instruments	96,630	84,881
Taxation	761,888	327,016
	<u>5,373,930</u>	<u>8,567,124</u>
Net movements in working capital:		
Inventories	(1,251,286)	8,462,329
Property development cost	(10,447,688)	(3,827,142)
Receivables	(7,588,212)	(18,595,818)
Payables	7,342,661	8,858,148
Cash flows generated from /(used in) operations	<u>(6,570,595)</u>	<u>3,464,641</u>
Interest paid	(924,181)	(692,481)
Tax refund	198,522	0
Tax paid	<u>(634,816)</u>	<u>(263,969)</u>
Net operating cash flow	<u>(7,931,070)</u>	<u>2,508,191</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Continued)

	31.12.2014	31.12.2013
	RM	RM
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	(98,999)	(656,260)
- proceeds from disposals	38,000	1,162
Interest income received	101,527	104,160
Dividend income received	13,190	12,031
Marketable securities		
- payment for acquisition	-	(295,251)
- proceeds from disposals	-	1,739,673
Net Investing cash flow	<u>53,718</u>	<u>905,515</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal / (Deposits) pledged as securities	2,994,197	(2,174,913)
(Repayments of)/ Proceeds from short term bank borrowings	854,527	(503,380)
Advances / (Repayment of advances) to a director	5,233	-
Repayments of hire-purchase creditors	(204,674)	(170,126)
Repayments of term loan	(398,302)	(364,183)
Dividend paid	(800,000)	-
Drawdown of term loan	1,500,000	-
Net financing cash flow	<u>3,950,981</u>	<u>(3,212,602)</u>
Net movement in cash and cash equivalents	(3,926,371)	201,106
Cash and cash equivalent at beginning of the financial period/year	<u>(3,898,645)</u>	<u>(3,120,526)</u>
Cash and cash equivalent at end of the financial period/year	<u><u>(7,825,016)</u></u>	<u><u>2,919,420</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 2014.

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 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 2014, except for the adoption of the following FRSs and Amendments to FRSs:

Effective for financial periods beginning on or after 1 April 2014:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
IC Interpretation 21 Levies

Effective date yet to be determined by MASB:

FRS 9 Financial Instruments

Unless otherwise disclosed, the above new accounting standard, amendments to published standards and IC Interpretation are not anticipated to have any significant impact on the financial statements of the Group in the year of initial application.

2. Qualification of Auditors’ Report

The auditors’ report of the preceding financial statements ended 31 March 2014 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 31.12.2014	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	3,036,519	28,250,453	36,872,203	1,500,012	521,980	70,181,167
Intersegment sales	-	-	(1,300,028)	(1,500,012)	-	(2,800,040)
External sales	<u>3,036,519</u>	<u>28,250,453</u>	<u>35,572,175</u>	<u>-</u>	<u>521,980</u>	<u>67,381,127</u>
<u>Results</u>						
Profit / (loss) from operations	(368,581)	3,687,359	1,536,553	(543,913)	(209,849)	4,101,569
Finance cost	(55,861)	(256,222)	(688,622)	(818)	(335)	<u>(1,001,859)</u>
Profit before tax						3,099,710
Taxation						<u>(761,888)</u>
Net profit for the period						<u>2,337,822</u>
Segment assets	5,448,805	63,684,159	46,712,449	4,098,862	1,289,433	121,233,708
Segment liabilities	949,441	25,905,299	17,111,042	901,667	782,409	45,649,858
Interest income	11	18,696	82,820	-	-	101,527
Capital expenditure	36,118	3,150	49,548	3,700	6,483	98,999
Depreciation and amortisation	66,736	71,975	926,953	19,895	175,865	1,261,424

Segmental information (Continued)

Financial year ended 31.12.2013	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
Sales						
Total sales	2,614,771	28,321,009	44,496,606	11,254,285	414,415	87,101,086
Intersegment sales	-	-	(1,310,744)	(11,254,285)	-	(12,565,029)
External sales	<u>2,614,771</u>	<u>28,321,009</u>	<u>43,185,862</u>	<u>0</u>	<u>257,661</u>	<u>74,536,057</u>
Results						
Profit / (loss) on operations	(2,080,246)	7,834,386	2,611,234	(705,911)	(302,099)	7,357,364
Finance cost	541,122	(663,164)	(664,476)	(287,177)	(489)	<u>(1,074,184)</u>
Profit before tax						6,283,180
Taxation						<u>(327,016)</u>
Net profit for the period						<u>5,956,164</u>
Segment assets	22,378,498	22,555,245	48,687,600	11,307,051	1,352,153	106,280,547
Segment liabilities	8,610,175	9,141,840	15,869,479	704,684	787,348	35,113,526
Interest income	5,051	-	96,933	2,176	-	104,160
Capital expenditure	12,790	40,113	866,717	-	136,640	1,056,260
Depreciation and amortisation	89,198	60,084	996,223	55,504	127,068	1,328,077

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 2014 except for a leasehold property that is now recognised as investment property and carried at re-valued amount.

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 closed its 3rd quarter period ended 31 December 2014 with revenue of RM26.9 million, an increase of RM1.6 million as compared to the previous year's corresponding quarter of RM25.3 million. The increase in revenue was mainly from the Manufacturing segment which recorded an increase of RM1.8 million.

For the cumulative nine months, the Group registered revenue of RM67.4 million as compared to RM74.5 million registered in the preceding year corresponding nine months. The drop of RM7.1 million was mainly attributed to the Manufacturing segment which recorded a drop of RM7.6 million.

Although the Group recorded a higher revenue of RM 1.6 million as compared to preceding year corresponding quarter, profit after tax was lower by RM0.8 million. This was mainly due to lower margin registered by the Property and Construction segment.

For the cumulative nine months, the Group posted a profit after tax of RM2.3 million, a decline of RM3.6 million as compared to the preceding year nine months of RM5.9 million. The lower profit posted was in line with the lower revenue recorded for the current nine months.

14. Quarterly results comparison

The Group recorded revenue of RM26.9 million for the current quarter as compared to RM22.2 million achieved in the immediate preceding quarter. Correspondingly, the Group's profit after tax improved to RM629,505 for the current quarter as compared to RM72,603 posted in the immediate preceding quarter.

15. Prospects for the current financial year

The Group anticipates the operating environment to remain challenging for the current financial year due to the competitive environment. Nevertheless, the Group will continue to focus on core businesses and exercise 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 financial year will be satisfactory.

16. Profit forecast and profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter 31.12.2014 RM	Preceding Year Corresponding Quarter 31.12.2013 RM	Current Year to Date 31.12.2014 RM	Preceding Corresponding Year to Date 31.12.2013 RM
Taxation				
- current year	342,000	(44,157)	696,623	827,739
- prior year	88,389	(10,485)	88,389	(10,485)
Deferred taxation				
- current year	(59,759)	43,772	(23,124)	(313,108)
- prior year		(177,130)		(177,130)
Tax charge / (credit)	<u>370,630</u>	<u>(188,000)</u>	<u>761,888</u>	<u>327,016</u>

The Group's effective tax rates were lower than the statutory tax rate mainly due to the utilisation of previous years' tax losses in certain profit making subsidiaries.

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

There was no corporate proposal announced but not completed at the date of this quarterly report.

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 2014 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	8,404,828	5,881,122	14,285,950
Unsecured	<u>2,817,130</u>	<u>0</u>	<u>2,817,130</u>
	11,221,958	5,881,122	17,103,080
<u>US Dollar</u>			
Secured	<u>1,812,455</u>	<u>0</u>	<u>1,812,455</u>
	<u><u>13,034,413</u></u>	<u><u>5,881,122</u></u>	<u><u>18,915,535</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 31.12.2014 RM	Fair value Gain / (loss) as at 31.12.2014 RM
Foreign currency forward contracts - less than 1 year	5,726,280	5,823,679	(97,399)

22. Fair value changes of financial liabilities

As at 31 December 2014, 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 2014.

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 31.12.2014	Preceding Year Corresponding Quarter 31.12.2013	Current Year to Date 31.12.2014	Preceding Year to Date 31.12.2013
Net profit / (loss) for the period (RM)	629,505	1,474,697	2,337,822	5,956,164
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	0.8	1.8	3.1	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 2014, 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

	31.12.2014 RM	31.12.2013 RM
Total retained earnings of the Company and its subsidiaries		
Realised	72,140,436	45,971,797
Unrealised	1,520,017	(890,882)
	<u>73,660,453</u>	<u>45,080,915</u>
Less: Consolidation adjustments	(55,722,320)	(29,789,912)
Total Group retained earnings as per consolidated accounts	<u><u>17,938,133</u></u>	<u><u>15,291,003</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 31.12.2014	Current Year to Date 31.12.2014
(a) Interest income	30,383	101,527
(b) Other income including investment income	1,912	13,190
(c) Interest expense	368,728	924,181
(d) Depreciation and amortisation	403,806	1,261,424
(e) Provision for and write off / (writeback) of receivables	1,832	(9,716)
(f) Provision for and write off / (writeback) of inventories	(714,716)	(1,441,190)

Profit / (Loss) before taxation (Continued)

	Current Year Quarter 31.12.2014	Current Year to Date 31.12.2014
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	44,965
(i) Foreign exchange gain/(loss)	252,455	579,392
(j) Gain/(Loss) on derivatives	(94,734)	(96,630)
(k) Exceptional items	-	-

29. Authorisation for issue

The Board of Directors has on 16 February 2015 authorised the release of the unaudited interim financial statements for the quarter ended 31 December 2014 on 17 February 2015.