

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED 31 MARCH 2018**



**Caely**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Year Quarter 31.03.2018 RM	Preceding Year Corresponding Quarter 31.03.2017 RM	Current Year to Date 31.03.2018 RM	Preceding Corresponding Year to Date 31.03.2017 RM
Revenue	28,946,528	23,444,041	97,800,493	119,130,112
Operating expenses	(29,197,123)	(23,900,800)	(96,420,738)	(115,130,056)
Other operating income	330,693	1,740,750	1,933,619	4,011,974
Profit / (Loss) from operations	80,098	1,283,991	3,313,374	8,012,030
Finance cost	80,487	26,236	(1,030,850)	(829,873)
Profit / (Loss) before taxation	160,585	1,310,227	2,282,524	7,182,157
Taxation	(22,870)	(693,390)	(886,628)	(2,079,922)
Profit / (Loss) from continuing operations	137,715	616,837	1,395,896	5,102,235
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	137,715	616,837	1,395,896	5,102,235
Net profit attributable to:				
Owners of the Company	151,448	789,904	1,460,493	5,515,034
Non-controlling interest	(13,733)	(173,067)	(64,597)	(412,799)
Net profit	137,715	616,837	1,395,896	5,102,235
Total comprehensive income attributable to:				
Owners of the Company	151,448	789,904	1,460,493	5,515,034
Non-controlling interest	(13,733)	(173,067)	(64,597)	(412,799)
Total comprehensive income	137,715	616,837	1,395,896	5,102,235
Earnings per share:				
- basic (sen)	0.2	1.0	1.8	6.9
- 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 2017.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 31.03.2018 RM (Unaudited)	As at 31.03.2017 RM (Audited)
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	24,679,621	25,266,920
Investment property	4,100,000	4,100,000
Deferred tax assets	1,244,057	1,092,658
	<u>30,023,678</u>	<u>30,459,578</u>
<b>CURRENT ASSETS</b>		
Property development costs	41,847,267	55,988,476
Inventories	25,735,234	15,107,274
Receivables, deposits and prepayments	40,135,096	42,237,215
Tax recoverable	2,004,234	458,601
Marketable securities	16,523	598,757
Deposits with licensed banks	3,955,112	3,840,992
Deposits, bank and cash balances	1,029,897	1,121,654
	<u>114,723,363</u>	<u>119,359,370</u>
<b>TOTAL ASSETS</b>	<u><u>144,747,041</u></u>	<u><u>149,818,948</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	49,419,360	49,419,360
Reserves	10,300,415	10,300,415
Retained profits	28,999,975	28,339,482
	<u>88,719,750</u>	<u>88,059,257</u>
Non-controlling interest	(1,025,093)	(960,496)
Equity attributable to owners of the Company	<u>87,694,657</u>	<u>87,098,761</u>
<b>NON CURRENT LIABILITIES</b>		
Hire-purchase creditors	254,740	359,813
Term loan	9,031,371	10,318,750
Deferred tax liabilities	905,212	1,009,732
	<u>10,191,323</u>	<u>11,688,295</u>

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

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	As at 31.03.2018 RM (Unaudited)	As at 31.03.2017 RM (Audited)
<b>CURRENT LIABILITIES</b>		
Payables and accruals	29,022,308	34,266,399
Amount owing to a director	2,350,000	-
Provisions	1,685,841	3,112,392
Current tax liabilities	-	718,705
Hire-purchase creditors	104,547	125,018
Term loan	1,299,535	1,289,056
Short term bank borrowings		
- bank overdrafts	10,163,869	8,933,781
- others	2,234,961	2,586,541
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	46,861,061	51,031,892
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<b>TOTAL LIABILITIES</b>	57,052,384	62,720,187
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<b>TOTAL EQUITY AND LIABILITIES</b>	144,747,041	149,818,948
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Net Assets per share	<b>1.10</b>	<b>1.09</b>
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**The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017.**

**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		
At 1 April 2016	40,000,000	9,419,360	80,344	10,220,071	23,624,448	83,344,223	(547,697)	82,796,526
First and final single tier dividend in respect of financial year ended 31 March 2016 of 1 sen per share	-	-	-	-	(800,000)	(800,000)		(800,000)
Net profit for the financial year	-	-	-	-	5,515,034	5,515,034	(412,799)	5,102,235
Total Comprehensive income	-	-	-	-	5,515,034	5,515,034	(412,799)	5,102,235
Transition to no-par value regime on 31 January 2017	9,419,360	(9,419,360)	-	-	-	-	-	-
At 31 March 2017	49,419,360	-	80,344	10,220,071	28,339,482	88,059,257	(960,496)	87,098,761

**The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017.**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company					Total	Non-controlling interest	Total equity
	Share capital	Share premium	Reserve on consolidation	Revaluation reserve	Retained profits			
	RM	RM	RM	RM	RM			
At 1 April 2017	49,419,360	-	80,344	10,220,071	28,339,482	88,059,257	(960,496)	87,098,761
First and final single tier dividend in respect of financial year ended 31 March 2017 of 1 sen per share	-	-	-	-	(800,000)	(800,000)	-	(800,000)
Net profit for the financial period	-	-	-	-	1,460,493	1,460,493	(64,597)	1,395,896
Total Comprehensive income	-	-	-	-	1,460,493	1,460,493	(64,597)	1,395,896
At 31 March 2018	49,419,360	-	80,344	10,220,071	28,999,975	88,799,750	(1,025,093)	87,694,657

**The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017.**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	31.03.2018 RM (Unaudited)	31.03.2017 RM (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial year	1,395,896	5,102,235
Adjustments for:		
Property, plant and equipment		
- depreciation	1,035,600	1,173,535
- losses / (gains) on disposal	-	(50,944)
- write off	-	3,344
- impairment	-	463,774
Fair value gain on revaluation of investment property	-	(100,000)
Allowance for doubtful debts		
- charge for the financial year	-	120,414
- write back	(7,050)	(157,741)
Liquidated damages receivable from contractors		(1,270,338)
Provision for liquidated damages	640,886	1,901,762
Interest expense	1,685,042	811,113
Interest income	(123,972)	(159,244)
Gross dividend income from marketable securities	(3,868)	(21,275)
Gain on disposal of marketable securities	(5,481)	(15,432)
-Fair Value (gain) / loss on marketable securities	18,402	(113,898)
Fair value (gain) / loss on derivative financial instruments	6,401	(6,401)
Net unrealized foreign exchange loss	-	99,819
Taxation	886,628	2,079,922
	<u>5,528,484</u>	<u>9,860,645</u>
Net movements in working capital:		
Inventories	(10,627,961)	136,258
Property development cost	13,889,955	(4,544,497)
Receivables	2,109,169	7,403,083
Payables	(5,244,091)	(3,877,412)
Cash flows generated from / (used in) operations	<u>5,655,556</u>	<u>8,978,077</u>
Liquidated damages and compensation paid	(2,067,437)	(532,220)
Interest paid	(1,685,042)	(2,552,926)
Tax refund	9,483	-
Tax paid	(3,416,369)	(2,430,465)
Net operating cash flow	<u>(1,503,809)</u>	<u>3,462,466</u>

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017.**

**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

	31.03.2018	31.03.2017
	RM	RM
	(Unaudited)	(Audited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(197,047)	(212,089)
- proceeds from disposals	-	41,740
Interest income received	123,972	51,752
Dividend income received	3,868	21,275
Marketable securities		
- proceeds from disposals	569,312	115,332
Net Investing cash flow	<u>500,105</u>	<u>18,010</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deposits released / (pledged) under lien for credit facilities with licensed banks	-	626,240
(Repayments of)/ Receipts of short term bank borrowings	(351,580)	(14,635)
Repayment of advances to a director	2,350,000	(36,950)
Repayments of hire-purchase creditors	(125,544)	(121,474)
Repayments of term loan	(1,276,899)	(4,167,912)
Dividend paid	(800,000)	(800,000)
Net financing cash flow	<u>(204,023)</u>	<u>(4,514,731)</u>
Net movement in cash and cash equivalents	(1,207,727)	(1,034,255)
Effects of exchange rate changes on cash and cash equivalents	-	(2,424)
Cash and cash equivalent at beginning of the financial period/year	<u>(7,812,127)</u>	<u>(6,775,448)</u>
Cash and cash equivalent at end of the financial period/year	<u>(9,019,854)</u>	<u>(7,812,127)</u>

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017.**



## **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 2017.

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 2017, except for the adoption of the following FRSs and Amendments to FRSs:

Effective for financial periods beginning 1 April 2017:

- Amendments to FRS 107 “Statement of Cash Flows Disclosure Initiative”
- Amendments to FRS 112 “Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses”
- Annual Improvements to FRSs 2012 – 2014 Cycle

The following FRSs and Amendments to FRSs are applicable but not effective:

Effective for financial periods beginning 1 April 2018:

- Amendments to FRS 140 “Classification of Change in Use – Assets transferred to, or from, Investment Properties”
- IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration”
- FRS 9 “Financial Instruments”
- MFRS 15 “Revenue from Contracts with Customers”

Effective for financial periods beginning 1 April 2019:

- MFRS 16 “Leases”

The financial impacts on the adoption of MFRS 9 and MFRS 15 are being currently assessed by the Group and Company, otherwise the above new accounting standards, 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 2017 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**

The first and final single-tier tax exempt dividend of 1 sen per ordinary share in respect of the financial year ended 31 March 2017, was duly declared, approved and paid on 26 October 2017 to shareholders registered in the Record of Depositors of the Company at the close of business on 6 October 2017.

**8. Segmental reporting**

Financial year ended 31.03.2018	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	3,920,614	31,785,425	62,587,518	-	458,239	98,751,796
Intersegment sales	-	-	(951,303)	-	-	(951,303)
External sales	<u>3,920,614</u>	<u>31,785,425</u>	<u>61,636,215</u>	<u>-</u>	<u>458,239</u>	<u>97,800,493</u>
<u>Results</u>						
Profit / (loss) from operations	769,223	717,925	2,633,914	(670,060)	(137,628)	3,313,374
Finance cost	(15,626)	(4,103)	(1,010,045)	0	(1,076)	(1,030,850)
Profit before tax						2,282,524
Taxation						(886,628)
Net profit for the year						<u>1,395,896</u>
Segment assets	4,417,147	89,942,348	45,757,571	4,486,095	143,879	144,747,040
Segment liabilities	602,141	27,100,176	28,521,417	535,619	293,031	57,052,384
Interest income	6	6,905	116,294	767	-	123,972
Capital expenditure	4,317	-	191,668	-	1,062	197,047
Depreciation and amortisation	33,532	148,612	735,697	18,140	99,619	1,035,600

**Segmental reporting (Continued)**

Financial year ended 31.03.2017	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	3,447,143	50,616,795	65,318,302	4,500,036	529,354	124,411,630
Intersegment sales	0	0	(781,482)	(4,500,036)	0	(5,281,518)
External sales	<u>3,447,143</u>	<u>50,616,795</u>	<u>64,536,820</u>	<u>0</u>	<u>529,354</u>	<u>119,130,112</u>
<u>Results</u>						
Profit / (loss) on operations	(146,862)	4,383,468	4,776,288	(198,921)	(801,943)	8,012,030
Finance cost	(13,268)	(52,022)	(764,583)	0	(0)	<u>(829,873)</u>
Profit before tax						7,182,157
Taxation						<u>(2,079,922)</u>
Net profit for the year						<u>5,102,235</u>
Segment assets	4,364,566	94,375,333	45,814,212	5,085,189	179,648	149,818,948
Segment liabilities	1,341,398	32,835,828	27,575,959	633,001	334,001	62,720,187
Interest income	0	47,721	109,766	0	1,757	159,244
Capital expenditure	7,148	992,838	216,890	0	24,338	1,241,214
Depreciation and amortisation	42,153	114,089	807,728	18,140	191,425	1,173,535

## **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 2017 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 except for the Bonus Issue of Warrants as mentioned in note 19.

## **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**

### **Current Quarter versus Preceding Corresponding Quarter**

The Group recorded revenue of RM28.9 million for the current quarter under review, an increase of RM5.5 million over revenue of RM23.4 million of the preceding corresponding quarter.

The Group posted a profit after tax of RM0.1 million for the current quarter under review as compared to RM0.6 million profit after tax as recorded for the preceding corresponding quarter. The decline in profit after tax for the current quarter was attributable to lower profit margins and higher operational costs incurred.

For the current financial year under review, the Group recorded revenue of RM97.8 million as compared to the RM119.1 million for preceding corresponding period, a decline of RM21.3 million.

The Group posted a profit after tax of RM1.4 million for the current financial year under review, a decline of RM3.7 million over profit after tax of RM5.1 million of preceding corresponding period. The decline in profit after tax for the current financial year was in line with lower revenue generated.

The performance of the business segments of the Group for the current period is as follows:

### **13. Performance review (continued)**

#### **(i) Property and Construction Segment**

Revenue for this segment for the current financial year was RM31.8 million as compared to RM50.6 million for the preceding corresponding financial year. The decline in revenue of RM18.8 million was due to the weak market sentiment.

In line with the declining revenue, this segment posted a segmental profit before interest and tax (PBIT) of RM0.7 million as compared to a segmental PBIT of RM4.4 million as recorded for the preceding corresponding financial year.

#### **(ii) Manufacturing Segment**

Revenue for the Manufacturing segment for the current period was RM61.6 million, a decrease of RM2.9 million as compared to the preceding corresponding period of RM64.5 million. The decline in revenue was mainly due to lower exports particularly to United States of America, France and Mexico.

Segmental PBIT for the current financial year was RM2.6 million as compared to RM4.8 million for the preceding corresponding financial year. The lower segmental PBIT was due to higher operating cost and decrease in other operating income arising from forex.

#### **(iii) Direct Selling and Retail Segment**

Revenue for the Direct Selling and Retail segment for the current financial year increased by RM0.5 million to RM3.9 million from RM3.4 million for the preceding corresponding financial year. The increase in revenue was mainly due to the contribution from the retail market.

The segmental PBIT for the current period improved to RM0.8 million as compared to a segmental loss before interest and tax of RM0.1 million. This was mainly attributable to higher sales and write back of inventory.

### **14. Quarterly results comparison**

For the current quarter under review, the Group registered revenue of RM28.9 million as compared to RM26.0 million for the immediate preceding quarter. The increase in revenue of RM2.9 million was due to higher contribution from the Property and Construction segment of RM5.1 million while the Manufacturing and Direct Selling and Retail segments declined by RM2.1 million and RM0.1 million respectively over the immediate preceding quarter.

#### 14. Quarterly results comparison (continued)

The Group posted a profit after tax of RM0.1 million in the current quarter as compared to a profit after tax of RM1.1 million for the immediate preceding quarter. The decline in profit after tax for the current quarter was mainly attributable to higher operational costs.

#### 15. Prospects

The Group expects the global and local business conditions and environment to remain uncertain and challenging. Operational costs such as levy and the proposed increase in minimum wages will certainly affect the Group's margins. Nevertheless, the Group will exercise prudent measures to mitigate these challenges. Barring any unforeseen circumstances, the Board is cautiously optimistic that the financial performance for the coming financial period to be satisfactory.

#### 16. Profit forecast and profit guarantee

The Group does not issued any profit forecast or profit guarantee.

#### 17. Taxation

	Current Year Quarter 31.03.2018 RM	Preceding Year Corresponding Quarter 31.03.2017 RM	Current Year to Date 31.03.2018 RM	Preceding Corresponding Year to Date 31.03.2017 RM
Taxation				
- current year	14,582	752,517	974,982	2,229,154
- prior year	-	-	6,459	(390,727)
Deferred taxation				
- current year	8,288	(59,128)	(94,813)	241,495
Tax charge	<u>22,870</u>	<u>695,389</u>	<u>886,628</u>	<u>2,079,922</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 material transactions involving unquoted investments and properties during the financial quarter under review.

## 19. Corporate proposal

On 16 January 2018, the Company (“Caely”) proposed to undertake a bonus issue of 40,000,000 free detachable Warrants (“Bonus Issue of Warrants”) on the basis of one (1) Warrant for every two (2) existing ordinary shares in Caely.

The Bonus Issue of Warrants was approved by Bursa Malaysia Securities Berhad (“Bursa Securities”) vide its letter dated 9 February 2018 with certain conditions.

The Bonus Issue of Warrants was completed following the issuance and listing of, and quotation for 40,000,000 warrants on the Main Market Bursa Securities Berhad on 26 April 2018.

## 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 2018 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	8,871,152	9,286,111	18,157,263
Unsecured	<u>3,293,889</u>	<u>0</u>	<u>3,293,889</u>
	12,165,041	9,286,111	21,451,152
<u>US Dollar</u>			
Secured	<u>1,637,870</u>	<u>0</u>	<u>1,637,870</u>
	<u><u>13,802,911</u></u>	<u><u>9,286,111</u></u>	<u><u>23,089,022</u></u>

## 21. Derivative financial instruments

There is no derivative instruments for foreign currency forward contracts and option forward as at the end of the financial year.

## 22. Fair value changes of financial liabilities

As at the end of the current period, 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 tax exempt final dividend of RM0.01 per share for the financial year ended 31 March 2018 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 31.03.2018	Preceding Year Corresponding Quarter 31.03.2017	Current Year to Date 31.03.2018	Preceding Corresponding Year to Date 31.03.2017
Net profit / (loss) for the year (RM)	151,448	789,904	1,460,493	5,515,034
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	0.2	1.0	1.8	6.9
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 2018, there was no material capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements.

## **27. Profit / (Loss) before taxation**

The profit / (loss) before taxation is arrived at after crediting / (charging) the following income / (expenses):

	Current Year Quarter 31.03.2018	Current Year to Date 31.03.2018
(a) Interest income	30,545	123,972
(b) Other income including investment income	0	3,868
(c) Interest expense	438,924	1,685,042
(d) Depreciation and amortisation	257,016	1,035,600
(e) Allowance of receivables	0	(7,050)
(f) Allowance of inventories	(25,773)	(401,563)
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	0	5,481
(h) Impairment of assets	0	0
(i) Foreign exchange gain/(loss)	251,529	1,529,869
(j) Gain/(Loss) on derivatives	0	(6,401)
(k) Exceptional items	0	0

## **28. Authorisation for issue**

The Board of Directors has authorised the release of the unaudited interim financial statements for the quarter ended 31 March 2018 pursuant to a resolution dated 31 May 2018.