

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2015**



**Caely**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Year Quarter 31.12.2015 RM	Preceding Year Corresponding Quarter 31.12.2014 RM	Current Year to Date 31.12.2015 RM	Preceding Corresponding Year to Date 31.12.2014 RM
Revenue	37,275,840	26,920,917	89,564,557	67,381,127
Operating expenses	(34,865,903)	(25,959,967)	(83,919,132)	(64,553,824)
Other operating income	1,926,541	431,223	3,692,277	1,274,266
Profit / (Loss) from operations	4,336,478	1,392,173	9,337,702	4,101,569
Finance cost	(507,430)	(392,037)	(1,430,179)	(1,001,859)
Profit / (Loss) before taxation	3,829,048	1,000,136	7,907,523	3,099,710
Taxation	(788,324)	(370,631)	(2,157,145)	(761,888)
Profit / (Loss) from continuing operations	3,040,724	629,505	5,750,378	2,337,822
Other comprehensive income, net of tax	2,138,077	0	2,141,655	0
Total comprehensive income	<u>5,178,801</u>	<u>629,505</u>	<u>7,892,033</u>	<u>2,337,822</u>
Net profit attributable to:				
Owners of the Company	3,103,655	686,628	5,867,773	2,459,046
Non-controlling interest	(62,931)	(57,123)	(117,395)	(121,224)
Net profit	<u>3,040,724</u>	<u>629,505</u>	<u>5,750,378</u>	<u>2,337,822</u>
Total comprehensive income attributable to:				
Owners of the Company	5,241,732	686,628	8,009,428	2,459,046
Non-controlling interest	(62,931)	(57,123)	(117,395)	(121,224)
Total comprehensive income	<u>5,178,801</u>	<u>629,505</u>	<u>7,892,033</u>	<u>2,337,822</u>
Earnings per share:				
- basic (sen)	3.9	0.8	7.3	3.1
- 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 31.12.2015 RM (Unaudited)	As at 31.03.2015 RM (Audited)
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	26,252,951	24,738,813
Investment property	4,000,000	3,200,000
Deferred tax assets	1,606,759	1,795,631
Receivables, deposits and prepayments	<u>0</u>	<u>340,705</u>
	<u>31,859,710</u>	<u>30,075,149</u>
<b>CURRENT ASSETS</b>		
Property development costs	41,871,789	34,970,508
Inventories	15,741,921	15,325,342
Receivables, deposits and prepayments	52,610,606	45,308,976
Tax recoverable	20,326	27,061
Marketable securities	671,892	682,915
Derivative financial instruments	16,782	33,834
Deposits, bank and cash balances	8,437,797	5,500,525
	<u>119,371,113</u>	<u>101,849,161</u>
<b>TOTAL ASSETS</b>	<u><u>151,230,823</u></u>	<u><u>131,924,310</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000,000	40,000,000
Reserves	44,359,378	37,149,950
Non-controlling interest	(383,921)	(266,526)
Equity attributable to owners of the Company	<u>83,975,457</u>	<u>76,883,424</u>
<b>NON CURRENT LIABILITIES</b>		
Hire-purchase creditors	158,268	213,159
Term loan	11,867,870	5,465,748
Deferred tax liabilities	1,144,561	938,662
	<u>13,170,699</u>	<u>6,617,569</u>

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

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	As at 31.12.2015 RM (Unaudited)	As at 31.03.2015 RM (Audited)
<b>CURRENT LIABILITIES</b>		
Payables and accruals	36,630,648	34,735,879
Derivative financial instruments	0	8,421
Hire-purchase creditors	156,196	223,759
Term loan	4,349,531	4,311,145
Short term bank borrowings		
- bank overdrafts	8,727,772	6,260,756
- others	2,687,716	2,710,533
Current tax liabilities	1,532,804	172,824
	<u>54,084,667</u>	<u>48,423,317</u>
<b>TOTAL LIABILITIES</b>	<u>67,255,366</u>	<u>55,040,886</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>151,230,823</u>	<u>131,924,310</u>
Net Assets per share of RM0.50 each	<u><u>1.05</u></u>	<u><u>0.96</u></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
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 for the financial period					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
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
First and final single tier dividend in respect of financial year ended 31 March 2015 of 1 sen per share					(800,000)	(800,000)		(800,000)
Net profit for the financial period	-	-	-	-	5,867,773	5,867,773	(117,395)	5,750,378
Other Comprehensive income, net of tax (will not subsequently reclassify to profit or loss)								
Revaluation surplus				2,141,655		2,141,655		2,141,655
Total Comprehensive income				2,141,655	5,867,773	8,009,428	(117,395)	7,892,033
At 31 December 2015	40,000,000	9,419,360	80,344	10,526,666	24,333,008	84,359,378	(383,921)	83,975,457

**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**

	31.12.2015 RM (Unaudited)	31.12.2014 RM (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from continuing operations	5,750,378	2,337,822
Adjustments for:		
Property, plant and equipment		
- depreciation	1,103,453	1,261,424
- losses / (gains) on disposal	(23,693)	(38,000)
- write off	-	44,965
- writeback of revaluation deficit	(25,365)	-
- fair value gain on revaluation of investment property	(760,000)	-
Allowance for doubtful debt written back	-	(9,716)
Provision for liquidated damages	430,000	-
Gain on disposal of marketable securities	(156)	-
Interest expense	1,341,901	924,181
Interest income	(84,882)	(101,527)
Gross dividend income from marketable securities	(2,258)	(13,190)
Fair Value (gain) / loss on marketable securities	3,709	109,453
Fair value (gain) / loss on derivative financial instruments	8,631	96,630
Taxation	2,157,145	761,888
	<u>9,898,863</u>	<u>5,373,930</u>
Net movements in working capital:		
Inventories	(416,579)	(1,251,286)
Property development cost	(7,814,542)	(10,447,688)
Receivables	(6,960,925)	(7,588,212)
Payables	1,480,451	7,342,661
Cash flows generated from / (used in) operations	<u>(3,812,732)</u>	<u>(6,570,595)</u>
Interest paid	(428,638)	(924,181)
Tax refund	13,856	198,522
Tax paid	<u>(581,882)</u>	<u>(634,816)</u>
Net operating cash flow	<u>(4,809,396)</u>	<u>(7,931,070)</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)**

	31.12.2015	31.12.2014
	RM	RM
	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(288,852)	(98,999)
- proceeds from disposals	54,339	38,000
Interest income received	84,882	101,527
Dividend income received	2,258	13,190
Marketable securities		
- payment for acquisition	-	-
- proceeds from disposals	7,470	-
Net Investing cash flow	<u>(139,903)</u>	<u>53,718</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Withdrawal / (Deposits) pledged as securities	(405,118)	2,994,197
(Repayments of)/ Proceeds from short term bank borrowings	(22,817)	854,527
Advances / (Repayment of advances) to a director	(15,681)	5,233
Repayments of hire-purchase creditors	(182,453)	(204,674)
Repayments of term loan	(1,009,493)	(398,302)
Dividend paid	(800,000)	(800,000)
Drawdown of term loan	7,450,000	1,500,000
Net financing cash flow	<u>5,014,438</u>	<u>3,950,981</u>
Net movement in cash and cash equivalents	65,139	(3,926,371)
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>(4,318,387)</u></u>	<u><u>(7,825,016)</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 31.12.2015	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	1,378,754	33,270,802	55,062,130	13,500,108	497,376	103,709,170
Intersegment sales	-	-	(644,505)	(13,500,108)	-	(14,144,613)
External sales	<u>1,378,754</u>	<u>33,270,802</u>	<u>54,417,625</u>	<u>-</u>	<u>497,376</u>	<u>89,564,557</u>
<u>Results</u>						
Profit / (loss) from operations	(900,164)	2,091,807	6,917,016	1,430,289	(201,246)	9,337,702
Finance cost	(16,939)	(650,951)	(761,222)	(501)	(566)	(1,430,179)
Profit before tax						7,907,523
Taxation						(2,157,145)
Net profit for the period						<u>5,750,378</u>
Segment assets	3,752,977	84,261,053	57,270,873	4,869,524	1,076,396	151,230,823
Segment liabilities	1,170,850	42,401,441	22,212,771	731,163	739,141	67,255,366
Interest income	2	9,320	75,535	25	-	84,882
Capital expenditure	7,983	330,861	7,632	-	2,376	348,852
Depreciation and amortisation	42,638	82,178	810,645	13,605	154,387	1,103,453

**Segmental information (Continued)**

Financial period ended 31.12.2014	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<b>Sales</b>						
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>0</u>	<u>521,980</u>	<u>67,381,127</u>
<b>Results</b>						
Profit / (loss) on 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	18,686	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

## **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 lands, buildings and investment property which have been restated to incorporate the latest valuations by a firm of independent valuers in accordance with the Group's accounting policies.

## **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 RM37.3 million for the current quarter and RM89.6 million for the current financial period. This represents an increase of 38.4% and 32.9% for the current quarter and current financial period respectively. The higher revenue recorded was mainly attributable to favourable USD against Ringgit Malaysia.

The Group posted a profit after tax of RM3 million for the current quarter and RM5.8 million for the current period as compared to RM0.6 million and RM2.3 million respectively for the previous year's corresponding periods. The improvement in profit after tax was mainly in line with higher revenue recorded and fair value gain on revaluation of investment property.

## **14. Quarterly results comparison**

The Group recorded revenue of RM37.3 million for the current quarter as compared to the immediate preceding quarter of RM26.6 million. This represents an increase of RM10.7 million or 40.2%. The profit after tax for the current quarter increased by RM1.2 million to RM3 million. This improvement in profit after tax was mainly attributable to increase in revenue coupled with favourable foreign exchange rate and fair value gain on the revaluation of investment property.

## 15. Prospects for the current financial year

The Group expects the operating environment for the remaining financial period 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 period will be satisfactory.

## 16. Profit forecast and profit guarantee

Not applicable.

## 17. Taxation

	Current Year Quarter 31.12.2015 RM	Preceding Year Corresponding Quarter 31.12.2014 RM	Current Year to Date 31.12.2015 RM	Preceding Year to Date 31.12.2014 RM
Taxation				
- current year	709,972	342,000	1,916,189	696,623
- prior year	18,551	88,389	18,551	88,389
Deferred taxation				
- current year	59,802	(59,759)	222,405	(23,124)
Tax charge / (credit)	<u>788,325</u>	<u>370,630</u>	<u>2,157,145</u>	<u>761,888</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 December 2015 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	11,878,980	12,026,138	23,905,118
Unsecured	<u>2,422,425</u>	<u>0</u>	<u>2,422,425</u>
	14,301,405	12,026,138	26,327,543
<u>US Dollar</u>			
Secured	<u>1,619,810</u>	<u>0</u>	<u>1,619,810</u>
	<u>15,921,215</u>	<u>12,026,138</u>	<u>27,947,353</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 31.12.2015 RM	Fair value Gain / (loss) as at 31.12.2015 RM
Foreign currency forward contracts - less than 1 year	254,950	235,168	16,782

## 22. Fair value changes of financial liabilities

As at 31 December 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 do not recommend any payment of dividends in respect of the nine months ended 31 December 2015.

### 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 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014	Current Year to Date 31.12.2015	Preceding Year to Date 31.12.2014
Net profit / (loss) for the period (RM)	3,103,655	686,628	5,867,773	2,459,046
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	3.9	0.8	7.3	3.1
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 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**

	31.12.2015 RM	31.12.2014 RM
Total retained earnings of the Company and its subsidiaries		
Realised	79,219,165	72,140,436
Unrealised	407,819	1,520,017
	<u>79,626,984</u>	<u>73,660,453</u>
Less: Consolidation adjustments	(55,293,976)	(55,722,320)
Total Group retained earnings as per consolidated accounts	<u><u>24,333,008</u></u>	<u><u>17,938,133</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 31.12.2015	Current Year to Date 31.12.2015
(a) Interest income	35,498	84,882
(b) Other income including investment income	-	2,258
(c) Interest expense	475,452	1,341,901
(d) Depreciation and amortisation	355,865	1,103,453
(e) Provision for and write off / (writeback) of receivables	-	(300)
(f) Provision for and write off / (writeback) of inventories	(147,569)	38,015



**Profit / (Loss) before taxation (Continued)**

	Current Year Quarter 31.12.2015	Current Year to Date 31.12.2015
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	156
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss)	626,731	1,651,149
(j) Gain/(Loss) on derivatives	403,931	(8,631)
(k) Exceptional items	-	-

**29. Authorisation for issue**

The Board of Directors has on 26 February 2016 authorised the release of the unaudited interim financial statements for the quarter ended 31 December 2015.