

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED 31 MARCH 2015**



**Caely**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Year Quarter 31.03.2015 RM	Preceding Year Corresponding Quarter 31.03.2014 RM	Current Year to Date 31.03.2015 RM	Preceding Corresponding Year to Date 31.03.2014 RM
Revenue	27,115,065	19,994,753	94,496,191	94,530,810
Operating expenses	(26,284,970)	(21,745,945)	(90,712,328)	(90,259,999)
Other operating income	464,468	(217,286)	1,612,267	1,118,076
Profit / (Loss) from operations	1,294,563	(1,968,478)	5,396,130	5,388,887
Finance cost	563,852	496,521	(438,006)	(577,663)
Profit / (Loss) before taxation	1,858,415	(1,471,957)	4,958,124	4,811,224
Taxation	(593,441)	2,646,147	(1,355,329)	2,319,131
Profit / (Loss) from continuing operations	1,264,973	1,174,190	3,602,795	7,130,355
<u>Other comprehensive income</u>				
Item that will not reclassified to profit or loss				
Surplus on revaluation of land and building (net)	-	1,739,993	-	1,739,993
Total comprehensive income	1,264,973	2,914,183	3,602,795	8,870,348
Net profit attributable to:				
Owners of the Company	1,292,501	986,425	3,751,547	7,103,794
Non-controlling interest	(27,528)	187,765	(148,752)	26,561
Net profit	1,264,973	1,174,190	3,602,795	7,130,355
Total comprehensive income attributable to:				
Owners of the Company	1,292,501	2,726,418	3,751,547	8,843,787
Non-controlling interest	(27,528)	187,765	(148,752)	26,561
Total comprehensive income	1,264,973	2,914,183	3,602,795	8,870,348
Earnings per share:				
- basic (sen)	1.6	1.2	4.7	8.9
- 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 31.03.2015 RM (Unaudited)	As at 31.03.2014 RM (Audited)
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	24,738,761	25,400,182
Investment property	3,200,000	3,200,000
Deferred tax assets	1,795,630	2,381,691
Receivables, deposits and prepayments	-	746,413
	<u>29,734,391</u>	<u>31,728,286</u>
<b>CURRENT ASSETS</b>		
Property development costs	34,970,506	21,986,353
Inventories	15,325,343	13,377,227
Receivables, deposits and prepayments	42,406,281	30,190,109
Tax recoverable	28,101	284,321
Marketable securities	682,915	754,566
Derivative financial instruments	33,834	6,473
Deposits, bank and cash balances	5,536,212	9,635,601
	<u>98,983,192</u>	<u>76,234,650</u>
<b>TOTAL ASSETS</b>	<u><u>128,717,583</u></u>	<u><u>107,962,936</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000,000	40,000,000
Reserves	37,115,349	34,163,802
Non-controlling interest	(266,526)	(117,774)
Equity attributable to owners of the Company	<u>76,848,823</u>	<u>74,046,028</u>
<b>NON CURRENT LIABILITIES</b>		
Payables and accruals	0	12,191
Hire-purchase creditors	202,368	437,003
Term loan	5,465,748	4,583,608
Deferred tax liabilities	921,275	831,862
	<u>6,589,391</u>	<u>5,864,664</u>

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

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	As at 31.03.2015 RM (Unaudited)	As at 31.03.2014 RM (Audited)
<b>CURRENT LIABILITIES</b>		
Payables and accruals	31,777,353	18,004,770
Derivative financial instruments	8,421	7,242
Hire-purchase creditors	234,551	274,762
Term loan	584,559	506,314
Short term bank borrowings		
- bank overdrafts	9,793,808	7,018,580
- others	2,710,533	1,869,412
Current tax liabilities	170,144	371,164
	<u>45,279,369</u>	<u>28,052,244</u>
<b>TOTAL LIABILITIES</b>	<u>51,868,760</u>	<u>33,916,908</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>128,717,583</u>	<u>107,962,936</u>
Net Assets per share of RM0.50 each	<u><b>0.96</b></u>	<u><b>0.93</b></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					7,103,794	7,103,794	26,561	7,130,355
<u>Other comprehensive income</u>								
Surplus on revaluation of investment property	0	0	0	1,794,282	0	1,794,282	0	1,794,282
Deferred tax on revaluation surplus of investment property	0	0	0	(54,289)	0	(54,289)	0	(54,289)
Total comprehensive income	0	0	0	1,739,993	7,103,794	1,739,993	0	8,870,348
At 31 March 2014	40,000,000	9,419,360	80,344	8,385,011	16,279,087	74,163,802	(117,774)	74,046,028
	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	-	-	-	-	3,751,547	3,751,547	(148,752)	3,602,795
At 31 March 2015	40,000,000	9,419,360	80,344	8,385,011	19,230,634	77,115,349	(266,526)	76,848,823

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**

	31.03.2015 RM (Unaudited)	31.03.2014 RM (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from continuing operations	3,602,795	7,130,355
Adjustments for:		
Property, plant and equipment		
- depreciation	1,658,503	1,869,791
- losses / (gains) on disposal	(27,910)	(40,438)
- write off	44,965	2,969
Amortisation of prepaid lease payments	-	4,189
Impairment of Goodwill	-	172,022
Allowance for doubtful debts	(9,716)	-
Writeback of doubtful debts	-	-
Interest expense	331,765	451,443
Interest income	(140,720)	(171,946)
Gross dividend income from marketable securities	(18,169)	(13,170)
Fair Value (gain) / loss on marketable securities	71,651	7,783
(Gain) / Loss on disposal of marketable securities	-	(7,577)
Fair value (gain) / loss on derivative financial instruments	(26,182)	8,996
Net unrealized foreign exchange loss		29,583
Taxation	1,355,329	(2,319,131)
	<u>6,842,311</u>	<u>7,124,869</u>
Net movements in working capital:		
Inventories	(1,948,116)	10,472,666
Property development cost	(12,034,032)	(9,302,606)
Receivables	(11,460,042)	(11,208,923)
Payables	13,695,560	6,254,108
Cash flows generated from / (used in) operations	(4,904,319)	3,340,114
Interest paid	(1,281,886)	(926,428)
Tax refund	208,005	359,942
Tax paid	(832,660)	(351,419)
Net operating cash flow	<u>(6,810,860)</u>	<u>2,422,209</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.**

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

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	31.03.2015	31.03.2014
	RM	RM
	(Unaudited)	(Audited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(1,052,137)	(1,430,375)
- proceeds from disposals	38,000	41,600
Interest income received	140,720	73,936
Dividend income received	18,169	13,170
Marketable securities		
- payment for acquisition	-	(295,251)
- proceeds from disposals	-	1,739,673
Net Investing cash flow	<u>(855,248)</u>	<u>142,753</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Withdrawal / (Deposits) pledged as securities	2,994,197	(1,964,655)
(Repayments of)/ Proceeds from short term bank borrowings	841,121	(957,670)
Advances / (Repayment of advances) to a director	64,833	(69,084)
Repayments of hire-purchase creditors	(274,847)	(237,750)
Repayments of term loan	(539,615)	(513,922)
Dividend paid	(800,000)	-
Drawdown of term loan	1,500,000	400,000
Net financing cash flow	<u>3,785,689</u>	<u>(3,343,081)</u>
Net movement in cash and cash equivalents	(3,880,419)	(778,119)
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>(7,779,064)</u></u>	<u><u>(3,898,645)</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 31.03.2015	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	4,886,903	40,596,902	50,312,908	1,500,012	710,526	98,007,251
Intersegment sales	-	-	(2,011,048)	(1,500,012)	-	(3,511,060)
External sales	<u>3,036,519</u>	<u>40,596,902</u>	<u>48,301,860</u>	<u>-</u>	<u>710,526</u>	<u>94,496,191</u>
<u>Results</u>						
Profit / (loss) from operations	217,214	4,230,620	1,633,869	(463,451)	(222,122)	5,396,130
Finance cost	(74,117)	608,084	(915,035)	(818)	(56,120)	<u>(438,006)</u>
Profit before tax						4,958,124
Taxation						<u>(1,355,329)</u>
Net profit for the period						<u>3,602,795</u>
Segment assets	5,453,712	72,554,285	45,395,307	4,104,829	1,209,450	128,717,583
Segment liabilities	801,879	32,314,576	17,225,707	780,424	746,174	51,868,760
Interest income	14	21,696	119,010	-	-	140,720
Capital expenditure	39,656	905,453	75,315	3,700	28,013	1,052,137
Depreciation and amortisation	86,573	96,151	1,216,865	24,430	234,484	1,658,503

**Segmental information (Continued)**

Financial year ended 31.03.2014	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<b><u>Sales</u></b>						
Total sales	3,635,502	35,410,284	55,794,429	11,254,285	1,905,869	108,000,369
Intersegment sales	-	-	(1,063,911)	(11,254,285)	(1,151,363)	(13,469,559)
External sales	<u>3,635,502</u>	<u>35,410,284</u>	<u>54,730,518</u>	<u>0</u>	<u>754,506</u>	<u>94,530,810</u>
<b><u>Results</u></b>						
Profit / (loss) on operations	(2,579,149)	7539,004	1,446,292	(876,049)	(141,211)	5,388,887
Finance cost	32,775	(152,157)	(381,898)	(10,231)	(602)	<u>(577,663)</u>
Profit before tax						4,811,224
Taxation						<u>2,319,131</u>
Net profit for the period						<u><u>7,130,355</u></u>
Segment assets	3,415,044	50,209,660	46,112,311	4,294,399	1,265,510	105,296,924
Segment liabilities	445,968	15,402,613	15,253,505	658,462	953,334	32,713,882
Interest income	10	47,488	122,273	2,175	-	171,946
Capital expenditure	39,445	88,038	1,168,746	-	424,146	1,720,375
Depreciation and amortisation	114,338	84,058	1,382,605	73,465	219,514	1,873,980

## **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**

For the current quarter under review, the Group recorded revenue of RM27.1 million, an increase of RM7.1 million as compared to the preceding year corresponding quarter of RM20.0 million. The increase is mainly attributable to higher revenue registered for the Property and Construction and Manufacturing Segment of RM5.2 and RM1.0 million respectively.

For the current financial year, the Group recorded revenue of RM94.5 million, a marginal decrease of RM34,619 as compared to the preceding financial year. While the Property and Construction and Direct Sales Segments both posted an increase in revenue of RM5.2 million and RM1.2 million respectively, the Manufacturing segment recorded a decline of RM6.5 million when compared to the preceding period.

The Group posted a profit after tax of RM1.3 million for the current quarter as compared to RM1.2 million for the preceding year corresponding quarter. Despite the increase in revenue for the current quarter, the profit after tax recorded a marginal increase of RM0.1 million mainly due to the derecognition of deferred tax assets in certain subsidiaries for the current quarter.

For the current financial year, the Group posted a profit after tax of RM3.6 million, a decrease of RM3.5 million as compared to the preceding financial year of RM7.1 million. The decline in profit after tax was due to the derecognition of deferred tax assets in certain subsidiaries and higher operating costs incurred for the current financial year.

#### 14. Quarterly results comparison

The Group recorded revenue of RM27.1 million for the current quarter, a marginal increase of RM0.2 million achieved in the immediate preceding quarter of RM26.9 million. The profit after tax for the current quarter improved by RM0.6 million to RM1.3 million. This improvement was mainly attributable to higher profit recorded by the Property and Construction segments.

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

The Group expects the operating environment for the next financial year to be challenging due to the uncertainties in the local and global economic environment. Nevertheless, the Group will continue to focus on core business and exercise prudent measures to mitigate 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 next financial year will be satisfactory.

#### 16. Profit forecast and profit guarantee

Not applicable.

#### 17. Taxation

	Current Year Quarter 31.03.2015 RM	Preceding Year Corresponding Quarter 31.03.2014 RM	Current Year to Date 31.03.2015 RM	Preceding Year to Date 31.03.2014 RM
Taxation				
- current year	(113,856)	(217,201)	582,767	610,538
- prior year	8,700	(4,701)	97,089	(15,186)
Deferred taxation				
- current year	698,597	(2,424,245)	675,473	(2,737,353)
- prior year	-	-	-	(177,130)
Tax charge / (credit)	<u>593,441</u>	<u>(2,646,147)</u>	<u>1,355,329</u>	<u>(2,319,131)</u>

The Group's effective tax rates were higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes.

## 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 March 2015 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	8,924,675	5,668,116	14,592,791
Unsecured	2,349,303	0	2,349,303
	<u>11,273,978</u>	<u>5,668,116</u>	<u>16,942,094</u>
<u>US Dollar</u>			
Secured	2,049,473	0	2,049,473
	<u>13,323,451</u>	<u>5,668,116</u>	<u>18,991,567</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 31.03.2015 RM	Fair value Gain / (loss) as at 31.03.2015 RM
Foreign currency forward contracts - less than 1 year	1,541,950	1,516,537	25,413

## 22. Fair value changes of financial liabilities

As at 31 March 2015, 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 have proposed a single-tier final dividend of RM0.01 per share for the financial year ended 31 March 2015 subject to shareholders' approval at the forth coming Annual General Meeting.

## 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 31.03.2015	Preceding Year Corresponding Quarter 31.03.2014	Current Year to Date 31.03.2015	Preceding Year to Date 31.03.2014
Net profit / (loss) for the period (RM)	1,292,501	986,425	3,751,547	7,103,794
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	1.6	1.2	4.7	8.9
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 March 2015, 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**

	31.03.2015	31.03.2014
	RM	RM
Total retained earnings of the Company and its subsidiaries		
Realised	73,947,010	70,541,185
Unrealised	794,932	1,503,467
	<u>74,741,942</u>	<u>72,044,652</u>
Less: Consolidation adjustments	(55,511,308)	(55,765,565)
Total Group retained earnings as per consolidated accounts	<u><u>19,236,634</u></u>	<u><u>16,279,087</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 31.03.2015	Current Year to Date 31.03.2015
(a) Interest income	39,193	140,720
(b) Other income including investment income	4,979	18,169
(c) Interest expense	(592,416)	331,765
(d) Depreciation and amortisation	397,079	1,658,503
(e) Provision for and write off / (writeback) of receivables	0	(9,716)
(f) Provision for and write off / (writeback) of inventories	(1,390,343)	(2,831,533)



**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)	200,146	779,538
(j) Gain/(Loss) on derivatives	122,812	26,182
(k) Exceptional items	-	-

**29. Authorisation for issue**

The Board of Directors has on 26 May 2015 authorised the release of the unaudited interim financial statements for the quarter ended 31 March 2015 on 29 May 2015.