

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE 3<sup>rd</sup> QUARTER ENDED 31 DECEMBER 2018**



**Caely**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31.12.2018 RM (unaudited)	Quarter ended 31.12.2017 RM (restated)	Period ended 31.12.2018 RM (unaudited)	Period ended 31.12.2017 RM (restated)
Revenue	19,102,835	26,120,210	60,198,310	68,995,658
Operating expenses	(19,159,377)	(24,596,360)	(59,322,595)	(67,223,616)
Other operating income	442,098	600,522	1,462,885	1,602,926
Profit from operations	385,556	2,124,372	2,338,600	3,374,968
Finance costs	(293,624)	(357,592)	(903,664)	(1,111,337)
Profit before taxation	91,932	1,766,780	1,434,936	2,263,631
Taxation	(345,243)	(536,172)	(1,030,544)	(863,758)
Profit from continuing operations	(253,311)	1,230,608	404,392	1,399,873
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income	(253,311)	1,230,608	404,392	1,399,873
Net profit attributable to:				
Owners of the Company	(223,595)	1,263,743	445,001	1,450,737
Non-controlling interest	(29,716)	(33,135)	(40,609)	(50,864)
Net profit	(253,311)	1,230,608	404,392	1,399,873
Total comprehensive income attributable to:				
Owners of the Company	(223,595)	1,263,743	445,001	1,450,737
Non-controlling interest	(29,716)	(33,135)	(40,609)	(50,864)
Total comprehensive income	(253,311)	1,230,608	404,392	1,399,873
Earnings per share: (Note 25)				
- basic (sen)	(0.28)	1.58	0.55	1.81
- diluted (sen)	(0.21)	1.58	0.42	1.81

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 31.12.2018 RM (unaudited)	As at 31.03.2018 RM (restated)	As at 31.03.2017 RM (restated)
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	24,754,978	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>29,698,255</u>	<u>30,190,558</u>	<u>30,459,578</u>
<b>CURRENT ASSETS</b>			
Property development costs	42,733,305	41,736,347	55,968,417
Inventories	22,473,697	25,898,335	15,107,274
Receivables, deposits and prepayments	44,189,445	37,394,760	42,237,215
Tax recoverable	2,632,985	2,379,626	458,601
Marketable securities	8,315	16,523	598,757
Derivative financial instruments	12,813	0	6,401
Deposits with licensed banks	2,943,449	3,955,112	3,840,992
Deposits, bank and cash balances	435,147	1,040,341	1,121,654
	<u>115,429,156</u>	<u>112,421,044</u>	<u>119,339,311</u>
<b>TOTAL ASSETS</b>	<u><u>145,127,411</u></u>	<u><u>142,611,602</u></u>	<u><u>149,798,889</u></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	49,802,818	49,419,360	49,419,360
Reserves	10,300,415	10,300,415	10,300,415
Retained profits	28,129,913	28,494,978	27,284,521
	<u>88,233,146</u>	<u>88,214,753</u>	<u>87,004,296</u>
Non-controlling interest	(1,066,024)	(1,025,415)	(960,496)
Equity attributable to owners of the Company	<u>87,167,122</u>	<u>87,189,338</u>	<u>86,043,800</u>
<b>NON CURRENT LIABILITIES</b>			
Hire-purchase creditors	238,396	258,676	359,813
Term loan	8,055,717	9,027,390	10,318,750
Deferred tax liabilities	925,475	874,248	1,009,732
	<u>9,219,588</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 31.12.2018 RM (unaudited)	As at 31.03.2018 RM (restated)	As at 31.03.2017 RM (restated)
<b>CURRENT LIABILITIES</b>			
Payables and accruals	29,631,811	26,853,404	34,221,442
Amount owing to a director	1,985,796	2,350,000	0
Provisions	1,942,793	2,255,590	4,192,251
Derivative financial instruments	6,750	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	10,837,202	10,163,869	8,933,781
- others	2,932,268	2,234,961	2,586,541
	<u>48,740,701</u>	<u>45,261,950</u>	<u>52,066,794</u>
<b>TOTAL LIABILITIES</b>	<u>57,960,289</u>	<u>55,422,264</u>	<u>63,755,089</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>145,127,411</u>	<u>142,611,602</u>	<u>149,798,889</u>
<b>Net Assets per share</b>	<u><u>1.08</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 31 March 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 31 March 2017 (restated)	49,419,360	0	80,344	10,220,071	27,284,521	87,004,296	(960,496)	86,043,800
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	0	0	0	0	1,309,044	1,309,044	(50,864)	1,258,180
Total Comprehensive income (restated)	0	0	0	0	1,309,044	1,309,044	(50,864)	1,258,180
At 31 December 2017 (restated)	49,419,360	-	80,344	10,220,071	27,793,565	87,513,340	(1,011,360)	86,501,980

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					Total	Non-controlling interest	Total equity
	Share capital	Share premium	Reserve on consolidation	Revaluation reserve	Retained profits			
	RM	RM	RM	RM	RM	RM	RM	RM
As at 31 March 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 March 2018 (restated)	49,419,360	0	80,344	10,220,071	28,494,978	88,214,753	(1,025,415)	87,189,338
First and final single tier dividend In respect of financial year ended 31 March 2018 of 1 sen per share					(810,066)	(810,066)		(810,066)
Net profit for the financial period	0	0	0	0	404,392	404,392		404,392
Total Comprehensive income	0	0	0	0	404,392	404,392		404,392
Non-controlling interest					40,609	40,609	(40,609)	0
Exercise of Warrants	383,458	0	0	0	0	383,458	0	383,458
At 31 December 2018	49,802,818	0	80,344	10,220,071	28,129,913	88,233,146	(1,066,024)	87,167,122

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**

	31.12.2018 RM (unaudited)	31.12.2017 RM (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial period	404,392	1,399,873
Adjustments for:		
Property, plant and equipment		
- depreciation	717,748	778,585
- losses / (gains) on disposal	(23,000)	0
- write off	0	0
- impairment	0	0
- reversal of deferred tax upon PPE disposal	0	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	(7,050)
Liquidated damages receivable from contractors		
Provision for liquidated damages	322,993	511,489
Interest expense	1,256,905	1,246,117
Interest income	(82,588)	(93,427)
Gross dividend income from marketable securities	0	(3,868)
Gain on disposal of marketable securities	8,208	(5,481)
Fair Value (gain) / loss on marketable securities	0	4,337
Fair value (gain) / loss on derivative financial instruments	(6,063)	2,959
Net unrealised foreign exchange loss	1,130,163	0
Taxation	945,727	863,758
	<u>4,674,485</u>	<u>4,697,292</u>
Net movements in working capital:		
Inventories	3,424,638	1,722,062
Property development cost	(557,845)	2,062,686
Receivables	(6,628,158)	(614,338)
Payables	2,279,020	(2,011,993)
Cash flows generated from / (used in) operations	<u>3,192,140</u>	<u>5,855,709</u>
Liquidated damages and compensation paid	(66,040)	(854,662)
Interest paid	(1,256,905)	(1,246,117)
Tax refund	0	9,483
Income tax paid	(1,241,768)	(2,541,366)
Net operating cash flow	<u>627,427</u>	<u>1,223,047</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)**

	31.12.2018 RM (unaudited)	31.12.2017 RM (restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(216,730)	(189,030)
- proceeds from disposals	23,000	0
Interest income received	82,588	93,427
Dividend income received	0	3,868
Marketable securities		
- payments for investments	0	0
- proceeds from disposals	0	569,312
Net Investing cash flow	<u>(111,142)</u>	<u>477,577</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deposits released / (pledged) under lien for credit facilities with licensed banks	1,088,586	0
(Repayments of)/ Receipts of short term bank borrowings	697,307	(288,673)
Repayment of advances to a director	(364,203)	0
Repayments of hire-purchase creditors	(100,566)	(93,504)
Repayments of term loan	(975,654)	(950,793)
Dividend paid	(810,066)	(800,000)
Receipt from warrants exercised	383,458	0
Net financing cash flow	<u>(81,138)</u>	<u>(2,132,970)</u>
Net movement in cash and cash equivalents	435,147	(432,346)
Effects of exchange rate changes on cash and cash equivalents	3,953	27,444
Cash and cash equivalent at beginning of the financial period	<u>(10,841,155)</u>	<u>(7,839,571)</u>
Cash and cash equivalent at end of the financial period	<u><u>(10,402,055)</u></u>	<u><u>(8,244,473)</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 31 December 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
28 December 2018	RM0.38	2,500	38,990,900

## 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 2018, was duly declared, approved and paid on 25<sup>th</sup> October 2018 to shareholders registered in the Record of Depositors of the Company at the close of business on 5<sup>th</sup> October 2018.

**8. Segmental Reporting**

Financial period ended 31.12.2018	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	2,075,857	6,798,318	52,559,178	0	382,489	61,815,842
Intersegment sales	0	0	(1,617,532)	0	0	(1,617,532)
External sales	<u>2,075,857</u>	<u>6,798,318</u>	<u>50,941,646</u>	<u>0</u>	<u>382,489</u>	<u>60,198,310</u>
<u>Results</u>						
Profit / (Loss) from operations	(651,528)	(267,986)	3,915,729	(551,410)	(106,205)	2,338,600
Finance costs	(16,129)	(108,753)	(777,836)	0	(946)	(903,664)
Profit before tax						<u>1,434,936</u>
Taxation						(1,030,544)
Net profit for the financial period						<u>404,392</u>
Segment assets	4,231,179	88,551,889	47,407,390	4,447,836	489,117	145,127,411
Segment liabilities	672,060	22,585,274	33,617,766	485,007	600,182	57,960,289
Interest income	0	3,794	78,794	0	0	82,588
Capital expenditure	0	1,630	65,750	0	149,350	216,730
Depreciation and amortisation	22,863	97,124	554,666	13,605	29,490	717,748

**8. Segmental Reporting (Continued)**

Financial period ended 31.12.2017	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	3,078,939	18,745,430	47,533,419	0	330,331	69,688,119
Intersegment sales	0	0	(692,461)	0	0	(692,461)
External sales	<u>3,078,939</u>	<u>18,745,430</u>	<u>46,840,958</u>	<u>0</u>	<u>330,331</u>	<u>68,995,658</u>
<u>Results</u>						
Profit / (Loss) on operations	645,747	516,596	2,705,545	(384,404)	(108,516)	3,374,968
Finance costs	(10,849)	(14,362)	(1,085,341)	0	(785)	(1,111,337)
Profit before tax						2,263,631
Taxation						(863,758)
Net profit for the financial period						<u>1,399,873</u>
Segment assets	4,670,390	92,048,214	44,811,597	4,445,974	115,193	146,091,368
Segment liabilities	1,280,351	29,121,384	27,126,275	694,676	311,741	58,534,427
Interest income	0	5,497	87,163	767	0	93,427
Capital expenditure	3,775	0	184,193	0	1,062	189,030
Depreciation and amortisation	25,526	112,722	550,259	13,605	76,473	778,585

## **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**

There were no other material events subsequent to the end for the financial period ended 31 December 2018 except for the exercise of warrants as follows:-

Date of exercise	No. of warrants exercised	Consideration received (RM)
11 January 2019	101,600	38,608
15 January 2019	16,000	6,080
16 January 2019	67,000	25,460
18 February 2019	44,000	16,720

## **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**

The contingent liabilities as at 31 December 2018 are as follows:

Corporate guarantee given to financial institutions for banking facilities granted to subsidiaries.	RM 5,000,000
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## **13. Performance Review**

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

The Group recorded revenue of RM19.1 million for the current quarter under review, a decrease of RM7.0 million over revenue of RM26.1 million of the preceding corresponding quarter.

The Group posted a loss after tax of RM0.3 million for the current quarter under review, a shrink of RM1.5 million compared to profit after tax RM1.2 million for the preceding corresponding quarter.

For the current period under review, the Group recorded revenue of RM60.2 million as compared to the RM69.0 million for preceding period, a decline of RM8.8 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 RM6.8 million as compared to RM18.7 million for the preceding corresponding financial period. The decline in revenue of RM11.9 million was due to the completion of construction contract works at the previous financial year.

This segment posted a segmental loss before interest and tax for the current financial period of RM0.3 million as compared to a segmental profit before interest and tax (PBIT) of RM0.5 million as recorded for the preceding corresponding period.

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

Revenue for the Manufacturing segment for the current financial period was RM50.9 million, an increase of RM4.1 million compared to the preceding financial corresponding financial period of RM46.8 million. The improved revenue was mainly due to higher contribution from our export markets.

Segmental PBIT for the current financial period was RM3.9 million compared to RM2.7 million for the preceding corresponding financial period. The improvement was due to the increase of RM1.2 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 RM1.0 million to RM2.1 million for the current period from RM3.1 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 RM0.6 million in PBIT for the current financial period compared to a segmental profit before interest and tax of RM0.6 million for the preceding corresponding financial period.

### **14. Quarterly Results Comparison**

For the current financial quarter under review, the Group registered revenue of RM19.1 million compared to RM26.1 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 loss after tax of RM0.3 million compared to profit after tax of RM1.2 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 31.12.2018 RM	Preceding Year Corresponding Quarter 31.12.2017 RM	Current Year to Date 31.12.2018 RM	Preceding Corresponding Year to Date 31.12.2017 RM
Taxation				
- current period	281,692	476,400	929,200	960,400
- prior year	59,209	6,459	59,209	6,459
Deferred taxation				
- current period	4,342	53,313	42,135	(103,101)
Tax charge	<u>345,243</u>	<u>536,172</u>	<u>1,030,544</u>	<u>863,758</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**

Save for the following corporate proposals, there were no other corporate proposal announced by the company:-

### **(i) Proposed Bonus Issue of Warrants**

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.

**(ii) Proposed Land Acquisition**

On 9 November 2018, The Company Caely Development Sdn Bhd (“CDSB”) a wholly-owned subsidiary of Caely has entered into a conditional Sales and Purchase Agreement (“SPA”) with GTM Property Management Sdn Bhd (“GTM” or Vendor”) for the purchase of three (3) parcels of freehold land.

The Proposed land Acquisition is a related party transaction pursuant to the provisions of Chapter 10.08 on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in view of the interest of certain directors and major shareholders of the Company and the person connected with them in the Proposed Land Acquisition.

The Proposal land Acquisition is subjected to the approval of Securities Commission and Bursa, and also the shareholders’ approval to be convened Extraordinary General Meeting.

Details of the land are set out in the table below:

Title details	:	Lot 677, 679 and 681 held under GRN 11567, 26180 and 26181, all located in Sekyen 3, Bandar Bukit Mertajam, Sebarang Perai, Tengah, Pulau Penang	
Tenure	:	Freehold	
Land area	:	Lot 679	7,689 sq meters
		Lot 681	3,718 sq meters
		Lot 677	10,699.89 sq meters
		Total	22,106.89 sq meters
Purchase Consideration	:	RM30,934,352	
Payment Milestone	:	10% deposit or RM3,093,435.20 upon signing the SPA balance sum RM27,840,916.80 shall be paid to The Vendor within the agreed period	

On 13 February 2019, M&A Securities Sdn Bhd, on behalf of the Company announced that it had submitted an application to Bursa for an extension of time up to 28 February 2019 to issue the Circular in relation to the Proposed Land Acquisition.

On 18 February 2019, M&A Securities Sdn Bhd, on behalf of the Company announced that Bursa had resolved to approve the Extension of Time up to 28 February 2019 for the Company to issue the Circular.

**(iii) Proposed Bonus issue**

On 26 November 2018, the Company announced its proposal to undertake a bonus issue of up to 120,000,000 new ordinary shares on the basis of 1 bonus for every 1 exiting share of the Company, held on an entitlement date to be determined at a later date (“Proposed Bonus Issue”).

On 26 December 2018, M&A Securities Bhd, on behalf of the Company announced that the listing application has been submitted to Bursa on 24 December 2018.

On 11 January 2019, M&A Securities Bhd, on behalf of the Company announced that Bursa had, vide its letter dated 9 January 2019, resolved to approve the listing of and quotation for the following:

- (a) Up to 120,000,000 Caely Shares to be issued pursuant to the Proposed Bonus Issue
- (b) Up to 38,993,400 Additional Warrants 2018/2021 arising from the adjustment made pursuant to the Proposed Bonus Issue; and
- (c) Up to additional 38,993,400 Caely Shares to be listed pursuant to the exercise of the Additional Warrants 2018/2021

The approval granted by Bursa for the Proposed Bonus Issue is subjected to the following conditions:

- (i) Caely and M&A Securities Sdn Bhd must fully comply with the relevant provisions under the Main Market LR pertaining to the implementation of the Proposed Bonus Issue
- (ii) Caely and M&A Securities Sdn Bhd is to inform Bursa upon the completion of the Proposed Bonus Issue
- (iii) Caely to furnish Bursa with a written confirmation of its compliance with the terms and conditions of Bursa’s approval once the Proposed Bonus Issue is completed
- (iv) Caely and M&A Securities Sdn Bhd are required to make the relevant announcements pursuant to Paragraph 6.35(2) (a) and (b) of the Main Market LR
- (v) Caely to furnish Bursa with a certified true copy of the resolution passed by shareholders at an Extraordinary General Meeting for the Proposed Bonus issue
- (vi) Payment of outstanding processing fee based on the market value of the Bonus Shares to be listed (based on the adjusted price), if applicable; and
- (vii) To incorporate the comments made in the Circular to shareholders to be issued pertaining the Proposed Bonus Issue

Caely is required to ensure full compliance of all the requirements as provided under the Main Market LR at all times.

## 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 2018 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	9,455,252	8,294,113	17,749,365
Unsecured	<u>3,963,899</u>	<u>0</u>	<u>3,963,899</u>
	13,419,151	8,294,113	21,713,264
<u>US Dollar</u>			
Secured	<u>1,754,400</u>	<u>0</u>	<u>1,754,400</u>
	<u><u>15,173,551</u></u>	<u><u>8,294,113</u></u>	<u><u>23,467,664</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 31.12.2018 RM	Fair value Gain / (loss) as at 31.12.2018 RM
Foreign currency forward contracts - less than 1 year	2,490,125	2,484,062	6,063

## 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 9 months ended	
	31.12.2018 (unaudited)	31.12.2017 (restated)	31.12.2018 (unaudited)	31.12.2017 (restated)
<u>Basic EPS</u>				
Profit attributable to equity holders of the Company (RM)	(223,595)	1,263,743	445,001	1,450,737
Weighted average no. of ordinary shares in issue	81,009,100	80,000,000	81,009,100	80,000,000
Basic EPS (sen)	<u>(0.28)</u>	<u>1.58</u>	<u>0.55</u>	<u>1.81</u>

For the financial period ended 31 December 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 9 months ended	
	31.12.2018 (unaudited)	31.12.2017 (restated)	31.12.2018 (unaudited)	31.12.2017 (restated)
<u>Diluted EPS</u>				
Profit attributable to equity holders of the Company (RM)	(223,595)	1,263,743	445,001	1,450,737



**26. Prior Year Adjustment** (continued)

**Consolidated statement of comprehensive income  
Financial period ended 31 December 2017**

	As previously reported RM	Prior year adjustments RM	As restated RM
Revenue	68,853,965	141,693	68,995,658
Operating expenses	(67,223,616)		(67,223,616)
Other operating income	1,602,926		1,602,926
Profit from operations	3,233,275		3,374,968
Finance costs	(1,111,337)		(1,111,337)
Profit before tax	2,121,938		2,263,631
Taxation	(863,758)		(863,758)
Profit from continuing operations	1,258,180		1,399,873
Other comprehensive income, net of tax	0		0
Total comprehensive income	<u>1,258,180</u>		<u>1,399,873</u>
Net profit attributable to:			
Owner of the Company	1,309,044		1,450,737
Non-controlling interest	(50,864)		(50,864)
Net profit	<u>1,258,180</u>		<u>1,399,873</u>
Total comprehensive income attributable to:			
Owner of the Company	1,309,044		1,450,737
Non-controlling interest	(50,864)		(50,864)
Total comprehensive income	<u>1,258,180</u>		<u>1,399,873</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 31 December 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 31.12.2018 RM	Current Year to Date 31.12.2018 RM
(a) Interest income	25,974	82,588
(b) Other income including investment income	0	0
(c) Interest expense	423,035	1,256,905
(d) Depreciation and amortisation	237,122	717,748
(e) Allowance of receivables	0	0
(f) Loss allowance of inventories	(17,905)	(258,450)
(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)	314,370	1,130,163
(j) Gain / (Loss) on derivatives	32,502	6,063
(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 third quarter ended 31 December 2018 pursuant to a resolution dated 20 February 2019.



