

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE 2nd QUARTER ENDED 30 SEPTEMBER 2018**



Caely

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current Year Quarter 30.09.2018 RM (unaudited)	Preceding Year Corresponding Quarter 30.09.2017 RM (restated)	Current Year to Date 30.09.2018 RM (unaudited)	Preceding Corresponding Year to Date 30.09.2017 RM (restated)
Revenue	21,265,510	21,607,403	41,095,476	43,240,189
Operating expenses	(20,690,623)	(21,509,598)	(40,163,218)	(42,627,255)
Other operating income	664,871	590,937	1,020,786	1,002,404
Profit from operations	1,239,758	688,742	1,953,044	1,615,338
Finance costs	(246,385)	(459,789)	(610,040)	(753,746)
Profit before taxation	993,373	228,953	1,343,004	861,592
Taxation	(425,234)	(100,980)	(685,300)	(327,586)
Profit from continuing operations	568,139	127,973	657,704	534,006
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income	<u>568,139</u>	<u>127,973</u>	<u>657,704</u>	<u>534,006</u>
Net profit attributable to:				
Owners of the Company	560,025	131,168	668,597	551,736
Non-controlling interest	8,114	(3,195)	(10,893)	(17,730)
Net profit	<u>568,139</u>	<u>127,973</u>	<u>657,704</u>	<u>534,006</u>
Total comprehensive income attributable to:				
Owners of the Company	560,025	131,168	668,597	551,736
Non-controlling interest	8,114	(3,195)	(10,893)	(17,730)
Total comprehensive income	<u>568,139</u>	<u>127,973</u>	<u>657,704</u>	<u>534,006</u>
Earnings per share: (Note 25)				
- basic (sen)	0.69	0.16	0.83	0.67
- diluted (sen)	0.53	N/A	0.63	N/A

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At 30.09.2018 RM (unaudited)	As at 31.03.2018 RM (restated)	As at 01.04.2017 RM (restated)
NON CURRENT ASSETS			
Property, plant and equipment	24,832,497	25,255,998	25,266,920
Investment property	4,100,000	4,100,000	4,100,000
Deferred tax assets	843,277	834,560	1,092,658
	<u>29,775,774</u>	<u>30,190,558</u>	<u>30,459,578</u>
CURRENT ASSETS			
Property development costs	42,276,572	41,736,347	55,968,417
Inventories	20,140,821	25,898,335	15,107,274
Receivables, deposits and prepayments	39,873,463	37,394,760	42,237,215
Tax recoverable	2,973,886	2,379,626	458,601
Marketable securities	12,267	16,523	598,757
Derivative financial instruments	0	0	6,401
Deposits with licensed banks	2,919,606	3,955,112	3,840,992
Deposits, bank and cash balances	684,123	1,040,341	1,121,654
	<u>108,880,738</u>	<u>112,421,044</u>	<u>119,339,311</u>
TOTAL ASSETS	<u><u>138,656,512</u></u>	<u><u>142,611,602</u></u>	<u><u>149,798,889</u></u>
EQUITY AND LIABILITIES			
Share capital	49,801,868	49,419,360	49,419,360
Reserves	10,300,415	10,300,415	10,300,415
Retained profits	29,152,682	28,494,978	27,284,521
	<u>89,254,965</u>	<u>88,214,753</u>	<u>87,004,296</u>
Non-controlling interest	(1,036,308)	(1,025,415)	(960,496)
Equity attributable to owners of the Company	<u>88,218,657</u>	<u>87,189,338</u>	<u>86,043,800</u>
NON CURRENT LIABILITIES			
Hire-purchase creditors	278,804	258,676	359,813
Term loan	8,369,915	9,027,390	10,318,750
Deferred tax liabilities	921,133	874,248	1,009,732
	<u>9,569,852</u>	<u>10,160,314</u>	<u>11,688,295</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 (Continued)

	As at 30.09.2018 RM (unaudited)	As at 31.03.2018 RM (restated)	As at 01.04.2017 RM (restated)
CURRENT LIABILITIES			
Payables and accruals	24,365,715	26,853,404	34,221,442
Amount owing to a director	1,468,000	2,350,000	0
Provisions	1,727,935	2,255,590	4,192,251
Derivative financial instruments	26,439	0	0
Current tax liabilities	0	0	718,705
Hire-purchase creditors	104,547	100,610	125,018
Term loan	1,299,534	1,303,516	1,289,056
Short term bank borrowings			
- bank overdrafts	9,587,634	10,163,869	8,933,781
- others	2,288,199	2,234,961	2,586,541
	<u>40,868,003</u>	<u>45,261,950</u>	<u>52,066,794</u>
TOTAL LIABILITIES	<u>50,437,855</u>	<u>55,422,264</u>	<u>63,755,089</u>
TOTAL EQUITY AND LIABILITIES	<u>138,656,512</u>	<u>142,611,602</u>	<u>149,798,889</u>
Net Assets per share	<u><u>1.10</u></u>	<u><u>1.09</u></u>	<u><u>1.08</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

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		
As at 1 April 2017 (as previously stated)	49,419,360	0	80,344	10,220,071	28,339,482	88,059,257	(960,496)	87,098,761
Prior year adjustment (Note 26)	0	0	0	0	(1,054,961)	(1,054,961)	0	(1,054,961)
As at 1 April 2017 (restated)	49,419,360	0	80,344	10,220,071	27,284,521	87,004,296	(960,496)	86,043,800
Net profit for the financial period	0	0	0	0	186,995	186,995	(17,730)	169,265
Total Comprehensive income (restated)	0	0	0	0	186,995	186,995	(17,730)	169,265
At 30 September 2017 (restated)	49,419,360	-	80,344	10,220,071	27,471,516	87,191,291	(978,226)	86,213,065

The new Companies Act 2016 (the “Act”), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account becomes part of the Company’s share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, The company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for the purposes as set out in Section 618(3) of the Act. There is no impact on ordinary shares in issue or the relative entitlement of any of the members as a result of the transition.

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

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		
As at 1 April 2018 (as previously stated)	49,419,360	0	80,344	10,220,071	28,919,262	88,639,037	(1,025,415)	87,613,622
Prior year adjustment (Note 26)	0	0	0	0	(424,284)	(424,284)	0	(424,284)
As at 1 April 2018 (restated)	49,419,360	0	80,344	10,220,071	28,494,978	88,214,753	(1,025,415)	87,189,338
Net profit for the financial period	0	0	0	0	657,704	657,704	(10,893)	646,811
Total Comprehensive income	0	0	0	0	657,704	657,704	(10,893)	646,811
Exercise of Warrants	382,508	0	0	0	0	382,508	0	382,508
At 30 September 2018	49,801,868	0	80,344	10,220,071	29,152,682	89,254,965	(1,036,308)	88,218,657

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	30.09.2018 RM (unaudited)	30.09.2017 RM (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	657,704	534,006
Adjustments for:		
Property, plant and equipment		
- depreciation	480,626	518,008
- losses / (gains) on disposal	(23,000)	0
- write off	0	0
- impairment	0	0
- reversal of deferred tax upon PPE disposal	(84,817)	0
Fair value gain on revaluation of investment property	0	0
Allowance for doubtful debts		
- charge for the financial year	0	0
- write back	0	0
Liquidated damages receivable from contractors		
Provision for liquidated damages	98,135	0
Interest expense	884,520	806,772
Interest income	(56,614)	(59,935)
Gross dividend income from marketable securities	0	(3,868)
Gain on disposal of marketable securities	0	(5,481)
Fair Value (gain) / loss on marketable securities	4,255	2,644
Fair value (gain) / loss on derivative financial instruments	17,058	(32,473)
Net unrealised foreign exchange loss	0	0
Taxation	685,300	327,586
	<u>2,663,167</u>	<u>2,087,259</u>
Net movements in working capital:		
Inventories	5,757,514	1,887,236
Property development cost	(101,111)	2,933,028
Receivables	(2,890,879)	(2,621,053)
Payables	(2,987,076)	(2,342,099)
Cash flows generated from / (used in) operations	<u>2,441,615</u>	<u>1,944,371</u>
Liquidated damages and compensation paid	(56,041)	(422,589)
Interest paid	(884,520)	(806,772)
Tax refund	0	9,483
Income tax paid	(1,241,768)	(1,318,829)
Net operating cash flow	<u>259,286</u>	<u>(594,336)</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

	30.09.2018 RM (unaudited)	30.09.2017 RM (restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	27,096	(30,061)
- proceeds from disposals	0	0
Interest income received	56,615	59,935
Dividend income received	0	3,868
Marketable securities		
- payments for investments	0	0
- proceeds from disposals	0	569,312
Net Investing cash flow	<u>83,711</u>	<u>603,054</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits released / (pledged) under lien for credit facilities with licensed banks	0	0
(Repayments of)/ Receipts of short term bank borrowings	53,238	(252,036)
Repayment of advances to a director	(882,000)	0
Repayments of hire-purchase creditors	(60,158)	(61,900)
Repayments of term loan	(661,456)	(632,062)
Dividend paid	0	0
Receipt from warrants exercised	382,508	0
Net financing cash flow	<u>(1,167,868)</u>	<u>(945,998)</u>
Net movement in cash and cash equivalents	(824,870)	(1,302,021)
Effects of exchange rate changes on cash and cash equivalents	9,734	(587)
Cash and cash equivalent at beginning of the financial period	<u>(8,088,375)</u>	<u>(7,811,540)</u>
Cash and cash equivalent at end of the financial period	<u><u>(8,903,511)</u></u>	<u><u>(9,114,148)</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

1. Basis of Preparation

The interim financial statements are unaudited and are prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the financial year ended 31 March 2018.

The Group is adopting the new IRFS-compliant framework, MFRS for the current financial year beginning 1 April 2018. In adopting the new framework, the Group is applying MFRS 1 'First-time Adoption of MFRS'. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect.

A number of new standards and amendments to standards and interpretation are effective for the current financial year beginning on 1 April 2018. None of these is expected to have a significant effect on the consolidated financial statements of the Group except the following set out below:

- a) MFRS 1 'First-time Adoption of MFRS';
- b) MFRS 9 'Financial Instruments', replaces FRS 139 'Financial Instruments: Recognition and Measurement'; and
- c) MFRS 15 'Revenue from contracts with Customers', replaces FRS 118 'Revenue' and FRS 111 'Construction contract' and related interpretations.

The initial application of the accounting standards, amendments or interpretations above does not have any material impact to the financial results of the Group for the current period and prior periods, other than as disclosed below:-

- a) MFRS 9: Financial Instruments

The Group has assessed all the three aspects of the accounting for the financial assets and liabilities for classification and measurement, impairment and hedge accounting. In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" model. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- b) MFRS 15: Revenue from Contracts with Customers

Change in accounting policies

- (i) Revenue from construction contracts

A construction contract is specifically negotiated for the construction of an asset or a combination of assets with multiple deliverables which include a significant integration service and are therefore recognised as a single performance obligation. Revenue is

recognised progressively based on the percentage of completion determined by the stage of completion method, which is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(ii) Liquidated Ascertained Damages

The Group would take the necessary steps to assess of impairment of liquidated ascertained damages (“LAD”) payable when the developer fails to deliver vacant possession within the stipulated period. LAD payable to customers is presented as a reduction of the transaction price which would then be accounted for in the profit or loss over the tenure of the respective property development project instead of being accounted for as a direct charge to the profit or loss when the obligation arises.

(iii) Contract asset and contract liability

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of construction contracts, contract asset is the excess of cumulative revenue earned over cumulative billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset’s carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

The impact of the adoption of the MFRSs 9 and 15 and amendments to MFRSs to the Group’s reported financial position and comprehensive income are disclosed in Noted 26 below.

2. Qualification of Auditors’ Report

The auditors’ report of the preceding financial statements ended 31 March 2018 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial 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 ended 30 September 2018.

6. Debts and Equity or Securities

Warrants

On 26 April 2018, the Company undertook a bonus issue of 40,000,000 free warrants on the basis of one warrant for every two existing ordinary shares in the Company. The expiry date of warrants is 22 April 2021.

The exercise price of the warrants is RM0.38 per share. The warrants exercised by the registered warrants holders to new ordinary shares during the financial period are as follows:

Date of exercise	Exercise price	No. of warrants exercised	Balance no. of warrants outstanding
13 June 2018	RM0.38	700	39,999,300
23 July 2018	RM0.38	300,000	39,699,300
24 July 2018	RM0.38	15,000	39,684,300
26 July 2018	RM0.38	123,900	39,560,400
30 July 2018	RM0.38	20,000	39,540,400
01 August 2018	RM0.38	122,000	39,418,400
06 August 2018	RM0.38	50,000	39,368,400
07 August 2018	RM0.38	45,000	39,323,400
10 August 2018	RM0.38	40,000	39,283,400
14 August 2018	RM0.38	50,000	39,233,400
15 August 2018	RM0.38	50,000	39,183,400
16 August 2018	RM0.38	107,000	39,076,400
06 September 2018	RM0.38	83,000	38,993,400

7. Dividend Paid

No dividend has been paid during the current financial quarter.

8. Segmental Reporting

Financial period ended 30.09.2018	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	1,351,206	5,167,806	35,769,579	0	272,427	42,561,018
Intersegment sales	0	0	(1,465,542)	0	0	(1,465,542)
External sales	<u>1,351,206</u>	<u>5,167,806</u>	<u>34,304,037</u>	<u>0</u>	<u>272,427</u>	<u>41,095,476</u>
<u>Results</u>						
Profit / (Loss) from operations	(840,132)	215,670	2,924,628	(322,766)	(24,356)	1,953,044
Finance costs	(17,672)	(74,410)	(517,246)	0	(711)	(610,039)
Profit before tax						<u>1,343,005</u>
Taxation						(685,300)
Net profit for the financial period						<u><u>657,705</u></u>
Segment assets	4,171,955	86,805,991	43,025,276	4,534,607	118,683	138,656,512
Segment liabilities	710,578	20,954,077	27,768,781	715,860	288,559	50,437,855
Interest income	0	2,568	54,046	0	0	56,614
Capital expenditure	0	0	57,126	0	0	57,126
Depreciation and amortisation	15,538	64,798	371,200	9,070	20,020	480,626

8. Segmental Reporting (Continued)

Financial period ended 30.09.2017	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	2,146,979	10,570,431	30,330,387	0	237,604	43,285,401
Intersegment sales	0	0	(409,953)	0	0	(409,953)
External sales	<u>2,146,979</u>	<u>10,570,431</u>	<u>29,920,434</u>	<u>0</u>	<u>237,604</u>	<u>42,875,448</u>
<u>Results</u>						
Profit / (Loss) on operations	498,461	(343,694)	1,421,479	(287,054)	(38,594)	1,250,598
Finance costs	(8,085)	(9,894)	(735,156)	0	(610)	(753,745)
Profit before tax						496,853
Taxation						(327,586)
Net profit for the financial period						<u>169,267</u>
Segment assets	4,494,496	92,220,499	45,593,768	4,401,998	136,191	146,846,952
Segment liabilities	860,046	29,836,940	27,856,519	718,672	306,749	59,578,926
Interest income	0	2,589	56,579	767	0	59,935
Capital expenditure	0	0	28,999	0	1,062	30,061
Depreciation and amortisation	17,289	75,169	365,429	9,070	51,051	518,008

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 year ended 31 March 2018.

10. Subsequent Events

On 25 October 2018, the Group paid a single tier tax exempt final dividend of RM810,066. Other than this, 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 current 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 RM21.3 million for the current quarter under review, a decrease of RM0.3 million over revenue of RM21.6 million of the preceding corresponding quarter.

The Group posted a profit after tax of RM0.6 million for the current quarter under review, an improvement of RM0.5 million compared to profit after tax RM0.1 million for the preceding corresponding quarter.

For the current period under review, the Group recorded revenue of RM41.1 million as compared to the RM43.2 million for preceding period, a decline of RM2.1 million .

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 the Property and Construction segment for the current period was RM5.2 million as compared to RM10.6 million for the preceding corresponding financial period. The decline in revenue of RM5.4 million was due to the completion of construction contract works at the previous financial year.

This segment posted a segmental profit before interest and tax of RM0.2 million as compared to a segmental loss before interest and tax (PBIT) of RM0.3 million as recorded for the preceding corresponding period.

(ii) Manufacturing Segment

Revenue for the Manufacturing segment for the current financial period was RM34.3 million, an increase of RM4.4 million compared to the preceding financial corresponding financial period of RM29.9 million. The improved revenue was mainly due to higher contribution from our export markets.

Segmental PBIT for the current financial period was RM2.9 million compared to RM1.4 million for the preceding corresponding financial period. The improvement was due to the increase of RM4.4 million revenue and cost saving in the Administrative, Selling & Distribution expenses.

(iii) Direct Selling and Retail Segment

Revenue for the Direct Selling and Retail segment for the current financial period declined by RM0.8 million to RM1.3 million for the current period from RM2.1 million for the preceding corresponding financial period. The decrease in revenue was mainly due to the lower contribution from retail market.

In line with the decrease in revenue, this segmental reported a loss of RM0.8 million in PBIT compared to a segmental profit before interest and tax of RM0.5 million for the preceding corresponding financial period.

14. Quarterly Results Comparison

For the current financial quarter under review, the Group registered revenue of RM21.3 million compared to RM21.6 million for the immediate preceding financial quarter. The lower revenue was primarily due to the tail end effect of the major construction contracts that were completed.

The Group posted a profit after tax of RM0.6 million compared to RM0.1 million for the immediate preceding financial quarter.

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 margin. 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

For the current financial quarter there was no profit forecast or profit guarantee issued.

17. Taxation

	Current Year Quarter 30.09.2018 RM	Preceding Year Corresponding Quarter 30.09.2017 RM	Current Year to Date 30.09.2018 RM	Preceding Corresponding Year to Date 30.09.2017 RM
Taxation				
- current period	417,028	252,400	647,508	484,000
- prior year	0	0	0	0
Deferred taxation				
- current period	8,206	(151,420)	37,792	(156,414)
Tax charge	<u>425,234</u>	<u>100,980</u>	<u>685,300</u>	<u>327,586</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

The following is the status of corporate proposal that has been announced by the Company:-

On 16 January 2018, the Company (“Caely”) has proposed to undertake a bonus issue of 40,000,000 free detachable Warrants (“Proposed Bonus Issue of Warrants”) on the basis of one (1) Warrant for every two (2) existing ordinary shares in Caely held by the entitled shareholders of Caely on an entitlement date to be determined later.

On 12 February 2018, the Company announced that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 9 February 2018, approved the followings:-

1. Admission to the Official List and the listing of and quotation for 40,000,000 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
2. Listing of and quotation for up to 40,000,000 new Caely Shares to be issued pursuant to the exercise of *Warrants*.

The approval granted by Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions:-

1. Caely and M&A Securities Sdn Bhd (“M&A Securities” or “Advisers”) must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Bonus Issue of Warrants;
2. Caely and M&A Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;
3. Caely and M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Bonus Issue of Warrants is completed;
4. Caely is to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and

To incorporate Bursa Securities' comments in respect of the circular to shareholders to be issued pertaining the Proposed Bonus Issue of Warrants.

The Bonus Issue of Warrants had been completed following the 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 30 September 2018 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	9,209,122	8,648,719	17,857,841
Unsecured	<u>2,312,953</u>	<u>0</u>	<u>2,312,953</u>
	11,522,075	8,648,719	20,170,794
<u>US Dollar</u>			
Secured	<u>1,757,840</u>	<u>0</u>	<u>1,757,840</u>
	<u><u>13,279,915</u></u>	<u><u>8,648,719</u></u>	<u><u>21,928,634</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 period ended 30 September 2018.

22. Fair Value Changes of Financial Liabilities

As at the end of the current financial 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 do not recommend any payment of dividends in respect of the current period.

25. Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.09.2018 (unaudited)	30.09.2017 (restated)	30.09.2018 (unaudited)	30.09.2017 (restated)
<u>Basic EPS</u>				
Profit attributable to equity holders of the Company (RM)	560,025	(233,573)	668,597	186,995
Weighted average no. of ordinary shares in issue	81,006,600	80,000,000	81,006,600	80,000,000
Basic EPS (sen)	<u>0.69</u>	<u>(0.30)</u>	<u>0.83</u>	<u>0.20</u>

For the financial period ended 30 September 2018, diluted EPS was calculated by dividing the profit attributable to owners of the Company by the weighted average diluted number of ordinary shares outstanding during the period and after accounting for the effect of all dilutive potential ordinary shares arising from the exercise of outstanding warrants.

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.09.2018 (unaudited)	30.09.2017 (restated)	30.09.2018 (unaudited)	30.09.2017 (restated)
<u>Diluted EPS</u>				
Profit attributable to equity holders of the Company (RM)	560,025	(233,573)	668,597	186,995
Adjusted weighted average no. of ordinary shares	<u>106,408,465</u>	<u>80,000,000</u>	<u>106,408,465</u>	<u>80,000,000</u>
Diluted EPS (sen)	<u>0.53</u>	<u>(0.30)</u>	<u>0.63</u>	<u>0.20</u>

26. Prior Year Adjustment

During the financial quarter under review, the Group made prior year adjustments in relation to:

- (i) MFRS 1 'First-time Adoption of MFRS';
- (ii) MFRS 9 'Financial Instruments'; and
- (iii) MFRS 15 'Revenue from contracts with customers'.

The financial effects arising from the Group's prior year adjustments are as follows:

	As previously reported RM	Prior year adjustments RM	As restated RM
At 1 April 2017			
Consolidated statement of financial position			
<u>Assets</u>			
Property development costs	55,988,476	(20,059)	55,968,417
<u>Liabilities</u>			
Retained earnings	28,339,482	(1,054,961)	27,284,521
Payables and accruals	34,266,399	(44,957)	34,221,442
Provisions	3,112,392	1,079,859	4,192,251
As 31 March 2018			
Consolidated statement of financial position			
<u>Assets</u>			
Property development costs	42,175,461	(439,114)	41,736,347
Deferred tax assets	749,368	85,192	834,560
<u>Liabilities</u>			
Retained earnings	28,919,262	(424,284)	28,494,978
Payables and accruals	27,393,280	(499,387)	26,893,893
Provisions	1,685,841	569,749	2,255,590

26. Prior Year Adjustment (continued)

**Consolidated statement of comprehensive income
Financial period ended 30 September 2017**

	As previously reported RM	Prior year adjustments RM	As restated RM
Revenue	42,875,448	364,741	43,240,189
Operating expenses	(42,627,255)		(42,627,255)
Other operating income	1,002,404		1,002,404
Profit from operations	1,250,597		1,615,338
Finance costs	(753,746)		(753,746)
Profit before tax	496,851		861,592
Taxation	(327,586)		(327,586)
Profit from continuing operations	169,265		534,006
Other comprehensive income, net of tax	0		0
Total comprehensive income	<u>169,265</u>		<u>534,006</u>
Net profit attributable to:			
Owner of the Company	186,995		551,736
Non-controlling interest	(17,730)		(17,730)
Net profit	<u>169,265</u>		<u>534,006</u>
Total comprehensive income attributable to:			
Owner of the Company	186,995		551,736
Non-controlling interest	(17,730)		(17,730)
Total comprehensive income	<u>169,265</u>		<u>534,006</u>

Certain comparative figures in the notes to the interim report above have been adjusted or extended to conform with changes in presentation and to comply with the additional disclosures requirements of the MFRS that are applicable for the financial year ended 31 March 2018

27. Capital Commitments

As at 30 September 2018, there was no material capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements.

28. Profit Before Taxation

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

	Current Year Quarter 30.09.2018 RM	Current Year to Date 30.09.2018 RM
(a) Interest income	21,338	56,614
(b) Other income including investment income	0	0
(c) Interest expense	525,154	884,520
(d) Depreciation and amortisation	230,428	480,626
(e) Allowance of receivables	0	0
(f) Loss allowance of inventories	(111,767)	(276,356)
(g) Gain / (Loss) on disposal of quoted or unquoted investments or properties	0	0
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	565,604	815,793
(j) Gain / (Loss) on derivatives	(20,038)	(26,439)
(k) Exceptional items	0	0

29. Authorisation for issue

The Board of Directors has authorised the release of the unaudited interim financial statements for the second quarter ended 30 September 2018 pursuant to a resolution dated 26 November 2018.