

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

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2015



Caely

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 30.06.2015 RM	Preceding Year Corresponding Quarter 30.06.2014 RM	Current Year to Date 30.06.2015 RM	Preceding Corresponding Year to Date 30.06.2014 RM
Revenue	25,695,763	18,242,696	25,695,763	18,242,696
Operating expenses	(24,691,914)	(16,073,304)	(24,691,914)	(16,073,304)
Other operating income	718,054	293,840	718,054	293,840
Profit / (Loss) from operations	1,721,903	2,463,232	1,721,903	2,463,232
Finance cost	(440,778)	(294,963)	(440,778)	(294,963)
Profit / (Loss) before taxation	1,281,125	2,168,269	1,281,125	2,168,269
Taxation	(397,368)	(532,556)	(397,368)	(532,556)
Profit / (Loss) from continuing operations	883,757	1,635,713	883,757	1,635,713
Other comprehensive income	3,578	0	3,578	0
Total comprehensive income	887,335	1,635,713	887,335	1,635,713
Net profit attributable to:				
Owners of the Company	909,893	1,656,408	909,893	1,656,408
Non-controlling interest	(26,136)	(34,872)	(26,136)	(34,872)
Net profit	883,757	1,635,713	883,757	1,635,713
Total comprehensive income attributable to:				
Owners of the Company	913,471	1,656,408	913,471	1,656,408
Non-controlling interest	(26,136)	(34,872)	(26,136)	(34,872)
Total comprehensive income	887,336	1,635,713	887,336	1,635,713
Earnings per share:				
- basic (sen)	1.1	2.0	1.1	2.0
- 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 2015.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30.06.2015 RM (Unaudited)	As at 31.03.2015 RM (Audited)
NON CURRENT ASSETS		
Property, plant and equipment	24,415,338	24,738,813
Investment property	3,200,000	3,200,000
Deferred tax assets	1,648,944	1,795,631
Receivables, deposits and prepayments	<u>245</u>	<u>340,705</u>
	<u>29,264,527</u>	<u>30,075,149</u>
CURRENT ASSETS		
Property development costs	36,292,329	34,970,508
Inventories	18,121,747	15,325,342
Receivables, deposits and prepayments	47,218,436	45,308,976
Tax recoverable	15,586	27,061
Marketable securities	732,367	682,915
Derivative financial instruments	0	33,834
Deposits, bank and cash balances	4,574,852	5,500,525
	<u>106,955,317</u>	<u>101,849,161</u>
TOTAL ASSETS	<u><u>136,219,844</u></u>	<u><u>131,924,310</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000,000	40,000,000
Reserves	38,063,420	37,149,950
Non-controlling interest	(292,661)	(266,526)
Equity attributable to owners of the Company	<u>77,770,759</u>	<u>76,883,424</u>
NON CURRENT LIABILITIES		
Payables and accruals	0	0
Hire-purchase creditors	216,466	213,159
Term loan	5,321,061	5,465,748
Deferred tax liabilities	928,697	938,662
	<u>6,466,224</u>	<u>6,617,569</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

	As at 31.03.2015 RM (Unaudited)	As at 31.03.2015 RM (Audited)
CURRENT LIABILITIES		
Payables and accruals	30,730,119	34,735,879
Derivative financial instruments	49,317	8,421
Hire-purchase creditors	216,425	223,759
Term loan	4,287,145	4,311,145
Short term bank borrowings		
- bank overdrafts	13,559,227	6,260,756
- others	2,865,763	2,710,533
Current tax liabilities	274,865	172,824
	<u>51,982,862</u>	<u>48,423,317</u>
TOTAL LIABILITIES	<u>58,449,085</u>	<u>55,040,886</u>
TOTAL EQUITY AND LIABILITIES	<u>136,219,844</u>	<u>131,924,310</u>
Net Assets per share of RM0.50 each	<u>0.97</u>	<u>0.96</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015.

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 2014	40,000,000	9,419,360	80,344	8,385,011	16,279,087	74,163,802	(117,774)	74,046,028
Net profit for the financial period					1,656,408	1,658,408	(20,695)	1,637,711
At 30 June 2014	40,000,000	9,419,360	80,344	8,385,011	17,935,495	75,820,210	(138,469)	75,683,739
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2015	40,000,000	9,419,360	80,344	8,385,011	19,265,235	77,149,950	(266,526)	76,883,424
Net profit for the financial period	-	-	-	-	909,893	909,893	(26,136)	883,757
Other Comprehensive income								
Deferred tax on revaluation – change of tax rate				3,578		3,578		3,578
	-	-	-	3,578	-	3,578	-	3,578
Total Comprehensive income				3,578	909,893	913,471	(26,136)	887,335
At 30 June 2015	40,000,000	9,419,360	80,344	8,388,589	20,175,128	78,063,421	(292,661)	77,770,759

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30.06.2015 RM (Unaudited)	30.06.2014 RM (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations	883,757	1,635,713
Adjustments for:		
Property, plant and equipment		
- depreciation	384,975	443,644
- losses / (gains) on disposal	-	(38,000)
Writeback of doubtful debts	-	(7,884)
Interest expense	417,908	261,692
Interest income	(19,590)	(38,569)
Gross dividend income from marketable securities	(2,258)	(2,154)
Fair Value (gain) / loss on marketable securities	(49,452)	42,119
Fair value (gain) / loss on derivative financial instruments	74,730	(769)
Taxation	397,367	532,555
	<u>2,084,437</u>	<u>2,828,347</u>
Net movements in working capital:		
Inventories	(2,796,405)	(1,369,477)
Property development cost	(1,551,375)	(2,369,867)
Receivables	(1,568,999)	(305,353)
Payables	(4,003,759)	(1,758,704)
Cash flows generated from /(used in) operations	(7,883,101)	(2,975,054)
Interest paid	(188,353)	(261,692)
Tax refund	13,856	198,522
Tax paid	(157,411)	(87,461)
Net operating cash flow	<u>(8,165,009)</u>	<u>(3,125,685)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Continued)

	30.06.2015	30.06.2014
	RM	RM
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	(1,500)	(24,322)
- proceeds from disposals	-	38,000
Interest income received	19,590	38,569
Dividend income received	2,258	2,154
Marketable securities		
- payment for acquisition	-	-
- proceeds from disposals	-	-
Net Investing cash flow	<u>20,348</u>	<u>54,401</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal / (Deposits) pledged as securities	(33,111)	2,994,197
(Repayments of)/ Proceeds from short term bank borrowings	155,230	75,965
Advances / (Repayment of advances) to a director	(2,000)	(18,747)
Repayments of hire-purchase creditors	(64,027)	(67,196)
Repayments of term loan	(168,687)	(151,467)
Net financing cash flow	<u>(112,595)</u>	<u>2,836,752</u>
Net movement in cash and cash equivalents	(8,257,256)	(234,532)
Cash and cash equivalent at beginning of the financial period/year	<u>(4,383,526)</u>	<u>(3,898,645)</u>
Cash and cash equivalent at end of the financial period/year	<u><u>(12,640,782)</u></u>	<u><u>(4,133,177)</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 2015.

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 2015, except for the adoption of the following FRSs and Amendments to FRSs:

Effective for financial periods beginning 1 April 2015:

- Annual improvements to FRSs 2010-2012 Cycle “Amendments to FRS 2 Share-based Payment, FRS 3 Business Combination, FRS 8 Operating Segments, FRS 13 Fair Value Measurement, FRS 116 Property, Plant and Equipment, FRS 124 Related Party Disclosures and FRS 138 Intangible Assets”
- Annual Improvements to FRSs 2011-2013 Cycle “Amendments to FRS 1 First-time Adoption of Financial Reporting Standards, FRS 3 Business Combinations, FRS 13 Fair Value Measurement and FRS 140 Investment Property”
- Amendments to FRS 119 “Defined Benefits Plans: Employee Contributions”

Effective for financial periods beginning on or after 1 April 2016:

- Amendments to FRS 116 and FRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation”
- Amendments to FRS 127 Separate Financial Statements – “Equity accounting in separate financial statements”
- Annual Improvement to FRSs 2012-2014 Cycle “Amendments to FRS 5 Non-current Assets Held for sale and Discontinued Operations, FRS 7 Financial Instruments: Disclosures, FRS 119 Employee Benefits, FRS 134 “Interim Financial Reporting”
- Amendments to FRS 101 “Presentation of Financial Statements – Disclosure Initiative”
- Amendments to FRS 11 “Accounting for Acquisition of interests in Joint Operations”
- Amendments to FRS 10 and FRS 128 “Sale or Contribution of Assets between Investor and its Associate or Joint Venture”
- Amendments to FRS 10, 12 and 128 “Investment Entities – Applying the Consolidation Exception”
- MFRS 15 “Revenue from Contracts with Customers”
- MFRS 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 2015 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 30.06.2015	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	285,879	10,863,894	14,556,821	4,500,036	180,327	30,386,957
Intersegment sales	-	-	(191,159)	(4,500,036)	-	(4,691,195)
External sales	<u>285,879</u>	<u>10,863,894</u>	<u>14,365,662</u>	<u>-</u>	<u>180,327</u>	<u>25,695,762</u>
<u>Results</u>						
Profit / (loss) from operations	(439,978)	1,308,245	688,565	205,318	(40,247)	1,721,903
Finance cost	(7,101)	(195,291)	(238,069)	(118)	(199)	(440,778)
Profit before tax						1,281,125
Taxation						(397,368)
Net profit for the period						<u>883,757</u>
Segment assets	3,636,550	76,257,486	51,007,254	4,137,663	1,180,891	136,219,844
Segment liabilities	2,589,905	34,598,581	19,657,310	839,955	763,335	58,449,086
Interest income	2	3,503	16,060	25	-	19,590
Capital expenditure	-	-	1,500	-	-	1,500
Depreciation and amortisation	17,319	27,265	278,152	4,535	57,704	384,975

Segmental information (Continued)

Financial period ended 30.06.2014	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
Sales						
Total sales	977,917	5,475,227	12,013,469	1,500,012	193,287	20,159,912
Intersegment sales	-	-	(417,204)	(1,500,012)	-	(1,917,216)
External sales	<u>977,917</u>	<u>5,475,277</u>	<u>11,596,265</u>	<u>0</u>	<u>193,287</u>	<u>18,242,696</u>
Results						
Profit / (loss) on operations	(177,736)	827,642	2,000,987	(158,673)	(28,988)	2,463,232
Finance cost	(7,965)	(70,009)	(216,130)	(700)	(159)	<u>(294,963)</u>
Profit before tax						2,168,269
Taxation						<u>(532,556)</u>
Net profit for the period						<u>1,635,713</u>
Segment assets	5,519,772	49,395,819	46,895,123	4,303,619	1,466,813	107,581,146
Segment liabilities	(200,549)	13,299,514	17,145,168	803,293	851,976	31,899,402
Interest income	2	10,608	27,959	-	-	38,569
Capital expenditure	2,680	-	18,559	-	3,083	24,322
Depreciation and amortisation	24,818	23,974	325,971	10,269	58,612	443,644

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 2015 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 RM25.7 million, an increase of RM7.5 million as compared to the preceding year corresponding quarter of RM18.2 million. The increase is mainly attributable to higher revenue registered for the Property and Construction and Manufacturing Segment of RM5.4 and RM2.8 million respectively.

Despite the increase in revenue of RM7.5 million as compared to the previous corresponding quarter, the Group's profit after tax was lower by RM0.7 million to RM0.9 million. This drop in profit was mainly attributable to higher operational cost incurred in the current quarter.

14. Quarterly results comparison

The Group recorded revenue of RM25.7 million for the current quarter as compared to the immediate preceding quarter of RM27.1 million. The profit after tax for the current quarter declined by RM0.4 million to RM0.9 million. This decline in profit after tax was mainly attributable to higher operational costs incurred.

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 remaining financial year will be satisfactory.

16. Profit forecast and profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter 30.06.2015 RM	Preceding Year Corresponding Quarter 30.06.2014 RM	Current Year to Date 30.06.2015 RM	Preceding Corresponding Year to Date 30.06.2014 RM
Taxation				
- current year	257,070	564,480	257,070	564,480
Deferred taxation				
- current year	140,298	(31,924)	140,298	(31,924)
Tax charge / (credit)	<u>397,368</u>	<u>532,556</u>	<u>397,368</u>	<u>532,556</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	13,723,834	5,537,526	19,261,360
Unsecured	<u>5,304,747</u>	<u>0</u>	<u>5,304,747</u>
	19,028,581	5,537,526	24,566,107
<u>US Dollar</u>			
Secured	<u>1,899,980</u>	<u>0</u>	<u>1,899,980</u>
	<u><u>20,928,561</u></u>	<u><u>5,537,526</u></u>	<u><u>26,466,087</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 30.06.2015 RM	Fair value Gain / (loss) as at 30.06.2015 RM
Foreign currency forward contracts - less than 1 year	2,714,275	2,763,592	(49,317)

22. Fair value changes of financial liabilities

As at 30 June 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 30.06.2015	Preceding Year Corresponding Quarter 30.06.2014	Current Year to Date 30.06.2015	Preceding Year to Date 30.06.2014
Net profit / (loss) for the period (RM)	883,757	1,635,713	883,757	1,635,713
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	1.1	2.0	1.1	2.0
Diluted earnings per share (sen)	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

26. Capital commitments

As at 30 June 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

	30.06.2015	30.06.2014
	RM	RM
Total retained earnings of the Company and its subsidiaries		
Realised	74,828,803	72,367,128
Unrealised	761,437	1,391,217
	<u>75,590,240</u>	<u>73,758,345</u>
Less: Consolidation adjustments	(55,415,112)	(55,822,850)
Total Group retained earnings as per consolidated accounts	<u><u>20,175,128</u></u>	<u><u>17,935,495</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 30.06.2015	Current Year to Date 30.06.2015
(a) Interest income	19,590	19,590
(b) Other income including investment income	2,258	2,258
(c) Interest expense	417,908	417,908
(d) Depreciation and amortisation	384,975	384,975
(e) Provision for and write off / (writeback) of receivables	-	-
(f) Provision for and write off / (writeback) of inventories	-	-

Profit / (Loss) before taxation (Continued)

	Current Year Quarter 30.06.2015	Current Year to Date 30.06.2015
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss)	339,714	339,714
(j) Gain/(Loss) on derivatives	(74,730)	(74,730)
(k) Exceptional items	-	-

29. Authorisation for issue

The Board of Directors has on 25 August 2015 authorised the release of the unaudited interim financial statements for the quarter ended 30 June 2015 on 26 August 2015.