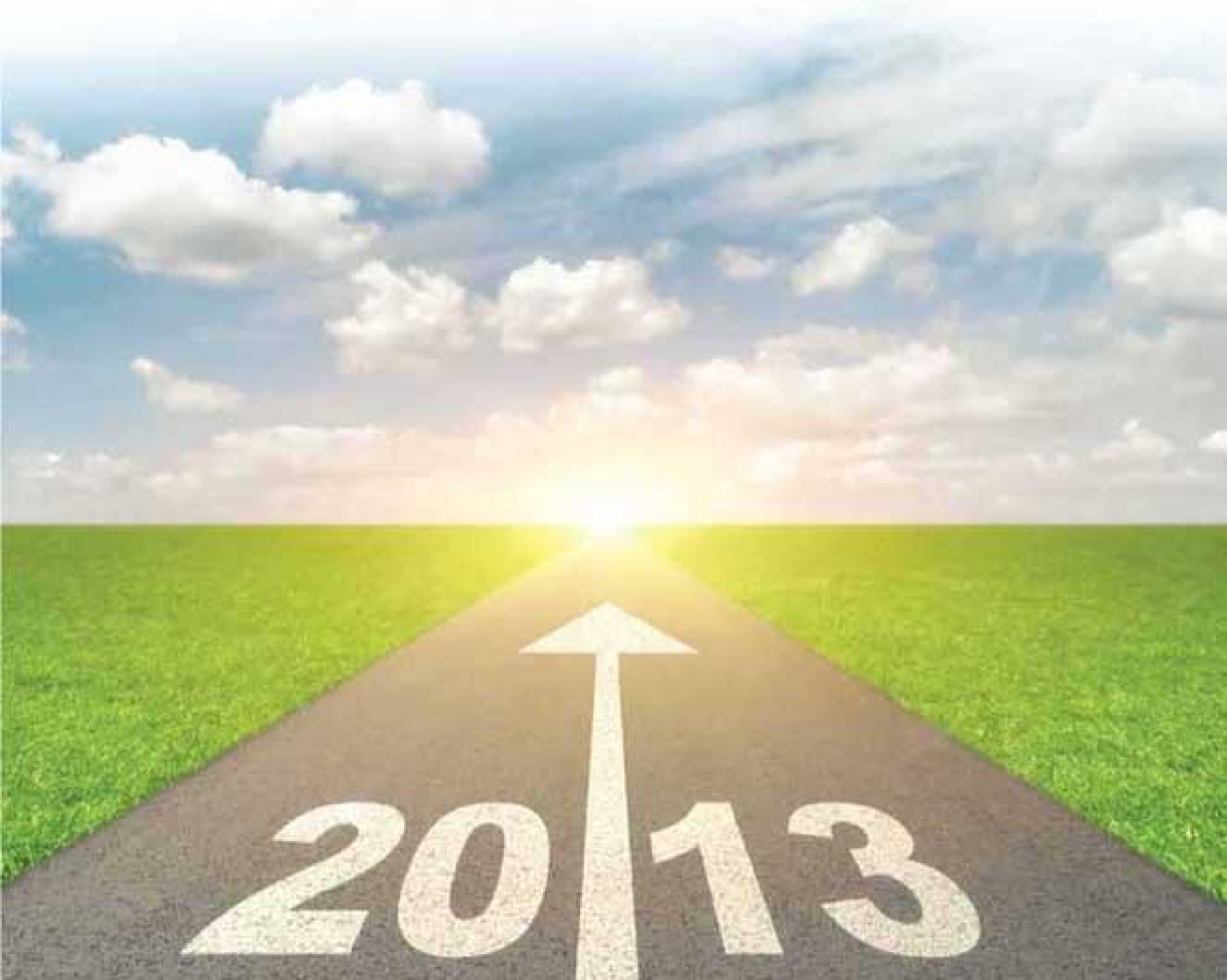
Caely Holdings Bhd.
(Company No. 408376-U)

ANNUAL REPORT 2013



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

AS AT 31 MARCH 2013 (CONTINUED)

	Note	31.3.2013 RM	Restated 31.3.2012 RM	Restated 1.4.2011 RM
LIABILITIES				
Non current liabilities				
Payables and accruals	29	33,090	53,990	74,889
Hire-purchase creditors	30	430,334	541,183	376,921
Term loans	31	4,726,526	192,641	1,012,570
Deferred tax liabilities	19	1,310,365	799,265	477,400
		6,500,315	1,587,079	1,941,780
Current liabilities				
Payables and accruals	29	11,802,046	10,641,111	7,004,047
Derivative financial instruments	24	1,950	35,331	116,203
Hire-purchase creditors	30	229,181	186,416	210,590
Term loans	31	477,318	153,544	228,615
Short term bank borrowings				
- bank overdrafts	32	5,661,142	4,186,675	1,694,160
- others	32	2,827,082	2,065,500	1,630,950
Current tax liabilities		1,945	5,900	895
		21,000,664	17,274,477	10,885,460
Liabilities associated with assets held for sale	14	0	1,460,476	0
Total liabilities		27,500,979	20,322,032	12,827,240
TOTAL EQUITY AND LIABILITIES		92,676,659	83,960,787	73,388,925

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	31.3.2013 RM	Restated 31.3.2012 RM	Restated 1.4.2011 RM
ASSETS				
Non current assets				
Property, plant and equipment	15	1,393,682	1,456,028	1,493,024
Prepaid lease payments	16	273,357	277,546	281,736
Investments in subsidiaries	17	35,139,045	34,967,023	34,967,023
		36,806,084	36,700,597	36,741,783
Current assets				
Receivables, deposits and prepayments	20	14,645,821	5,204,176	2,635,152
Tax recoverable		278,064	92,643	236,394
Marketable securities	23	2,199,194	2,141,947	2,410,746
Cash and bank balances	26	244,301	293,253	55,802
		17,367,380	7,732,019	5,338,094
TOTAL ASSETS		54,173,464	44,432,616	42,079,877
EQUITY				
Equity attributable to owners of the Company				
Share capital	27	40,000,000	40,000,000	40,000,000
Other reserves	28	9,530,878	9,530,878	9,508,378
Accumulated losses		(12,440,808)	(18,207,998)	(28,390,910)
Total equity		37,090,070	31,322,880	21,117,468
LIABILITIES				
Non current liabilities				
Payables and accruals	29	10,196,498	6,347,653	14,139,174
Term loan	31	50,300	192,641	334,924
Deferred tax liabilities	19	91,083	98,518	98,452
		10,337,881	6,638,812	14,572,550
Current liabilities				
Payables and accruals	29	6,591,969	6,317,380	6,246,555
Term loan	31	153,544	153,544	143,304
		6,745,513	6,470,924	6,389,859
Total liabilities		17,083,394	13,109,736	20,962,409
TOTAL EQUITY AND LIABILITIES		54,173,464	44,432,616	42,079,877

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Attributable to owners of the Company								
GROUP	Share capital RM	Share premium RM	Reserve on consolidation RM	Currency Translation reserve RM	Revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2011									
- as previously stated	40,000,000	9,419,360	80,344	79,707	4,690,672	6,327,724	60,597,807	0	60,597,807
- effects of transitioning to MFRS	0	0	0	0	(36,835)	713	(36,122)	0	(36,122)
- as restated	40,000,000	9,419,360	80,344	79,707	4,653,837	6,328,437	60,561,685	0	60,561,685
Comprehensive income									
Net profit for the financial year									
- as previously stated	0	0	0	0	0	1,165,056	1,165,056	0	1,165,056
- effects of transitioning to MFRS	0	0	0	0	0	540	540	0	540
- as restated	0	0	0	0	0	1,165,596	1,165,596	0	1,165,596
Other Comprehensive Income									
- surplus on revaluation of land and buildings	0	0	0	0	2,210,168	0	2,210,168	0	2,210,168
- deferred tax on revaluation surplus of land and buildings	0	0	0	0	(218,987)	0	(218,987)	0	(218,987)
- realisation of currency translation reserve to profit or loss (Note 28 (i))	0	0	0	(79,707)	0	0	(79,707)	0	(79,707)
Total comprehensive income	0	0	0	(79,707)	1,991,181	1,165,596	3,077,070	0	3,077,070
At 31 March 2012	40,000,000	9,419,360	80,344	0	6,645,018	7,494,033	63,638,755	0	63,638,755

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONTINUED)

GROUP	Share capital RM	Share premium RM	Reserve on consolidation RM	Currency Translation reserve RM	Revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
	Attributable to owners of the Company								
At 1 April 2012									
- as previously stated	40,000,000	9,419,360	80,344	0	6,681,853	7,492,780	63,674,337	0	63,674,337
- effects of transitioning to MFRS	0	0	0	0	(36,835)	1,253	(35,582)	0	(35,582)
- as restated	40,000,000	9,419,360	80,344	0	6,645,018	7,494,033	63,638,755	0	63,638,755
Comprehensive income									
Net profit for the financial year	0	0	0	0	0	1,681,260	1,681,260	(40,605)	1,640,655
Total comprehensive income	0	0	0	0	0	1,681,260	1,681,260	(40,605)	1,640,655
Non controlling interests arising on business combination (Note 39)	0	0	0	0	0	0	0	(103,730)	(103,730)
Total transactions with owners of the parent, recognised directly in equity	0	0	0	0	0	0	0	(103,730)	(103,730)
At 31 March 2013	40,000,000	9,419,360	80,344	0	6,645,018	9,175,293	65,320,015	(144,335)	65,175,680

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

COMPANY	Share capital RM	Share premium RM	Revaluation reserve RM	Accumulated losses RM	Total RM
	← Non-distributable	→			
At 1 April 2011					
- as previously stated	40,000,000	9,419,360	125,853	(28,391,623)	21,153,590
- effects of transitioning to MFRS	0	0	(36,835)	713	(36,122)
- as restated	40,000,000	9,419,360	89,018	(28,390,910)	21,117,468
Comprehensive income					
Net profit for the financial year					
- as previously stated	0	0	0	10,182,372	10,182,372
- effects of transitioning to MFRS	0	0	0	540	540
- as restated	0	0	0	10,182,912	10,182,912
Other comprehensive income					
- surplus on revaluation of building	0	0	30,000	0	30,000
- deferred tax on revaluation surplus of building	0	0	(7,500)	0	(7,500)
Total comprehensive income	0	0	22,500	10,182,912	10,205,412
At 31 March 2012	40,000,000	9,419,360	111,518	(18,207,998)	31,322,880

COMPANY STATEMENT OF CHANGES IN EQUITY
(CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONTINUED)

COMPANY	Non-distributable				
	Share capital RM	Share premium RM	Revaluation reserve RM	Accumulated losses RM	Total RM
At 1 April 2012					
- as previously stated	40,000,000	9,419,360	148,353	(18,209,251)	31,358,462
- effects of transitioning to MFRS	0	0	(36,835)	1,253	(35,582)
- as restated	40,000,000	9,419,360	111,518	(18,207,998)	31,322,880
Comprehensive income					
Net profit for the financial year	0	0	0	5,767,190	5,767,190
Total comprehensive income	0	0	0	5,767,190	5,767,190
At 31 March 2013	40,000,000	9,419,360	111,518	(12,440,808)	37,090,070

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	GROUP 2013 RM	GROUP Restated 2012 RM	COMPANY 2013 RM	COMPANY Restated 2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit from continuing operations	1,640,655	3,133,171	5,767,190	10,182,912
Adjustments for:				
Property, plant and equipment				
- depreciation	1,592,054	1,629,761	68,646	66,996
- losses/(gains) on disposals	19,421	(153,110)	0	0
- write off	0	263,062	0	0
Amortisation of prepaid lease payments	4,189	4,190	4,189	4,190
Clawback of revaluation deficits	0	(75,912)	0	0
Realisation of currency translation reserve	0	(79,707)	0	0
Allowance of doubtful debts (written back)/charged (net)	(142,417)	121,248	0	149,297
Impairment loss on investment in a subsidiary	0	0	77,978	0
Impairment of goodwill	185,942	0	0	0
Interest expense	601,694	426,334	494,735	818,189
Interest income	(152,425)	(171,861)	(326,767)	(132,466)
Gross dividend income from marketable securities	(56,488)	(31,921)	(56,488)	(31,921)
Fair value (gains)/losses on marketable securities	(17,561)	178,886	(17,561)	178,886
Gains on disposals of marketable securities	(15,362)	(74,645)	(15,362)	(74,645)
Fair value (gains)/losses on derivative financial instruments	(34,642)	5,805	0	0
Gain on disposal of subsidiaries	(297,355)	0	(405,946)	0
Gross dividend income from a subsidiary	0	0	(7,814,313)	(15,000,120)
Taxation	485,273	232,242	1,701,357	3,699,969
	3,812,978	5,407,543	(522,342)	(138,713)
Net movements in working capital:				
Inventories	1,747,982	(176,157)	0	0
Property development costs	(7,674,117)	(4,546,997)	0	0
Receivables	(1,656,649)	(8,630,478)	(118,235)	117,881
Payables	(12,872)	3,738,653	11,989	70,825
Related companies	0	0	(196,132)	(951,783)
Cash flows used in operations	(3,782,678)	(4,207,436)	(824,720)	(901,790)
Dividend received from a subsidiary	0	0	5,860,735	11,250,090
Interest paid	(601,694)	(426,334)	(21,435)	(31,733)
Tax paid	(354,108)	(318,422)	(3,000)	(3,000)
Tax refund	638,943	478,826	62,865	189,378
Operating cash flows from continuing operations	(4,099,537)	(4,473,366)	5,074,445	10,502,945
Operating cash flows from discontinued operations (Note 14)	0	(837,326)	0	0
Net operating cash flow	(4,099,537)	(5,310,692)	5,074,445	10,502,945

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 *(CONTINUED)*

	GROUP		COMPANY	
	2013 RM	Restated 2012 RM	2013 RM	Restated 2012 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(1,051,486)	(451,293)	(6,300)	0
Proceeds from disposals of property, plant and equipment	12,000	199,800	0	0
Interest income received	152,425	171,861	5,034	5,070
Acquisition of subsidiary	(118,215)	0	(82,400)	0
Proceeds from disposal of subsidiaries	210,441	0	350,946	0
Marketable securities				
- payments for investments	(2,457,587)	(2,052,576)	(2,457,587)	(2,052,576)
- proceeds from disposals	2,433,263	2,217,134	2,433,263	2,217,134
- dividend received	55,988	31,921	55,988	31,921
Investing cash flows from continuing operations	(763,171)	116,847	298,944	201,549
Investing cash flows from discontinued operations (Note 14)	0	(153,535)	0	0
Net investing cash flow	(763,171)	(36,688)	298,944	201,549
CASH FLOWS FROM FINANCING ACTIVITIES				
Deposits pledged/under lien for credit facilities with licensed banks	(3,979,659)	0	0	0
Receipts of short term bank borrowings	761,582	1,135,960	0	0
Repayments of hire-purchase creditors	(193,284)	(252,269)	0	0
Repayments of advances to a director	(91,993)	0	0	0
Repayments of term loans	(142,341)	(132,043)	(142,341)	(132,043)
Repayments of advances to a subsidiary	0	0	(6,120,000)	(11,420,000)
Drawdown of term loan	5,000,000	0	0	0
Advances from subsidiaries	0	0	840,000	1,085,000
Financing cash flows from continuing operations	1,354,305	751,648	(5,422,341)	(10,467,043)
Financing cash flows from discontinued operations (Note 14)	0	(97,188)	0	0
Net financing cash flow	1,354,305	654,460	(5,422,341)	(10,467,043)
Net movement in cash and cash equivalents	(3,508,403)	(4,692,920)	(48,952)	237,451
Cash and cash equivalents at beginning of the financial year	387,877	5,080,797	293,253	55,802
Cash and cash equivalents at end of the financial year (Note 26)	(3,120,526)	387,877	244,301	293,253

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activity of the Company is that of investment holding whilst the principal activities of the subsidiaries are as stated in Note 17 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The addresses of the registered office and principal place of business of the Group and the Company are as follows:

Registered office	Principal place of business
Level 8, Symphony House	Lot 2661, 3rd Mile
Block D13, Pusat Dagangan Dana 1	Jalan Maharaja Lela
Jalan PJU 1A/46	36000 Teluk Intan
47301 Petaling Jaya	Perak Darul Ridzuan
Selangor Darul Ehsan	

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 July 2013.

2 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and the Company for the financial year ended 31 March 2013 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards". Subject to certain transition elections as disclosed below, the Group and the Company have consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures under financial year 2012 in these financial statements have been restated to give effect to these changes. Subsequent to the transition in the financial reporting framework to MFRS on 1 April 2012, the restated comparative information have not been audited under MFRS. However, the statements of financial position as at 31 March 2012, statements of comprehensive income, changes in equity and cash flows for the financial year ended 31 March 2012 have been audited under the previous financial reporting framework, Financial Reporting Standards in Malaysia. Note 38 discloses the impact of the transition of MFRS on the Group's reported financial position.

The financial statements of the Group and the Company have been prepared under the historical cost convention unless stated otherwise in the summary of significant accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Estimates and judgement

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and are effective

The Group and the Company has adopted the following new MFRS as of 1 April 2012:

- MFRS 1 "First-time Adoption of MFRS"
- MFRS 124 (revised) "Related Party Disclosures"
- Amendments to MFRS 7 "Financial Instruments: Disclosures on Transfers of Financial Assets"
- Amendment to MFRS 112 "Deferred Tax - Recovery of Underlying Assets"

A summary of the impact of the transition elections to MFRS and new accounting standards and amendments to published standards, interpretations on the financial statement of the Group and Company is set out below:

(i) MFRS 1 mandatory exceptions to the retrospective application of other MFRSs include the following:

- MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with the previous Financial Reporting Standards (FRS).
- Hedge accounting can only be applied prospectively from the transition date to a hedging relationship that qualifies for hedge accounting under MFRS 139 "Financial Instruments: Recognition and Measurement" at that date. Hedging relationships cannot be designated retrospectively.
- Application of the derecognition rules in MFRS 139 "Financial Instruments: Recognition and Measurement" to financial assets and liabilities that have been derecognised, except under certain conditions.
- Application of requirements pertaining to the attribution of earnings and loss to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance, accounting for changes in the parent's ownership interest in a subsidiary that does not result in a loss of control and accounting for loss of control over a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and are effective (continued)

(ii) MFRS 1 optional exemptions

Exemption for business combinations

MFRS 1 provides the options to apply MFRS 3 "Business Combinations" prospectively for business combination that occurred from the transition date or from a designated date prior to the transition date. This provides relief from the transition date from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date prior to the transition date. The Group and the Company elected to apply MFRS 3 prospectively to business combinations that occurred after 1 April 2011. Business combinations that occurred prior to 1 April 2011 have not been restated. Goodwill arising from acquisitions before 1 April 2011 has been carried forward from the previous FRS framework as at the date of transition. In addition, the Group has also applied MFRS 127 "Consolidated and Separate Financial Statements" from the same date.

Exemption for fair value as deemed cost on leasehold land classified as operating lease

The Group and the Company has applied the transitional provision in FRS 117 and have used the unamortised revalued amount as surrogate carrying amount on reclassification from property, plant and equipment to prepayments. As the revalued amount was not event-driven, this exemption is not available and full retrospective application of MFRS 117 cost model is required.

The prepaid lease payments is restated to historical original cost and the revaluation surplus of RM36,835 of the Group and the Company as of 1 April 2011 and 31 March 2012 respectively were transferred to retained profits on the date of transition to MFRS.

Designation of previously recognised financial instruments

MFRS 1 permits a previously recognised financial instrument to be designated as available-for-sale or fair value through profit or loss on the transition date provided the criteria in MFRS 139 "Financial Instruments: Recognition and Measurement" are met. The Group and the Company elected not to designate a previously recognised financial asset or liability as a financial asset or financial liability at fair value through profit or loss or designate a financial asset as available-for-sale at its transition date.

Borrowing costs

The Group and the Company have applied the exemption to apply MFRS 123 "Borrowing Costs" prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after the date of transition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Standards, amendments to published standards and interpretations that are applicable to the Group but not yet effective

The Group will apply the new standards, amendments to standards and interpretations in the following period:

Financial year beginning on/after 1 April 2013

- FRS 9 "Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities"
- MFRS 10 "Consolidated Financial Statements"
- MFRS 11 "Joint Arrangements"
- MFRS 12 "Disclosures of Interests in Other Entities"
- MFRS 13 "Fair Value Measurement"
- MFRS 119 "Employee Benefits"
- MFRS 127 "Separate Financial Statements"
- MFRS 128 "Investments in Associates and Joint Ventures"
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income"

The above new accounting standards are not expected to have a material impact on the Group's and the Company's financial statements other than MFRS 9. MFRS 9 replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Entities, at initial recognition, may irrevocably elect to designate the quoted investments as fair value through profit or loss, or as fair value through other comprehensive income. The designation will affect the recognition of the fair value gains or losses of such investment either in profit and loss or other comprehensive income (OCI). The OCI option is available instrument-by-instrument basis. Where OCI option is taken, gains or losses on disposal and impairment losses are not reclassified to profit or loss. The directors will, base on facts and circumstances that exist at the date of initial application decide on the designation of the investment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated in Note 3 above, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Economic entities in the Group and Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries which were acquired in 2003 were accounted for using the merger method. The Group has taken advantage of the exemption provided by MFRS 1 to not restate business combinations that occurred before the date of transition to MFRS i.e. 1 April 2011. Accordingly, business combinations entered into prior to transition date have not been restated.

Under the merger method of accounting, the results of the subsidiaries are consolidated and presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying value of the investment in subsidiaries over the nominal value of the shares acquired is taken to merger deficit. The merger deficit is set off against the retained profits.

Other than those stated above, all other subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combination and its share of changes in the subsidiary's equity since the date of combination.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group and Consolidation (continued)

(i) Subsidiaries (continued)

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured to fair value at the successive acquisition dates at each stage, and the changes in fair value is taken through profit or loss.

Profit or loss and each component of other comprehensive income of the subsidiaries are attributed to the parent and the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency within the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control over a subsidiary any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Freehold land and buildings are subsequently shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions between revaluation periods are carried at cost. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. However, the increase is recognised in profit or loss to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

No depreciation is provided on the freehold land. Capital work in progress is not depreciated. Depreciation on assets under construction commences when the assets are ready for their intended use.

All other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets or their revalued amounts to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% - 3%
Plant and machinery	10%
Furniture, fittings, equipment and renovations	5% - 20%
Motor vehicles	20%
Golf course development	5%

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised as income or expense in the profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

(c) Accounting by lessee

(i) Finance lease

Leases of property, plant and equipment where the Group has substantially assumed all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

(ii) Operating lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Prepaid lease payments

Prepaid lease payments consist of prepayments for long leasehold land and are carried at cost less accumulated amortisation and accumulated impairment loss. The prepaid lease payments are amortised in equal instalments over the respective lease periods.

At each reporting date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the prepaid lease asset is assessed and written down immediately to its recoverable amount.

(e) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(f) Intangible assets - Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of the identifiable net assets including contingent liabilities of subsidiaries at the date of acquisition.

As part of the transition to MFRS, the Group elected not to restate business combinations that occurred before the date of transition to MFRS i.e. 1 April 2011.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when events or circumstances occur indicating that an impairment may exist. Impairment of goodwill is charged to the Consolidated Income Statement as and when it arises. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit or a group of cash-generating units represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which are expected to benefit from the synergies of the combination.

(g) Impairment of non financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of non financial assets (continued)

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the reporting period.

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued amount in which case it is taken to revaluation surplus.

(h) Inventories

Inventories comprising raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw materials (determined on the weighted average cost method) comprises cost of purchase and cost of bringing the inventories to their present condition and location. Cost of work in progress and finished goods (determined on the weighted average cost method) includes cost of direct materials, direct labour and an appropriate proportion of production overheads.

Net realisable value is the estimate selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(i) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to completion of physical proportion of the contract work.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Construction contracts (continued)

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

(j) Property development activities

(i) Land held for property development

Land held for property development consists of land and all cost directly attributable to development activities on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see accounting policy Note 4(g) on impairment of non-financial assets).

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where development activities can be completed within the Group's normal operating cycle of 2 to 3 years.

(ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable development activities or that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses in respect of development units sold are recognised by using the stage of completion method. The stage of completion is measured by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, property development costs on the development units sold are recognised as an expense when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property development activities (continued)

(ii) Property development costs (continued)

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of costs and net realisable value.

Where revenue recognised in the income statement exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under trade and other payables (within current liabilities).

(k) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Derivatives are also categorised as held for trading unless they are designated as hedges.

In addition, certain financial assets are designated at initial recognition at fair value through profit or loss when one of the designation criteria is met:

- Designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- Its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
- The item is a hybrid contract that contains one or more embedded derivatives

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non current assets. The loans and receivables comprise of trade and other receivables (excluding prepayments), amounts owing by subsidiaries (at entity level), deposits with a licensed bank and cash balances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement - gains and losses

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

For financial assets at fair value through profit or loss, an entity is allowed to recognise interest income, interest expense and dividend income separately.

(iv) Subsequent measurement - impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

(iv) Subsequent measurement - impairment of financial assets (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(v) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(m) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Derivatives that do not qualify for hedged accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 4(k).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

The fair value of financial guarantees is determined based on the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(o) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non current assets.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with bankers, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Employee benefits

(i) Short term employee benefits

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

The Group contributes to the Employees Provident Fund (EPF), the national defined contribution plan. The contributions are charged to the income statement in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividend distribution

Distribution to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(u) Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Taxation is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly to equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company and the subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets (including tax benefits from reinvestment allowance) are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Revenue for sales of goods under Original Equipment Manufacturer arrangement is recognised upon delivery of goods to customers, net of returns and discounts.

(ii) Revenue for sales of goods under direct sales is recognised upon declaration of sales to the Group by the distributors, net of returns.

(iii) Income from construction contracts is recognised on the stage of completion method in cases where the outcome of the contract can be reliably estimated. In all cases, anticipated losses are recognised in full.

(iv) Income from property development is recognised on the stage of completion method based on units sold, and where the outcome of the development projects can be reliably estimated. Anticipated losses are recognised in full.

(v) Interest income is recognised using the effective interest method.

(vi) Dividend income is recognised when the Group's right to receive payment is established.

(vii) Rental income is recognised on the accrual basis unless collection is in doubt.

(viii) Revenue from golf course is recognised when services are rendered to customers.

(w) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Group's and the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into Ringgit Malaysia using the exchange rates prevailing at the dates of transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The principal closing rates used in the translation of the Group's foreign currency monetary assets and liabilities are as follows:

	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Assets:			
1 US Dollar	3.06	3.04	2.99
1 Euro	3.91	4.04	4.24
Liabilities:			
1 US Dollar	3.12	3.10	3.06
1 Euro	4.01	4.14	4.33
100 Hong Kong Dollars	40.82	40.53	39.97
100 Chinese Renminbi	50.17	49.08	46.61

(iii) Foreign entity

The Group's foreign entity is that operation that is not an integral part of the operations of the Company. Profit or loss of the foreign entity is translated into Ringgit Malaysia at average exchange rates for the period and the statement of financial position is translated at exchange rates ruling at the end of the reporting period. Exchange differences arising from the retranslation of the net investment in foreign entities and borrowings that hedge such investments are taken to 'Currency translation reserve' in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the profit or loss as part of the gain or loss on disposal.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Committee that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Non current assets (or disposal groups) held for sale

Non current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(z) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

Contingent liability is not recognised on the statement of financial position of the Group, except for contingent liability assumed in a business combination that is a present obligation and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

(a) Taxation

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Allowance for slow moving inventories

Allowance for slow moving inventories is made based on an analysis of the ageing profile and taking into account the expected usage / sales patterns of items by categories held in inventory. Changes in the inventory ageing and expected usage / sales profiles can have an impact on the allowance recorded.

(c) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Significant judgement is required in the estimation of present value of future cash flows generated by the assets, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions can significantly affect the results of the Group's test for impairment of assets.

(d) Impairment of receivables

The impairment is estabilshed when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. This is determined based on the ageing profile, expected collection patterns of individual receivable balances, credit quality and credit losses incurred. Management carefully monitors the credit quality of receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statement reporting date. Any changes to the ageing profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Recognition of property development profits

When the outcome of the development activity can be estimated reliably and the sale of the development unit is affected, the Group recognises property development profits and costs by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recovered and the property development costs on the development units sold are recognised when incurred.

Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development costs, the expected loss is recognised as an expense in the period in which the loss is identified.

Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

(f) Recognition of construction contracts profits

The Group recognises contract profit based on the stage of completion method. The stage of completion of a construction contract is measured by reference to completion of a physical proportion of the contract work.

Significant judgement is required in the estimation of stage of completion, the extent of the contract costs incurred, as well as the recoverability of the construction contracts.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, based on the Directors' best estimates derived from reasonable assumptions, experience and judgement.

Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

(g) Impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or whenever events or circumstances indicate that this is necessary. The assumptions used, results and conclusion of the impairment assessment are stated in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 SEGMENT REPORTING

The Group operates in Malaysia and is organised into four main business segments:

- Direct selling and retail - involving multi-level marketing of undergarments, garments, leather goods, sportswear and household products and retailing of undergarments and garments.
- Property development and construction activities.
- Manufacturing and sales of undergarments under Original Equipment Manufacturer arrangements ("OEM") mainly to Europe, Canada and United States of America.
- Manufacturing and sales of own brand of undergarments, mainly to cater for direct selling business and the provision of sewing services to a fellow subsidiary within the Group.

Others represent investment holding activities undertaken by the Company and the operations of a golf course by a subsidiary.

Intersegment revenue comprises sales of goods from certain subsidiaries to the "Direct selling / retail" segment, provision of sewing services from the "Manufacturing sales (Own brand)" segment to the "Manufacturing sales (OEM)" segment and dividend income received from a subsidiary.

The car accessories manufacturing segment was presented as discontinued operations during the previous financial year and its disposal was completed on 30 August 2012.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position

GROUP 2013	Direct selling/retail RM	Property development and construction RM	Manufacturing sales (OEM) RM	Manufacturing sales (Own brand) RM	Other RM	Total RM
Revenue						
Total revenue	4,041,483	23,661,836	63,661,153	1,507,928	8,549,162	101,421,562
Intersegment revenue	0	0	0	(1,474,025)	(8,425,243)	(9,899,268)
External revenue	4,041,483	23,661,836	63,661,153	33,903	123,919	91,522,294
Results						
Profit/(loss) from operations	(2,484,715)	2,336,188	3,752,256	(140,696)	(598,122)	2,864,911
Finance cost	(108,265)	(79,715)	(444,410)	(85,117)	(21,476)	(738,983)
Profit/(loss) before tax	(2,592,980)	2,256,473	3,307,846	(225,813)	(619,598)	2,125,928
Taxation						(485,273)
Net profit for the financial year						1,640,655
Segment assets	17,191,365	13,612,884	41,779,202	14,291,576	5,801,632	92,676,659
Segment liabilities	1,084,894	7,370,701	16,408,049	809,522	1,827,813	27,500,979
Capital expenditure	37,842	150,273	83,041	607,610	297,920	1,176,686
Included in profit/(loss) from operations are:						
Interest income	12	0	147,379	0	5,034	152,425
Depreciation and amortisation	134,280	60,388	1,034,493	269,178	97,904	1,596,243
Impairment of goodwill	0	0	0	0	185,942	185,942

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

GROUP 2012	Continuing Operations						Discontinued Operation	
	Direct selling/retail RM	Property development and construction RM	Manufacturing sales (OEM) RM	Manufacturing sales (Own brand) RM	Other RM	Total RM	Car accessories manufacturer RM	Total RM
Revenue								
Total revenue	4,581,302	13,208,471	50,903,546	2,054,011	15,000,120	85,747,450	510,417	86,257,867
Intersegment revenue	0	0	0	(2,054,011)	(15,000,120)	(17,054,131)	(457,276)	(17,511,407)
External revenue	4,581,302	13,208,471	50,903,546	0	0	68,693,319	53,141	68,746,460
Results								
Profit/(loss) from operations	(636,788)	3,990,284	456,972	468,093	(337,041)	3,941,520	(1,885,450)	2,056,070
Finance cost	(129,064)	(4,574)	(333 629)	(77,107)	(31,733)	(576,107)	(82,125)	(658,232)
Profit/(loss) before tax	(765,852)	3,985,710	123,343	390,986	(368,774)	3,365,413	(1,967,575)	1,397,838
Taxation						(232,242)	0	(232,242)
Net profit for the financial year						3,133,171	(1,967,575)	1,165,596
Segment assets	8,119,151	13,845,511	41,744,229	14,392,766	4,416,568	82,518,225	1,442,562	83,960,787
Segment liabilities	2,514,188	4,884,522	9,123,080	1,570,208	769,558	18,861,556	1,460,476	20,322,032
Capital expenditure	8,170	249,245	597,734	205,144	0	1,060,293	153,535	1,213,828
Included in profit/(loss) from operations are:								
Interest income	20	0	166,771	0	5,070	171,861	7,635	179,496
Depreciation and amortisation	169,239	21,029	1,171,854	200,643	71,186	1,633,951	140,664	1,774,615

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

(b) Analysis of revenue by countries

Although all the business segments are located in Malaysia, the OEM segment exports the undergarments to Europe, Canada and United States of America and other Asian countries.

	GROUP	
	2013	2012
	RM	RM
Revenue		
Canada	22,054,330	10,770,092
Denmark	159,001	1,413,050
Germany	11,007,466	11,645,474
France	53,704	311,864
United Kingdom	0	82,270
United States of America	25,757,453	19,233,556
Hong Kong	1,045,721	1,480,909
Japan	919,191	3,203,637
Netherlands	1,040,114	1,634,945
Mexico	45,900	557,571
Singapore	1,042,019	506,707
Malaysia	27,861,141	17,789,773
Other countries	536,254	63,471
	91,522,294	68,693,319

All non current assets of the Group are located in Malaysia.

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities is consistent with the basis used for the statement of comprehensive income of the Group for the financial year ended 31 March 2013 and the statement of financial position as at 31 March 2013. The components of the segment assets and liabilities include all classes of assets and liabilities disclosed in the statement of financial position.

7 REVENUE

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Direct sales and retail	4,041,483	4,581,302	0	0
Sales of finished goods	63,695,056	50,903,546	0	0
Contract revenue	23,661,836	13,208,471	0	0
Golfing fees and others club revenue	123,919	0	0	0
Gross dividend income from an unquoted subsidiary	0	0	7,814,313	15,000,120
	91,522,294	68,693,319	7,814,313	15,000,120

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 COST OF SALES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Contract costs recognised as an expense	19,905,992	8,478,610	0	0
Cost of inventories recognised as an expense	58,717,561	46,146,477	0	0
	78,623,553	54,625,087	0	0

9 PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2013 RM	Restated 2012 RM	2013 RM	Restated 2012 RM
Profit from operations is stated after charging/(crediting):				
Auditors' remuneration paid/payable to PricewaterhouseCoopers Malaysia				
- statutory audit - current year (continuing operations)	190,000	141,790	59,550	49,550
- statutory audit - current year (discontinued operations)	0	17,000	0	0
- statutory audit - prior year underprovision	48,210	13,000	10,000	6,500
- other services	38,300	42,350	10,300	13,600
Auditors' remuneration paid/payable to other auditors				
- statutory audit - current year (continuing operations)	7,500	0	0	0
Allowance for doubtful trade debts	49,891	220,859	0	0
Allowance for amount for prepayment doubtful of recovery	79,616	28,284	0	0
Allowance for doubtful trade debts written back	(271,924)	(127,895)	0	0
Bad debts written off	6,031	0	0	0
Inventories				
- allowance for slow moving inventories	926,360	17,518	0	0
- write down	122,859	84,566	0	0
- write back	0	(1,228,991)	0	0
Amortisation of prepaid lease payments				
- continuing operations	4,189	4,190	4,189	4,190
- discontinued operations	0	9,885	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 PROFIT FROM OPERATIONS (CONTINUED)

	GROUP		COMPANY	
	2013 RM	Restated 2012 RM	2013 RM	Restated 2012 RM
Profit from operations is stated after charging/(crediting):				
Property, plant and equipment				
- depreciation (continuing operations)	1,592,054	1,629,761	68,646	66,996
- depreciation (discontinued operations)	0	130,779	0	0
- losses/(gains) on disposal	19,421	(153,110)	0	0
- write off	0	263,062	0	0
- clawback of revaluation deficit charged to profit or loss previously	0	(75,912)	0	0
Rental expenses of premises	53,400	47,725	0	0
Staff costs	16,252,466	16,789,872	218,700	220,600
Impairment loss on investment in a subsidiary	0	0	77,978	0
Gross dividend income from an unquoted subsidiary	0	0	(7,814,313)	(15,000,120)
Significant amounts included in other operating expenses are:				
- allowance for doubtful debts due from a subsidiary	0	0	0	149,297
- impairment of goodwill	185,942	0	0	0
Significant amounts included in other operating income are:				
- interest income	(152,425)	(171,861)	(326,767)	(132,466)
- net realised foreign exchange gains	(1,151,186)	(874,178)	(362)	(7,674)
- net unrealised foreign exchange losses/(gains)	103,393	(15,276)	0	0
- rental income of premises	(65,762)	(62,260)	0	0
- gains on disposals of marketable securities	(15,362)	(74,645)	(15,362)	(74,645)
- fair value (gains)/losses on marketable securities	(17,561)	178,886	(17,561)	178,886
- fair value (gains)/losses on derivative financial instruments	(34,642)	5,805	0	0
- gain on disposal of subsidiaries	(297,355)	0	(405,946)	0
- gross dividend income from marketable securities	(56,488)	(31,921)	(56,488)	(31,921)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 PROFIT FROM OPERATIONS (CONTINUED)

	GROUP		COMPANY	
		Restated		Restated
	2013	2012	2013	2012
	RM	RM	RM	RM
Included in staff costs are:				
- directors' fees	235,000	235,000	209,000	209,000
- directors' emoluments other than fees	645,495	624,095	9,700	11,600
- defined contribution plan expenses	776,169	723,237	0	0
Monetary value of benefits given to certain directors	7,700	7,700	0	0

Defined contribution plan expenses of the Group include contributions in respect of directors amounting to RM104,759 (2012: RM98,432).

10 FINANCE COST

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Bank commissions on trade finance facilities	7,893	4,438	0	0
Bank charges and commitment fees	129,396	145,335	0	0
Interest expense	601,694	426,334	494,735	818,189
	738,983	576,107	494,735	818,189

11 TAXATION

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Continuing operations:				
Malaysian taxation:				
Income tax charge	16,433	167,858	1,877,536	3,723,252
Deferred tax charge/(credit)				
- origination and reversal of temporary differences (Note 19)	603,539	79,841	(7,435)	(7,434)
	619,972	247,699	1,870,101	3,715,818
In respect of previous financial years:				
- over accrual of income tax	(134,699)	(15,457)	(168,744)	(15,849)
Tax charge	485,273	232,242	1,701,357	3,699,969

Discontinued operations:

There was no tax expense in respect of discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TAXATION (CONTINUED)

The explanation of the relationship between tax expense and profit before taxation of continuing operations is as follows:

	GROUP		COMPANY	
	2013 RM	Restated 2012 RM	2013 RM	Restated 2012 RM
Profit before taxation	2,125,928	3,365,413	7,468,547	13,882,881
Tax calculated at the Malaysian income tax rate 25% (2012: 25%)	531,482	841,353	1,867,137	3,470,720
Tax effects of:				
- expenses not deductible for tax purposes	426,604	276,455	146,361	290,769
- expenses eligible for double deduction/tax incentives	(85,877)	(49,710)	0	0
- income not subject to tax	(159,078)	(52,222)	(143,397)	(45,671)
- current financial year's net deductible temporary differences not recognised	692,570	0	0	0
- origination and reversal of other temporary differences	(205,248)	0	0	0
- effect of changes in tax rates on deferred tax	0	45,803	0	0
- utilisation of previously unrecognised tax losses	(580,481)	(207,324)	0	0
- utilisation of previously unrecognised temporary differences	0	(206,900)	0	0
- utilisation of current financial year's tax losses	0	(399,756)	0	0
- over accrual of income tax in respect of previous financial years	(134,699)	(15,457)	(168,744)	(15,849)
Tax charge	485,273	232,242	1,701,357	3,699,969

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TAXATION (CONTINUED)

Subject to the agreement by the Inland Revenue Board, the Group and the Company have the following unutilised capital allowances and unused tax losses which can be carried forward and utilised to set off against future taxable profits:

	GROUP		COMPANY	
	2013 RM	Restated 2012 RM	2013 RM	Restated 2012 RM
Unutilised capital allowances	1,990,000	2,713,000	0	0
Unused tax losses	17,991,000	21,015,000	0	0

12 EARNINGS/(LOSS) PER SHARE

Basic/diluted earnings/(loss) per share of the Group is calculated by dividing the net profit/(loss) for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2013	Restated 2012
Net profit/(loss) for the financial year attributable to owners of the Company (RM)		
- from continuing operations	1,681,260	**3,133,171**
- from discontinued operations	0	**(1,967,575)**
Weighted average number of ordinary shares in issue	80,000,000	**80,000,000**
Basic/diluted earnings/(loss) per share (sen)		
- from continuing operations	2.10	**3.92**
- from discontinued operations	0	**(2.46)**

13 DIVIDENDS

No dividend was paid or declared by the Company since 31 March 2012.

The directors do not recommend the payment of a dividend for the financial year ended 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

	GROUP	
	2013 RM	2012 RM
Non-current assets		
- Property, plant and equipment	0	875,150
- Prepaid lease payments	0	466,227
	0	1,341,377
Current assets		
- Receivables, deposits and prepayments	0	14,081
- Tax recoverable	0	87,104
	0	101,185
Assets held for sale	0	1,442,562
Non-current liabilities		
- Term loan (i)	0	588,899
Current liabilities		
- Payables and accruals	0	82,823
- Bankers' acceptance (ii)	0	700,000
- Term loan (i)	0	88,754
	0	871,577
Liabilities associated with assets held for sale	0	1,460,476
Net liabilities held for sale	0	(17,914)

(i) This term loan of a subsidiary obtained from a licensed bank was repayable by 120 instalments commencing November 2008 and carried an effective interest rate of 5.60% per annum. The interest on this term loan was calculated based on floating interest rates which may be varied any time at the bank's discretion. This term loan was secured by the leasehold land and building of the said subsidiary and covered by a personal guarantee from one of its directors.

(ii) The bankers' acceptance was secured by fixed charge over the leasehold land and building of the subsidiary and covered by a personal guarantee by one of its directors of the subsidiary. It carried weighted average effective interest rates of 5.86% per annum and credit period ranged from 116 to 120 days.

(iii) The comparatives for items (i) and (ii) stated above were included in the comparatives in Notes 31 and 32 to the financial statements respectively. These borrowings were denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONTINUED)

The movements during the financial year ended 31 March 2012 relating to net liabilities held for sale are as follows:

	GROUP	
	2013 RM	2012 RM
At 1 April 2012/2011	0	0
Transfer from property, plant and equipment (Note 15)	0	875,150
Transfer from prepaid lease payments (Note 16)	0	466,227
Transfer from other assets		101,185
Transfer from other liabilities	0	(1,460,476)
At 31 March	0	(17,914)

(a) Disposal group comprises Avana Technologies (M) Sdn Bhd and its subsidiaries ("Avana Group"). The Group entered into a share sale agreement on 29 March 2012 to dispose Avana Group and the disposal was completed on 30 August 2012. The results of Avana Group for the financial year ended 31 March 2012 were presented as discontinued operations as stated in Note 14 (b) below.

(b) Discontinued operations

The income and expense and cash flows of Avana Group which had been classified as discontinued operations during financial year ended 31 March 2012 are as follows:

	GROUP	
	2013 RM	2012 RM
Results		
Revenue	0	53,141
Cost of sales	0	(1,711,780)
Gross loss	0	(1,658,639)
Other operating income	0	605,093
Selling and distribution costs	0	(42,989)
Administrative expenses	0	(788,915)
Loss before interest and tax	0	(1,885,450)
Finance costs	0	(82,125)
Loss before tax	0	(1,967,575)

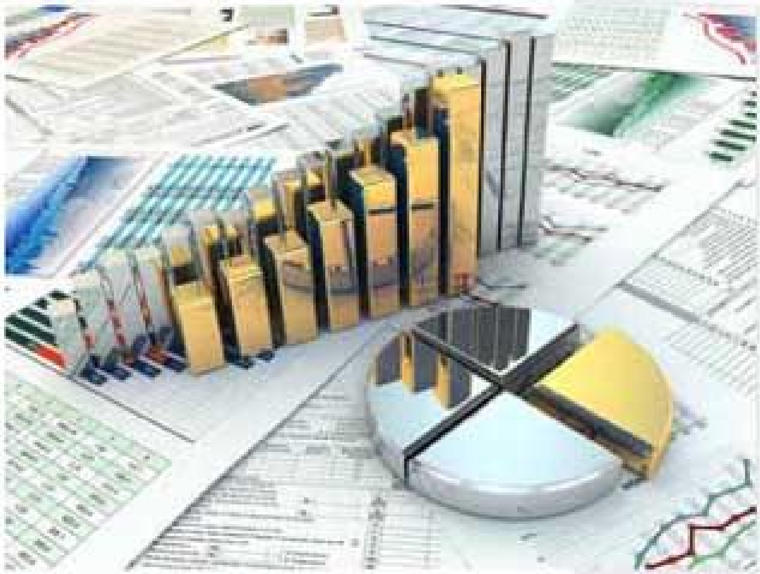
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONTINUED)

(b) Discontinued operations (continued)

	GROUP	
	2013 RM	2012 RM
Included in the results were:		
Auditors' remuneration - statutory audit	0	17,000
Depreciation on property, plant and equipment	0	130,779
Amortisation of prepaid lease payments	0	9,885
Gain on disposals of property, plant and equipment	0	(16,409)
Property, plant and equipment written off	0	89,228
Rental expense of premises	0	15,125
Rental expense of machinery	0	1,200
Staff costs	0	273,386
Staff loan written off	0	167,936
Allowance for doubtful debts	0	63,000
Realised foreign exchange gains	0	(4,182)
Interest income	0	(7,635)
Inventories written off	0	469,588
Write back for slow moving inventories (net)	0	(96,500)
Included in staff costs were:		
- Director's emoluments other than fees	0	110,400
- Defined contribution plan expenses	0	28,883

Defined contribution plan expenses of Avana Group included contributions in respect of a director amounting to RM13,248.



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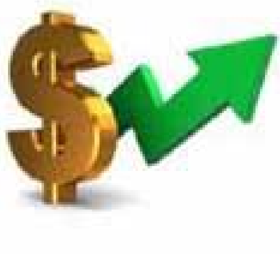

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datin Fong Nyok Yoon
Executive Chairperson /
Non-Independent Executive Director

Dato' Chuah Chin Lai
Managing Director/
Non-Independent Executive Director

Siow Hock Lee
Independent Non-Executive Director

Ooi Say Teik
Independent Non-Executive Director

Hem Kan @ Chan Hong Kee
Independent Non-Executive Director

AUDIT COMMITTEE

Siow Hock Lee
Chairman

Ooi Say Teik
Hem Kan @ Chan Hong Kee
Members

REMUNERATION COMMITTEE

Ooi Say Teik
Chairman

Datin Fong Nyok Yoon,
Siow Hock Lee
Members

NOMINATION COMMITTEE

Hem Kan @ Chan Hong Kee
Chairman

Ooi Say Teik
Siow Hock Lee
Members

COMPANY SECRETARIES

Wong Siew Yeen
(MAICSA 7018749)

Cheong Choon Yin
(MAICSA 7019120)

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia
Securities Berhad
Stock Code: 7154

REGISTERED OFFICE

Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor

Tel: 03 – 7841 8000
Fax: 03 – 7841 8199

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
1st Floor, Standard Chartered Bank
Chambers
21-27, Jalan Dato' Maharaja Lela
P.O. Box 136
30710 Ipoh
Perak Darul Ridzuan

Tel: 05-254 9427
Fax: 05-253 2366

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 11-2, Faber Imperial Court
Jalan Sultan Ismail
P.O.Box 12337
50774 Kuala Lumpur

Tel: 03-2692 4271
Fax: 03-2732 5388

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Bhd
Malayan Banking Berhad
Hong Leong Bank Berhad
Ambank (M) Berhad
Affin Bank Berhad

NOTICE OF 17th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting ("AGM") of CAELY HOLDINGS BHD ("CHB") will be convened and held at Hotel Sri Petaling, Function Room 4, Level 2, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on 23 September 2013 at 9.30 a.m. to transact the following item of businesses :-

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the statutory financial statements for the financial year ended 31 March 2013 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To approve the payment of Directors' fee of RM235,000.00 in respect of the financial year ended 31 March 2013. **(Resolution 2)**
3. To re-elect Mr Ooi Say Teik who retires in accordance to Article 124 of the Company's Articles of Association. **(Resolution 3)**
4. To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965 :- **(Resolution 4)**
   - "THAT Mr Hem Kan @ Chan Hong Kee, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.".
5. To re-appoint Messrs PricewaterhouseCoopers as auditors for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

To consider and if thought fit, pass the following Ordinary Resolutions :-

6. **Ordinary Resolution**
   Approval to Continue of Term of Office as an Independent Non-Executive Director

   "THAT Pursuant to the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), the following Directors, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years be and are hereby retained and continue as Independent Non-Executive Director of the Company : -

   (i) Mr Ooi Say Teik **(Resolution 6)**
   (ii) Mr Hem Kan @ Chan Hong Kee **(Resolution 7)**
   (iii) Mr Siow Hock Lee" **(Resolution 8)**

NOTICE OF 17th ANNUAL GENERAL MEETING
(CONTINUED)

7. **Ordinary Resolution** **(Resolution 9)**
Authority to allot shares pursuant to Section 132D of the Companies Act, 1965 ("the Act")

"THAT subject always to the Companies Act, 1965 ("the Act") and the approval of the relevant authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

WONG SIEW YEEN (MAICSA 7018749)
CHEONG CHOON YIN (MAICSA 7019120)
Joint Secretaries
Selangor

Date : 30 August 2013

NOTES :

1. Only depositors whose names appear in the Record of Depositors as at 11 September 2013 ("General Meeting Record of Depositors") shall be regarded as members entitled to attend, speak and vote at the Meeting.
2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
3. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office situated at Level 8 Symphony House Block D13 Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

NOTICE OF 17th ANNUAL GENERAL MEETING
(CONTINUED)

EXPLANATORY NOTES ON THE SPECIAL BUSINESS

1. Ordinary Resolutions no. 6, 7 & 8 – Approval to Continue of Term of Office as an Independent Non-Executive Director

The Nomination Committee had conducted an annual performance evaluation and assessment on Mr Ooi Say Teik, Mr Hem Kan @ Chan Hong Kee and Mr Siow Hock Lee who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine(9) years, and recommend them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) They have fulfilled the criteria under the definition on Independent Directors as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and therefore are able to bring independent and objective judgement to the Board;

(ii) They have been with the Company for more than nine years and therefore understand the Company's business operations which enable them to provide constructive thoughts, to participate actively during deliberations or discussions at the Meetings;

(iii) They have contributed sufficient time and efforts and attended all the Meetings for informed and balanced decision making; and

(iv) They had exercised due care and diligence during their tenure as Independent Non-Executive Directors of the Company and carried out his fiduciary duty in the interest of the Company and shareholders without being subject to influence of management.

2. Ordinary Resolution no. 9 – Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965

The Resolution 9, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at general meeting, will expire at the next AGM.

The Mandate is as renewal of the Mandate granted by the members at the last AGM held on 26 September 2012. The Mandate granted at the last AGM was not utilised by the Company and thus, no proceeds were raised.

The Renewed Mandate will empower the directors to raise fund via issuance of new shares without delay, in the event of business opportunities arise.

GROUP STRUCTURE

Caely Holdings Bhd.
(Co. No. 408376-U)

100%
Caely (M) Sdn Bhd
(Co. No. 157988-V)

100%
CLASSITA
CLASSITA (M) SDN. BHD.
(Co. No. 189994-T)

100%
MARYWAH INDUSTRIES (M) SDN. BHD.
(Co. No. 212866-H)

100%
CAELY DEVELOPMENT SDN BHD
(Co. No. 183149-V)

51%
OMNI GREEN SDN BHD
(Co. No. 772912-K)

DIRECTORS' PROFILE

Datin Fong Nyok Yoon
Aged 51, Malaysian

Executive Chairperson /
Non Independent Executive Director

Datin Fong Nyok Yoon is the Executive Chairperson of Caely Holdings Bhd (CHB), a post she has held since 2 October 2002. She is also a member of the Remuneration Committee.

Datin Fong has been involved in the ladies under-garments industry since she started her career in 1985 and has garnered extensive experience and knowledge in this industry. She is the driving force in the OEM's export markets, which has been the dominant contributor to the Group.

Datin Fong is the spouse to Dato' Chuah Chin Lai, the Managing Director and major shareholder of the Company.

Save as disclosed above, she does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with CHB. She has no conviction for offences within the past 10 years. She attended all 5 Board Meetings of CHB held during the financial year ended 31 March 2013.

Dato' Chuah Chin Lai
Aged 53, Malaysian

Managing Director

Dato' Chuah Chin Lai is the Managing Director of CHB, a post he has held since his appointment on 2 October 2002.

Dato' Chuah has gained vast business acumen with his involvement with various businesses. He and his spouse, Datin Fong, were among the founders of the Group's business. He heads the direct selling division and he is actively involved in the Group's OEM export business.

Save as disclosed above, Dato' Chuah does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with CHB. He has no conviction of offences within the past 10 years. He attended 4 out of 5 Board Meetings of CHB held during the financial year ended 31 March 2013.

DIRECTORS' PROFILE (CONTINUED)

Siow Hock Lee
Aged 57, Malaysian

Independent Non Executive Director

Siow Hock Lee is an Independent Non Executive Director of CHB and was appointed to the Board on 5 June 2003. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee.

Mr. Siow is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants. He is partner to a couple of firms of accounting practices and has extensive working experience in providing audit and accounting related services. Mr. Siow is also an Independent Non Executive Directors of Amtel Holdings Berhad and Green Ocean Corporation Berhad, the shares of both companies are listed and traded on Bursa Malaysia. He is also an Independent Non-Executive Director of Mykris Limited, a company incorporated in New Zealand and listed on the alternate market of the New Zealand Stock Exchange.

Mr. Siow has no family relationship with the other Directors and major shareholders of CHB. He has no conflict of interest with CHB and has no conviction for offences within the past 10 years. He attended all 5 Board Meetings of CHB held during the financial year ended 31 March 2013.

Ooi Say Teik
Aged 53, Malaysian

Independent Non Executive Director

Ooi Say Teik is an Independent Non Executive Director and was appointed to the Board on 5 June 2003. He holds the post of Chairman of the Remuneration Committee and is a member of the Audit Committee and Nomination Committee.

Mr. Ooi graduated from the University of Malaya in 1985 with a Bachelor of Arts (Hons), majoring in Economics and obtained his Bachelor of Laws (Hons) from the University of London. He was called to the Malaysian Bar and admitted as an Advocate and Solicitor of the High Court of Malaya in 1991. He is a partner of a legal firm that is involved in a wide spectrum of the law that covers areas in corporate, banking and litigation.

Mr. Ooi is an Independent Non Executive Director of Green Ocean Corporation Berhad. He has no family relation with the other Directors and major shareholders of CHB. He has no conflict of interest with CHB and has no conviction for offences within the past 10 years. He attended 4 out of 5 Board Meetings of CHB held during the financial year ended 31 March 2013.

Hem Kan @ Chan Hong Kee
Aged 73, Malaysian

Independent Non Executive Director

Hem Kan @ Chan Hong Kee is an Independent Non Executive Director and was appointed to the Board on 5 June 2003. He is the Chairman of the Nomination Committee and a member of the Audit Committee.

Mr. Chan has extensive business experience in various business sectors such as housing development and oil palm plantation. He is the Honorary Chairman for both the Perak Chinese Chamber of Commerce and Industry and the Lower Perak Chinese Chamber of Commerce. He is also the Board Chairman of San Min Secondary School, Teluk Intan, and is an Adviser to the Hilir Perak Dialysis Centre.

Mr. Chan has no family relationship with the other Directors and major shareholders of CHB. He has no conviction for offences within the past 10 years and has attended all 5 Board Meetings of CHB held during the financial year ended 31 March 2013.

EXECUTIVE CHAIRPERSON'S STATEMENT

On behalf of the Board of Directors of Caely Holdings Bhd, I am pleased to present the Annual Report and the Audited Financial Statements of Caely Holdings Bhd for the financial year ended 31 March 2013.

FINANCIAL REVIEW

For the financial year ended 31 March 2013, the Group achieved total revenue of RM91.5 million, an increase of RM22.8 million or 33% from RM68.7 million as compared to last financial year ended 31 March 2012. The increase was mainly due to the construction and OEM segments which contributed additional revenue of RM10.5 and RM12.8 million respectively.

The OEM segment continues to be the main contributor to the Group, recorded revenue of RM63.7 million while the construction segment recorded revenue of RM23.7 million. The direct selling segment, however, recorded a decline of RM0.6 million to RM4.0 million from RM4.6 million as compared to last financial year.

In line with the increase in revenue, the Group posted a profit after tax of RM1.7 million as compared to a profit after tax of RM1.2 million for the last financial year ended 31 March 2012.

The OEM segment posted a profit after tax of RM2.7 million as compared to profit after tax of RM0.5 million for the last financial year. This improvement in profit was mainly due to, inter alia, the increase in revenue of RM12.6 million over last financial year.

The construction segment posted a profit after tax of RM2.2 million as compared to RM4.0 million recorded for the last financial year. Although revenue from the construction segment has increased by RM10.5 million, the profit margin for the last financial year was better which led to a stronger profit after tax by RM1.8 million in 2012.

The direct selling segment posted an after tax loss of RM2.6 million as compared to an after tax loss of RM1.2 million. The increase in after tax loss was mainly due to lower revenue volume and the provision of slow moving stock amounting to RM1.0 million.

DIVIDENDS

The Board does not propose any dividends for the financial year under review.

PROSPECTS

Given the present economic outlook, the Group expects the operating environment for the coming financial year to be challenging. The global economic conditions in the United States of America and Europe have not changed much since the last report. On the local front, higher operating cost is expected to increase with the implementation of minimum wage policy. This will inevitably affect the Group's profit margin.

Against these backdrops, the Group remains committed to exercise prudence and place greater emphasis in its business approach such as products improvements, cost management, etc. Barring any unforeseen circumstances, the Board is cautiously optimistic that the financial performance for the ensuing financial year will be satisfactory.

EXECUTIVE CHAIRPERSON'S STATEMENT (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities are continuously guided by its firm beliefs that it can contribute positively to our society as a caring and responsible corporate entity. To this end, the Group is proud to set up CaelyCare to discharge its corporate social responsibility.

The human resource development and training programs focus in building leadership, self-confidence, personal and work competence. Trainings are conducted either in-house or outsourced. These training include formal classroom to on-the-job, action-based trainings. Through such trainings, I believe the employees will be well equipped and motivated to perform their duties to realise their full potential.

The Group is also concerned on the Health and Safety of its employees and strives to maintain a work place that is safe and risk-free. A health and safety committee has been set up and one of its main tasks is to respond quickly and efficiently in the event of an emergency. Through the collaboration with the local fire and rescue department, fire drills are being conducted at least twice yearly which include the use of fire fighting equipment, first aid, CPR, orderly evacuation procedures and other hazard preventive measures.

The Group is also doing its part for the local community and society by providing the needy and less fortunate ones the chance to work together with their peers. With the assistance and collaboration of the local institution, Bethany Home of the Handicapped, the Group was able to employ some of their students after appropriate trainings. The Group also donates to Bethany Home and several old folk homes regularly in either cash or/and consumer products.

APPRECIATION

On behalf the Board, I wish to convey my sincere appreciation for the support and confidence given to us by our shareholders, customers, financiers, business associates and the government authorities.

Also, I wish to thank the management team and the staff of the Group for their hard work, dedication, loyalty and trust throughout the year.

Datin Fong Nyok Yoon
Executive Chairpeson

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") recognises the importance of corporate governance and is committed to the high standards of corporate governance throughout the Group as a fundamental role in discharging its responsibilities towards achieving the optimal governance framework.

The Board is pleased to disclose the manner in which the 8 principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("Code") are applied in the Group and the extent of compliance pursuant to paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

The Board is in the process of working towards ensuring compliance to the Code's requirements, principles and recommendations.

1. PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

(a) Board should establish clear functions reserved for Board and those delegated to Management

The Board is responsible for the Group's objectives, policies and stewardship of the Group's resources. The Executive Directors decide and implement operational decisions whilst the Non-Executive Directors contribute to the formulation of policies and decision-making through their knowledge and experience in similar or other businesses and sectors. Their roles are clearly demarcated.

The Non-Executive Directors are independent of management and free from any business relationship which could materially interfere with the exercise of their independent judgment. Together, they play an important role in ensuring that the strategies proposed by the management are fully deliberated and examined, taking into account the long-term interests of the shareholders, employees, customers, and the many communities in which the Group conducts its business.

(b) Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions

To this end, the Board has assumed the following specific responsibilities:

- Reviewing and adopting strategic plans for the Group;
- Overseeing the overall conduct of the Group's businesses to ensure that they are being properly managed;
- Identifying principal risks and ensuring that appropriate control systems are implemented to manage those risks;
- Formulating policies for succession planning, including recruiting, training, rewarding and, where appropriate, replacing senior management;
- Developing and implementing an investor's relations program or shareholder communications policies; and
- Reviewing the adequacy and the integrity of the internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board favours a more structured approach to formalise the existing process by which risks are identified, assessed, controlled and reviewed. As such, an enterprise-wide risk management program is being implemented to strengthen the current internal control system. The Board and the Audit Committee will continue to keep under review the Group's whole system of internal control including operational, compliance and risk management as well as financial controls.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

(c) Formalise ethical standards through a code of conduct and ensure its compliance

The Board is committed to establish a corporate culture that incorporates ethical conduct throughout the Group. On 25 July 2013, the Board has adopted the Code of Conduct and Ethics and Whistleblowing Policy. The Company shall observe and comply with the Code of Conduct and Ethics. The Code of Conduct and Ethics and Whistleblowing Policy can be accessed on the Company's website at www.caelyholdings.com.

The Code of Conduct & Ethics describes the behaviour expected of our employees and how they relate to our Business Principles and core values whilst the Whistleblowing Policy is designed to create a positive environment in which employees can raise genuine concerns without fear of recrimination and enable prompt corrective action to be taken where appropriate.

(d) Ensure the Company's strategies promote sustainability

The Board has established a Sustainability Policy and will ensure that the Company's current business decision making process incorporate the Environment, Social and Governance aspects. The Sustainability Policy is available on the Company's website at www.caelyholdings.com. and page 22 of this Annual Report.

(e) Procedures to allow the Directors access to information and advice

All Board members are supplied with information on a timely basis before each Board Meeting is convened with an agenda. Board papers are circulated prior to Board Meetings and the board papers provide among others, financial and corporate information, significant operational, financial and corporate issues, performance reports and management proposals for Board approvals. Senior management staff are invited to attend Board Meetings when necessary to present to the Board further explanation and clarification on matters being tabled.

All Directors have full unrestricted access to all information within the Group and they have a duty to make further enquiries which they may require when discharging their duties. The Directors can also have access to the advise and services of the Company Secretary and independent professional advisers whenever deemed necessary at the Company's expense.

(f) Ensure Board is supported by suitably qualified and competent company secretary

The Board is supported by suitably qualified and competent company secretaries from Symphony Corporatehouse Sdn. Bhd. who are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and has unrestricted access to the advice and services of the company secretaries. The company secretaries play an advisory role to the Board on matters involving the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes and guidance.

The Board is satisfied with the performance and support provided by the company secretaries in discharging of its functions.

(g) Formalise, periodically review and make public the Board Charter

The Board affirms the importance of the roles and responsibilities between the Board and management. As an integral part of the corporate governance process, the Board will document these roles and responsibilities in the Board Charter to ensure accountability for both parties. The Board will review the Board Charter periodically to ensure that it is in line with the Board's objectives and responsibilities. The Board Charter is available for reference in the Company's website at www.caelyholdings.com.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

2. PRINCIPLE 2: STRENGTHEN THE COMPOSITION

(a) Establish a Nominating Committee which should comprise exclusively of non-executive directors, a majority of whom must be independent

The Nomination Committee ("NC") of the Company comprises exclusively of Independent Directors. The members of the NC are:

Hem Kan @ Chan Hong Kee, Chairman of NC
Ooi Say Teik
Siow Hock Lee

The NC was established to assist the Board in nominating new nominees as Board members as well as assessing the Directors on an on-going basis as to their skills and experience and other qualities. Although the Board has yet to identify the Senior Independent Director among the independent directors to be the Chair of the Nomination Committee, the Board is satisfied that there is an appropriate mix of experience and expertise in the composition of the committee.

The Terms of Reference of the NC is available for reference in the Company's website at www.caelyholdings.com.

(b) Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors

The NC is empowered by the Board to make recommendations as to the appointment of any new directors or to fill board vacancies as and when they arise. When making the recommendation, the NC will take into consideration the required mix of skills, knowledge, expertise, experience and other qualities required to become a new Board member.

The NC also assesses the effectiveness and contribution of the Board members as well as each individual director including the Independent Non-Executive Directors. The NC's assessments and evaluations are documented.

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office at each Annual General Meeting and could offer themselves for re-election. Those Directors appointed during the financial year are eligible for election at the next Annual General Meeting following their appointments.

A Director over seventy (70) years of age is required to submit himself for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The Board recognizes the government's initiatives to include women representatives in the boardroom and currently, the Company comply with this Recommendation with the presence of the Executive Chairperson.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

2. PRINCIPLE 2: STRENGTHEN THE COMPOSITION *(CONTINUED)*

(c) Board should establish formal and transparent remuneration policies and procedures to attract and retain directors

The members of the Remuneration Committee ("RC") are:

Ooi Say Teik, Chairman of RC
Datin Fong Nyok Yoon
Siow Hock Lee

The RC was established to assist the Board in assessing the remuneration packages of the Directors of the Company and its subsidiaries. The RC is to recommend to the Board, the level of remuneration for the Directors. The Board will decide after considering the recommendations of the RC. The Terms of Reference of the RC is available for reference in the Company's website at www.caelyholdings.com.

The Remuneration Policy is based on the need to attract, motivate and retain qualified members of the Board as well as to align the interests of the Board with the interests of the Company's shareholders.

The Executive Directors' remuneration is linked to performance, service seniority, experience and scope of responsibilities and comprises salary, fees, allowances and bonuses. Other customary benefits are also made available as appropriate. Other factors like market rates and industry practices are considered during the review of salaries, as and when the Board deems fit.

For instance, the basic salary paid takes into account the performance of the individual, the scope of responsibility, information from independent sources on the rates of salary for similar jobs and other relevant indicators. Bonuses paid to the Executive Directors are based on various performance measures of the Group, together with an assessment of each individual's performance during the year. Other customary benefits-in-kind, such as cars are made available as appropriate. Contributions are also made to the Employees Provident Fund where applicable.

In the case of Independent Directors, the level of fees reflects the experience, expertise and the responsibilities undertaken by the individual Independent Director. All Directors are paid a meeting allowance for attendance at each meeting.

Details of the nature and amount of each major element of the remuneration of each Director of the Company are as follows:-

	Fees RM	Salaries and other Emoluments RM	Benefits in kind RM	Total RM
Executive Directors	135,000	649,195	7,700	791,895
Non-Executive Directors	100,000	6,000	0	106,000
	235,000	624,095	7,700	897,895

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

2. PRINCIPLE 2: STRENGTHEN THE COMPOSITION *(CONTINUED)*

(c) Board should establish formal and transparent remuneration policies and procedures to attract and retain directors (continued)

		Number of Directors	
	Executive Directors	Non-Executive Directors	Total RM
RM1 to RM50,000	-	2	2
RM50,000 to RM100,000	-	1	1
RM100,001 to RM150,000	-	-	-
RM150,001 to RM200,000	-	-	-
RM200,001 to RM250,000	-	-	-
RM250,001 to RM300,000	-	-	-
RM300,001 to RM350,000	1	-	1
RM350,001 to RM400,000	-	-	-
RM400,001 to RM450,000	1	-	1
	2	3	5

The Best Practices recommend the disclosure of the details of each individual director's remuneration. The Board is of the view that the transparency and accountability in this respect are appropriately served by the band disclosure made above.

3. PRINCIPLE 3: REINFORCE INDEPENDENCE

(a) Board should undertake an assessment of its independent directors annually

The Board, through its NC, assesses the independence of the Independent Directors annually. Such assessment is to ensure that the Independent Directors would bring independent and objective judgment and opinion to the Board. The Board is satisfied with the level of independence demonstrated by the Independent Directors. During the financial year ended 31 March 2013, the Nomination Committee held one (1) meeting to carry out assessment on the contribution and performance of each individual Director and this includes an assessment on the independence of the Independent Directors. The Board is satisfied with the contribution and performance of each individual Director. The Independent Directors comply with the criteria of Independence based on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Tenure of independent director should not exceed cumulative terms of nine (9) years. Upon completion of tenure, independent director can continue serving but as non-executive director

As per the recommendation of the Code on the tenure of an Independent Director should not exceed a cumulative term of nine years, the Board is of the view that the ability of an Independent Director to exercise independent judgments and observations is not affected by the length of his service as an Independent Director. The ability and aptness of Independent Director to carry out his roles and responsibilities effectively are very much dependent on his competence, experience and personal qualities. This restriction on the tenure may cause the loss of experience and expertise to the contributions of the Board's efficiency.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

2. PRINCIPLE 2: STRENGTHEN THE COMPOSITION *(CONTINUED)*

(b) Tenure of independent director should not exceed cumulative terms of nine (9) years. Upon completion of tenure, independent director can continue serving but as non-executive director *(continued)*

Currently, all the Independent Directors have served the Board for more than nine years. However, the Board has assessed the independence of all the Independent Directors and is of the view that all the independent directors remain objective and independent in expressing their view and in participating in deliberations and decision making of the Board and the Board Committees.

(c) Board must justify and seek shareholders' approval in retaining independent directors serving more than nine years

Based on the justifications outlined above, the Company will seek its shareholders' approval at the forthcoming Annual General Meeting to retain all the Independent Directors who have served for more than nine years.

(d) Positions of chairman and CEO should be held by different individuals

The positions of Executive Chairperson and Managing Directors are held by two different individuals. The Executive Chairperson is primarily responsible for the leadership and the effectiveness of the Board. The Managing Director is primarily responsible for the managing the business and operations and implementing the Board's decision. The role of the Executive Chairperson is clearly separated from the role of the Managing Director to ensure a balance of power and authority.

(e) Board must comprise majority independent directors if the Chairman is not an independent director

As at the financial year ended 31 March 2013, the Board comprises three (3) Independent Non-Executive Directors and two (2) Executive Directors. The Board has complied with this Recommendation and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that at least 1/3 of the Board are Independent Directors.

4. PRINCIPLE 4: FOSTER COMMITMENT

(a) Board should set out expectations on time commitment for its members and protocols for accepting new directorships

In discharging its duties, the Board meets at least quarterly. Additional meeting will be called if necessary. The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities.

The attendance record of the financial year ended 31 March 2013 is set out in the table below:-

Directors	Attendance
Datin Fong Nyok Yoon	5/5
Dato' Chuah Chin Lai	4/5
Siow Hock Lee	5/5
Ooi Say Teik	4/5
Hem Kan @ Chan Hong Kee	5/5

As Directors should devote sufficient time to carry out their responsibilities, the Board will obtain this commitment from its members at the time of their appointment in other public listed companies. The appointed Director should notify the Chairman before accepting any new Directorship. The notification will include an indication of time that will be spent on the new appointment. During the financial year ended 31 March 2013, none of the Directors have accepted new appointment in other public listed companies.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

4. PRINCIPLE 4: FOSTER COMMITMENT *(CONTINUED)*

(b) Board should ensure members have access to appropriate continuing education programmes

The Group acknowledges the importance of continuous education and training to enable the Board members to keep abreast on the state of economy, technology advances, regulatory updates and management strategies so as to effectively discharge their duties and responsibilities. All the Directors have attended the Mandatory Accreditation Programme conducted by Bursa Malaysia Training Sdn Bhd. An education / training programme is in place to ensure that the Directors are given the opportunity to further enhance their skills and knowledge continuously.

The Directors are aware of the importance of having a knowledge-based management and staff force. To this end, the management and staff are encouraged to attend trainings and education programmes to embrace themselves with the latest development and industry updates, etc.

During the financial year ended 31 March 2013, the Directors attended Seminars and Training as summarised below:

Directors	Seminar / Training Programmes Attended
Datin Fong Nyok Yoon	Bursa Malaysia Sustainability Training for Directors and Practitioners
Dato' Chuah Chin Lai	Bursa Malaysia Sustainability Training for Directors and Practitioners
Siow Hock Lee	- Comprehensive Overview of Standards Updates of the 2012 IFRS-Compliant - MFRS - In-house trainings: (i) Regulatory Environment Pre-IPO (ii) Share Buy-Back - 2013 Budget Seminar – Highlight on Tax Changes & its Implication on Business
Ooi Say Teik	Bursa Malaysia Sustainability Training for Directors and Practitioners
Hem Kan @ Chan Hong Kee	Bursa Malaysia Sustainability Training for Directors and Practitioners

Throughout the year, the Board of Directors also received updates and briefings provided by the Company Secretary and external auditors, particularly on information pertaining to significant changes in regulatory framework, legal, accounting and governance practices and activities.

5. PRINCIPLES 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

(a) Audit Committee should ensure financial statements comply with applicable financial reporting standards

The Board aims to present a balanced and meaningful assessment of the Group's position and prospects to shareholders via its quarterly and annual financial announcements. In the preparation of financial statements, the Audit Committee and the Board review the financial statements for consistency and appropriateness of the application of accounting standards and policies and for reasonableness and prudence in making estimates, statements and explanations.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

5. PRINCIPLES 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONTINUED)

(b) Audit Committee should have policies and procedures to assess the suitability and independence of external auditors

The Group has established a good working relationship with the external auditors, Messrs PricewaterhouseCoopers. It also maintains a transparent and professional relationship with the external auditors in seeking their professional advice and ensuring compliance with the accounting standards in Malaysia.

The Audit Committee is aware of the recommendation of the Code to have policies and procedures to assess the suitability and independence of the external auditors. After considering the wide range of expertise and business knowledge of the external auditors and their staff force, the Audit Committee is of the opinion that the current external auditors are still suitable for re-appointment. As to the assessment of the independence of the external auditors, the Audit Committee is satisfied that the external auditors are independent in accordance with the By-laws of the Malaysian Institute of Accountants on Professional Ethics, Conducts and Practice. In addition, the external auditors have given written assurance confirming that they have been independent throughout the conduct of the audit engagements.

After having assessed the suitability and independence aspects of the external auditors, the Audit Committee recommends their re-appointment. During the financial year ended 31 March 2013, the external auditors have met twice with the Audit Committee without the presence of the Management.

A full Audit Committee report enumerating its role in relation to the auditors is set out in pages 23 to 25 of the Annual Report.

6. PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

(a) Board should establish a sound framework to manage risk

The Board recognises that risk management is an integral part of the Group's business operations. Risk management is an ongoing process that involves different levels of managements to identify, evaluate, monitor, manage and mitigate the risks that may affect in achieving the Group's business and corporate objectives.

The management is responsible for creating risk awareness culture so as to build the necessary structure for an effective risk management. Important issues related to risk management and internal controls are brought to the attention of the Board. If necessary, the Board may seek the assistance and consultation of external parties to form an opinion.

The Group is in the process to formalise an appropriate risk management framework and the details of the risk management and internal control are set out in the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

6. PRINCIPLE 6: RECOGNISE AND MANAGE RISKS *(CONTINUED)*

(b) Board should establish an internal audit function which reports directly to the Audit Committee

The Board recognises their responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risks. Although every effort is made to provide the best possible system of internal control and risk management, the system can only provide reasonable but not absolute assurance against material misstatement or loss.

For the financial year ended 31 March 2013, the Company has outsourced its internal audit functions to RSM Corporate Consulting Sdn Bhd. The representative(s) of RSM have unrestricted access to the Audit Committee Members and report to the Committee.

During the financial year, the internal audit reports are provided to the Audit Committee and management in regards to any major findings on the weakness in the systems and controls of the operations. The highlighted areas on the weaknesses, improvements and the implementation of the recommendations are monitored and the reports thereof are presented to the Audit Committee.

7. PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

(a) Ensure the company has appropriate corporate disclosure policies and procedures

The Board acknowledges the importance for shareholders to be informed on all material business matters relating to the Group. The Board is committed to provide shareholders and investors with high quality disclosure of material information on a timely basis. This corporate disclosure policy and procedure is available on the Company's website at www.caelyholdings.com

(b) Encourage company to leverage on information technology for effective dissemination of information

The Company affirms the importance of transparency and accountability to its shareholders and investors. As such, the Board ensures that shareholders and investors are informed of the financial performance and major corporate information of the Company. This information is communicated to the shareholders and investors through various announcements and disclosures to Bursa Malaysia Securities Berhad such as the quarterly interim financial results, annual reports and, if appropriate, circulars and press releases.

Besides the mandatory announcements to Bursa Malaysia Securities Berhad, the Company also maintains a website, www.caelyholdings.com which shareholders and investors can access to information on the Group's performance and business activities.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

8. PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

(a) Take reasonable steps to encourage shareholder participation at general meetings

The Annual General Meeting (AGM) is the principal form of dialogue with shareholders. At the AGM, the Executive Chairperson shall inform shareholders that they are encouraged to participate and given opportunity to raise questions or seek more information on the Company. The Executive Chairperson, Managing Directors and Board members are available during the AGM to respond to all shareholders' queries.

(b) Board should encourage poll voting

During any meeting with shareholders, the Executive Chairperson would remind the shareholders, proxies and corporate representatives on their rights to demand a poll for any resolution in accordance to the provisions as stated in the Company's Articles of Association. The voting process at the AGM shall be by way of show of hands unless a poll is demanded by the shareholders.

(c) Board should promote effective communication and proactive engagement with shareholders

The Board is committed to effective communication and proactive engagement with shareholders. During general meetings, the Board members would be present to answer any questions that the shareholders may raise. The Executive Chairperson would allot time for shareholders to ask questions for each agenda in the notice of the general meetings. Also present are the external auditors and the company secretaries to answer any question that the shareholders may raise.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

OTHER COMPLIANCE INFORMATION

Utilisation of Proceeds

During the financial year, there were no proceeds raised by the Company from any corporate proposal.

Share Buybacks

During the financial year, there were no share buybacks by the Company.

Options, Warrants or Convertible Securities

During the financial year, the Company did not issue any options, warrants or convertible securities.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR program.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

Non-Audit Fees

The non-audit fees paid to external auditors, Messrs. PricewaterhouseCoopers by the Company and its subsidiaries amounted approximately RM38,300 .

Variation in Results

There were no profit estimate, forecast or projections or unaudited results released which differ by 10% or more from audited results for the financial year ended 31 March 2013.

Profit Guarantee

During the financial year, there was no profit guarantee given by the Company.

Revaluation Policy on Landed Properties

The Company has a policy of regular revaluation on the Group's landed properties. Details of the policy are stated in Note 4(b) to the financial statements.

SUSTAINABILITY POLICY

The Board acknowledges that a company will be judged not solely on its financial performance, but increasingly on its wider impact and role within society. The Malaysian Code on Corporate Governance 2012 recommends the Board to ensure the company's strategies promote sustainability especially in the aspect of environment, social and governance.

As such, the Board is pleased to set out below its sustainability commitment that will provide positive impact towards the company's sustainable development.

Caely Holdings Berhad will:

(a) Responsibly source and efficiently manage all materials and resources we use

(b) Invest in people to provide them with the skills to thrive in an adapting world

(c) Support the communities in which we operate and those impacted upon by our activities

(d) Ensure the health and safety of all those who work for us, and those that can be affected by our services

(e) Comply with environmental rules and regulations

(f) Run an ethical business

In addition to our sustainability commitments, Caely Holdings Berhad ensures its principles are clearly set out through a number of policies such as the Code of Conduct and Ethics.

Furthermore, we consider strong governance, stakeholder engagement and effective communication and transparency to be essential elements of sustainability.

Sustainability is an integral part of our core business strategy and the Board will provide top level governance to reflect the importance and broad scope of the sustainability agenda. The Board is supported by the Managing Director and Management Team which has been tasked to debate and discuss key issues and set objectives going forward. The Managing Director and the Management Team will look to consider how we can improve our sustainable performance internally and what can we offer to our customers to help support their agendas.

Caely Holdings Berhad also seek to engage with a raft of stakeholders including clients, suppliers, consultants and employees to understand their needs and allow us to influence in relation to sustainability. We feel that effective channels of communication for this engagement are essential for seeking continuous economic, social and environmental improvement in relation to service delivery.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") was established by the Board of Directors ("the Board") on 5 June 2003. All the AC members are Independent Non-Executive Directors.

Members
Siow Hock Lee ***Chairman, Independent Non-Executive Director***
Ooi Say Teck ***Independent Non-Executive Director***
Hem Kan @ Chan Hong Kee ***Independent Non-Executive Director***

TERMS OF REFERENCE

Composition of members

The Board shall elect the AC members from among themselves comprising not less than three (3) members, all of whom shall not be executive directors. The members of the AC shall elect a chairman from among themselves.

At least one (1) member:-

(i) must be a member of the Malaysian Institute of Accountants; or

(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

- has passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
- a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

(iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No alternate director of the Board shall be appointed as a member of the AC.

Objectives

The primary objectives of the AC are to:

- assist the Board in discharging its statutory and fiduciary responsibilities relating to the Group's management of principal risks, internal control, financial reporting and compliance of statutory and legal requirements;
- ensure transparency, integrity and accountability in the Group's activities; and
- provide a channel of communication between the Board, senior management, internal auditors and external auditors.

Frequency of meetings

Meetings shall be held not less than four times a year. The external auditors may request a meeting if they consider one necessary.

AUDIT COMMITTEE REPORT (CONTINUED)

Attendance at meetings

During the financial year ended 31 March 2013 the AC held five (5) meetings in the presence of the Company Secretaries. The Executive Directors, Senior Management staff and Internal Auditors were invited to the meetings to response to queries and to provide detailed information and explanations requested. At times, other persons were also invited to assist in its deliberations. The external auditors attended two (2) of the meetings during this period. The AC the opportunity to meet up with the external auditors without the presence of management during those meetings.

The details of attendance of the AC members are as follows:

Name of AC members	Number of attendance
Siow Hock Lee	5/5
Ooi Say Teck	4/5
Hem Kan @ Chan Hong Kee	5/5

Quorum

The quorum for meeting of the AC shall be two (2) members of the AC.

Authority

The AC is authorised by the Board to:

(i) investigate any matter within its terms of reference;

(ii) gain free access to all information and documents pertaining to the Group;

(iii) establish a channel of direct communication with the external and internal auditors, and

(iv) obtain external legal or other independent professional advice whenever deemed necessary.

Duties and responsibilities

The duties and responsibilities of the AC include the following:

(i) Assess and review the adequacy and effectiveness of the accounting system and internal controls in the business process.

(ii) Review the company's accounting policies and reporting requirements to ensure compliance with the relevant laws, standards, directives and guidelines.

(iii) Assess the adequacy of management reporting.

(iv) Review the scope of the external audit and internal audit (if applicable) to ensure no unjustified restrictions are imposed by the management.

(v) Review the assistance given by the company's officers to the auditors.

(vi) Recommend the appointment and remuneration of external auditors.

(vii) Liaise directly between the external auditors, the management and the Board as a whole, particularly with regard to the audit plan and audit report.

(viii) Review the findings of internal and external auditors (as the case may be) on internal controls and other audit comments.

(ix) Review the internal audit program, processes, the results of the internal audit or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors.

(x) Review the financial statements and annual report prior to submission to the Board.

(xi) Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that may raise questions of management integrity.

(xii) Consider and examine such other matters as the AC considers appropriate.

AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The summary of the activities of the AC in the discharge of its duties and responsibilities for the financial year included the following:-

- Reviewed the external auditors' scope of work and audit plans for the year;
- Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response;
- Reviewed and recommended to the Board the re-appointment of external auditors and their audit fees;
- Reviewed the quarterly and annual financial statements, reports and announcements for the Board's consideration and approval;
- Reviewed the internal audit plan prepared by the internal auditor; and
- Reviewed and discussed reports of the internal auditors and assessed the effectiveness of the system of internal controls in the areas audited, and
- Reported to the Board major events covered by the AC and make recommendations to the Board and management concerning these matters.

INTERNAL AUDIT FUNCTION

The Board believes that an internal audit will provide the AC with independent and objective reports on the risk assessment, risk evaluation and recommendation of control activities to manage such risks. The internal auditors will be in the position to report on the state of internal control and the extent of compliance with policies and procedures.

To this end, the internal audit function was outsourced to a firm of consultants. During the financial year under review, the following internal audit activities were carried out:-

- Reviewed the Group's operation systems and developed an internal audit plan. The internal audit was executed in accordance with the audit plan;
- Conducted a risk assessment and evaluation of the adequacy and effectiveness of the internal control systems of certain key divisions of the Group;
- Reviewed the extent of compliance with the Group's policies and procedures; and
- Reported to the AC of the findings and recommendations for corrective actions on reported weaknesses.

Further details on the internal audit are set out in the Statement on Risk Management and Internal Control of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Malaysian Code on Corporate Governance 2012 ("Code") requires the Board of listed companies to maintain a sound system of risk management framework and internal control to safeguard shareholders' interests and Company's assets. This Statement is made in accordance to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Bhd ("BMSB") and *Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers)*.

2. RESPONSIBILITIES

The Board and the senior management recognise their overall responsibilities and endeavor to maintain a sound system of risk management and internal controls that covers financial, operational, compliance and risk management practices in the organisation. The Board acknowledges its overall responsibility to review and maintain an adequate system of internal controls organisation-wide with consistent integrity designed to manage rather than eliminate risks to improve the governance process of the Group. However, there are limitations inherent in any system of internal controls: the evaluation and implementation of the system can only provide reasonable assurance and not absolute assurance against any material loss or misstatement.

The Group has established an ongoing process for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives. The system of internal controls was in place during the financial year and the system is subject to regular reviews by the Board.

The Board has received assurance from the Executive Chairperson and Group Managing Director that the Group's risk management and internal control is operating adequately and effectively in all material aspects based on the existing risk management and internal control systems of the Group.

3. RISK MANAGEMENT FRAMEWORK

The Group has established an on-going risk management commitment for identifying risks, assessing and evaluating its likelihood and impact and taking preventive measures to manage potential risks that may be faced by the Group. In this regard, the risk management policy and framework is established to incorporate the following activities:-

- Identify the various risk factors (financial and non-financial) that can potentially have a significant impact on the Group's success and continuity;
- Establish a risk coverage policy and rank each of these risks according to its relative gravity;
- Assess each of these risks (using the risk factors and relative weight) on the Group's core business lines, i.e. manufacture and sale of undergarment products and property development and construction;
- Establish an overall risk profile in order of priority;
- Establish an overall audit plan that covers all risk areas;
- Conduct reviews of control activities on high-risk areas;
- Evaluate the control activities and give an opinion on the systems of internal controls;
- Monitor changes in business conditions and operating style; and
- Evaluate changes against risks identified earlier and internal control systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

4. INTERNAL AUDIT FUNCTION

During the financial year under review, the Group engaged the internal audit services by outsourcing the internal audit function to an independent consultancy firm, Messrs. RSM Corporate Consulting Sdn Bhd to review the internal control systems of the Group and to report directly to the Audit Committee of its internal audit findings.

The scope of the internal audit focused on the risk areas identified in the enterprise-wide risk assessment exercise in accordance with the internal audit plan approved by the management. The Audit Committee received reports of the findings of the internal audits with comments from operational heads of the respective departments under audit. These internal audit reports were tabled during the Audit Committee meetings for review and to ensure that the necessary corrective actions are implemented. Update on the status of action plans as identified in the previous internal audit reports were also presented to the Audit Committee for review and deliberation.

During the financial year under review, a number of internal control weaknesses have been identified and all of which have been or are being addressed by the management. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

5. OTHER KEY ELEMENTS ON INTERNAL CONTROL SYSTEM

Apart from risk management and internal audits, the other key elements of the Group's internal control systems are as follows:-

- The Board of Directors has put in place an organisation structure, which formally defines lines of responsibility and delegation of authority.
- Internal control procedures are set out in a series of standard operating policies and procedures. These procedures are the subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies and also in ensuring compliance with International Organisation for Standardisation ("ISO") and Worldwide Responsible Accreditation Production ("WRAP") certification.
- Monthly management reports are prepared at subsidiary levels and subject to review and discussion by the Executive Chairperson, Managing Director, and senior management.
- Quarterly performance reports with comprehensive information on financial performance and key business indicators are deliberated at the Audit Committee and thereafter tabled to the Board.
- The Audit Committee and the Board are committed to identify any significant risks faced by the Group and assess the adequacy of financial and operational controls to address these risks.
- The Audit Committee reviews the external auditors' recommendations on internal controls arising from the statutory audit.
- The Audit Committee holds meetings to deliberate on the findings and recommendations for improvement by both the internal and external auditors on the state of the internal controls system and reports to the Board. None of the internal control weaknesses identified during the financial year under review have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.
- Board and management meetings at operational level are held during the financial year in order to assess performance and controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

6. Conclusion

The Board is of the view that the development of internal controls is an ongoing process and has taken steps to establish a sound internal controls system and effective risk management framework throughout the Group. The Board is committed to continuously review the internal controls and put in place appropriate structures and frameworks that are necessary to further improve the Group's internal controls environment.

This statement has been reviewed by the external auditors in compliance with Paragraph 15.23 of BMSB's Main Market Listing Requirements.

The statement was adopted via Directors' Circular Resolution dated 29 July 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial year as required under the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and the Company and of their results and cash flows.

In preparing the financial statements, the Directors are of the view that the Group and the Company have adopted suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and ensured that all applicable accounting standards have been complied with.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved Financial Reporting Standards.

The Directors also have a general responsibility for taking necessary steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud as well as other irregularities.

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors are pleased to submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 17 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Net profit for the financial year attributable to:		
- Owners of the Company	1,681,260	5,767,190
- Non-controlling interests	(40,605)	0
Net profit for the financial year	1,640,655	5,767,190

DIVIDENDS

No dividend was paid or declared by the Company since 31 March 2012.

The directors do not recommend the payment of a dividend for the financial year ended 31 March 2013.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The directors who have held office since the date of the last report are:

Datin Fong Nyok Yoon	Executive Chairperson
Dato' Chuah Chin Lai	Managing Director
Siow Hock Lee	
Ooi Say Teik	
Hem Kan @ Chan Hong Kee	

In accordance with the Company's Articles of Association, Ooi Say Teik retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Section 129(2) of the Companies Act, 1965, Hem Kan @ Chan Hong Kee who at age of 73 retires at the forthcoming Annual General Meeting and the directors recommend his re-appointment under Section 129(6) of the said Act.

In accordance with the best practice of the Malaysian Code of Corporate Governance 2012, Siow Hock Lee retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings, particulars of interests of the directors who held office at the end of the financial year in shares in the Company and its related corporations are as follows:

	Number of ordinary shares of RM0.50 each			
	As at			As at
Direct Interest	**1.4.2012**	**Bought**	**Sold**	**31.3.2013**
Caely Holdings Bhd. (The Company)				
Dato' Chuah Chin Lai	12,652,000	0	0	12,652,000
Datin Fong Nyok Yoon	13,130,000	0	0	13,130,000
Indirect Interest				
Caely Holdings Bhd. (The Company)				
Dato' Chuah Chin Lai	13,130,000	0	0	13,130,000
Datin Fong Nyok Yoon	12,652,000	0	0	12,652,000
Siow Hock Lee	135,500	0	0	135,500

By virtue of their substantial interests in shares in Caely Holdings Bhd. as at 31 March 2013, Dato' Chuah Chin Lai and Datin Fong Nyok Yoon are deemed to have interests in the shares in all the subsidiaries of the Company.

Other than as disclosed above, none of the directors held any other interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or the Company which has arisen since the end of the Financial year.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the allowance for doubtful debts written back, allowance for slow moving inventories and gain on disposal of subsidiaries as disclosed in Note 9 to the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SIGNIFICANT EVENT OCURRING AFTER BALANCE SHEET DATE

Significant event occurring after balance sheet date is as disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution dated 29 July 2013.

DATO' CHUAH CHIN LAI	DATIN FONG NYOK YOON
MANAGING DIRECTOR	**EXECUTIVE CHAIRPERSON**

Teluk Intan, Perak Darul Ridzuan

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

We, Dato' Chuah Chin Lai and Datin Fong Nyok Yoon, being two of the directors of Caely Holdings Bhd., state that, in the opinion of the directors, the financial statements set out on pages 38 to 123 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2013 and of the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act,1965 in Malaysia.

The information set out in Note 41 on page 124 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution dated 29 July 2013.

DATO' CHUAH CHIN LAI
MANAGING DIRECTOR

DATIN FONG NYOK YOON
EXECUTIVE CHAIRPERSON

Teluk Intan, Perak Darul Ridzuan

STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, Datin Fong Nyok Yoon, being the director primarily responsible for the financial management of Caely Holdings Bhd., do solemnly and sincerely declare that the financial statements set out on pages 38 to 124 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATIN FONG NYOK YOON
EXECUTIVE CHAIRPERSON

Subscribed and solemnly declared by the abovenamed Datin Fong Nyok Yoon at Teluk Intan in the state of Perak Darul Ridzuan, Malaysia on 29 July 2013.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAELY HOLDINGS BHD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Caely Holdings Bhd. on pages 38 to 123, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 40.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAELY HOLDINGS BHD. (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 17 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAELY HOLDINGS BHD. (CONTINUED)

OTHER MATTERS

As stated in Note 2 to the financial statements, Caely Holdings Bhd. adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statements of comprehensive income, changes in equity and cash flows for the financial year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the financial year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
[No. AF: 1146]
Chartered Accountants

LIM TEONG KEAN
[No. 2499/12/13 (J)]
Chartered Accountant

1st Floor, Standard Chartered Bank Chambers
21-27 Jalan Dato' Maharaja Lela
30000 Ipoh
Perak Darul Ridzuan

29 July 2013

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	GROUP 2013 RM	GROUP Restated 2012 RM	COMPANY 2013 RM	COMPANY Restated 2012 RM
Revenue	7	91,522,294	68,693,319	7,814,313	15,000,120
Cost of sales	8	(78,623,553)	(54,625,087)	0	0
Gross profit		12,898,741	14,068,232	7,814,313	15,000,120
Other operating income		2,156,941	1,221,150	990,487	235,820
Selling and distribution costs		(2,773,815)	(3,077,441)	0	0
Administrative expenses		(9,231,014)	(8,270,421)	(763,540)	(385,573)
Other operating expenses		(185,942)	0	(77,978)	(149,297)
Profit from operations	9	2,864,911	3,941,520	7,963,282	14,701,070
Finance cost	10	(738,983)	(576,107)	(494,735)	(818,189)
Profit before taxation		2,125,928	3,365,413	7,468,547	13,882,881
Taxation	11	(485,273)	(232,242)	(1,701,357)	(3,699,969)
Profit from continuing operations		1,640,655	3,133,171	5,767,190	10,182,912
Loss from discontinued operations	14	0	(1,967,575)	0	0
Net profit for the financial year		1,640,655	1,165,596	5,767,190	10,182,912
Other comprehensive income					
- Surplus on revaluation of land and buildings		0	2,210,168	0	30,000
- Deferred tax on revaluation surplus of land and buildings		0	(218,987)	0	(7,500)
- Realisation of currency translation reserve		0	(79,707)	0	0
Total comprehensive income for the financial year		1,640,655	3,077,070	5,767,190	10,205,412
Total comprehensive income attributable to:					
Owners of the Company		1,681,260	3,077,070	5,767,190	10,205,412
Non-controlling interests		(40,605)	0	0	0
Total comprehensive income for the financial year		1,640,655	3,077,070	5,767,190	10,205,412
Earnings/(loss) per share (sen)					
Basic/diluted					
- continuing operations	12	2.10	3.92		
- discontinued operations	12	0	(2.46)		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	31.3.2013 RM	Restated 31.3.2012 RM	Restated 1.4.2011 RM
ASSETS				
Non current assets				
Property, plant and equipment	15	26,690,279	26,391,981	26,015,093
Prepaid lease payments	16	273,357	277,546	757,848
Goodwill	18	172,022	0	0
Deferred tax assets	19	0	92,439	69,402
Receivables, deposits and prepayments	20	13,907	60,070	288,504
		27,149,565	26,822,036	27,130,847
Current assets				
Property development costs	21	12,221,114	4,546,997	0
Inventories	22	23,849,893	25,587,108	25,895,378
Receivables, deposits and prepayments	20	19,734,122	17,674,326	9,524,156
Tax recoverable		518,977	689,001	1,083,906
Marketable securities	23	2,199,194	2,141,947	2,410,746
Derivative financial instruments	24	10,177	8,916	95,593
Deposits with licensed banks	25	4,453,001	4,270,120	5,696,898
Bank and cash balances	26	2,540,616	777,774	1,551,401
		65,527,094	55,696,189	46,258,078
Assets held for sale	14	0	1,442,562	0
TOTAL ASSETS		92,676,659	83,960,787	73,388,925
EQUITY				
Equity attributable to owners of the Company				
Share capital	27	40,000,000	40,000,000	40,000,000
Other reserves	28	16,144,722	16,144,722	14,233,248
Retained profits		9,175,293	7,494,033	6,328,437
		65,320,015	63,638,755	60,561,685
Non-controlling interests		(144,335)	0	0
Total equity		65,175,680	63,638,755	60,561,685

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONTINUED)

(b) Discontinued operations (continued)

	GROUP	
	2013 RM	2012 RM
Cash flows from operating activities		
Net loss for the financial year	0	(1,967,575)
Adjustments for:		
Property, plant and equipment		
- Depreciation	0	130,779
- Gain on disposals	0	(16,409)
- Write off	0	89,228
Staff loan written off	0	167,936
Inventories written off	0	469,588
Amortisation of prepaid lease payments	0	9,885
Interest expense	0	82,125
Interest income	0	(7,635)
Changes in working capital:		
Inventories	0	14,839
Receivables	0	313,112
Payables	0	(39,664)
Cash flows used in operations	0	(753,791)
Interest paid	0	(83,535)
Net operating cash flow	0	(837,326)
Cash flows from investing activities		
Payments for property, plant and equipment	0	(153,535)
Net investing cash flow	0	(153,535)
Cash flows from financing activities		
Repayments of hire-purchase creditors	0	(11,884)
Repayments of term loan	0	(85,304)
Net financing cash flow	0	(97,188)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE *(CONTINUED)*

(c) Disposal of subsidiaries

(i) Gain on disposal of subsidiaries

	GROUP
	2013
	RM
Proceeds from disposal of subsidiaries	450,000
Expenses directly attributable to the disposal	(44,054)
Net disposal proceeds	405,946
Net assets disposed of	(108,591)
Gain on disposal of subsidiaries	297,355

	COMPANY
	2013
	RM
Proceeds from disposal of subsidiaries	450,000
Expenses directly attributable to the disposal	(44,054)
Net disposal proceeds	405,946
Cost of investment in subsidiary	1,008,387
Less: Impairment losses	(1,008,387)
	0
Gain on disposal of subsidiaries	405,946

(ii) Net cash flow on disposal of subsidiaries

	GROUP	COMPANY
	2013	2013
	RM	RM
Proceeds from disposal of subsidiaries as per Share Sales Agreement	450,000	450,000
Expenses directly attributable to the disposal	(44,054)	(44,054)
Net disposal proceeds	405,946	405,946
Deposit received in previous financial year	(55,000)	(55,000)
Proceeds received during the current financial year	350,946	350,946
Cash and cash equivalents of subsidiary disposed of	(140,505)	
Net cash inflow on disposal	210,441	

There was no disposal in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land at valuation RM	Buildings at valuation RM	Buildings at cost RM	Plant and machinery at cost RM	Furniture, fittings, equipment and renovations at cost RM	Motor vehicles at cost RM	Golf course development at cost RM	Capital work in progress RM	Total RM
Cost/Valuation									
At 1 April 2012	5,550,000	16,790,000	0	7,268,082	6,142,063	2,745,891	0	205,144	38,701,180
Additions	0	0	0	255,356	235,732	187,350	55,050	443,198	1,176,686
Disposals	0	0	0	(106,550)	0	(65,000)	0	0	(171,550)
Acquisition of subsidiary	0	0	101,550	49,215	380,923	4,000	564,425	0	1,100,113
Transfers	0	0	0	0	468,806	0	0	(468,806)	0
At 31 March 2013	5,550,000	16,790,000	101,550	7,466,103	7,227,524	2,872,241	619,475	179,536	40,806,429
Accumulated depreciation									
At 1 April 2012	0	96,319	0	5,946,643	4,413,512	1,852,725	0	0	12,309,199
Charge for the financial year	0	441,564	3,385	360,500	495,500	286,167	4,938	0	1,592,054
Disposals	0	0	0	(5,129)	0	(65,000)	0	0	(70,129)
Acquisition of subsidiary	0	0	50,120	31,272	151,291	1,467	50,876	0	285,026
At 31 March 2013	0	537,883	53,505	6,333,286	5,060,303	2,075,359	55,814	0	14,116,150
Carrying value									
At 31 March 2013	5,550,000	16,252,117	48,045	1,132,817	2,167,221	796,882	563,661	179,536	26,690,279

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Freehold land at valuation RM	Buildings at valuation RM	Buildings at cost RM	Plant and machinery at cost RM	Furniture, fittings, and equipment at cost RM	Motor vehicles at cost RM	Capital work in progress RM	Total RM
Cost/Valuation								
At 1 April 2011	4,135,000	17,306,500	1,163,980	7,863,627	9,019,721	2,727,901	0	42,216,729
Transfer from accumulated depreciation on revaluation	0	(1,904,048)	0	0	0	0	0	(1,904,048)
Revaluation surplus								
- credited to profit or loss	8,333	67,579	0	0	0	0	0	75,912
- credited to equity	1,406,667	803,501	0	0	0	0	0	2,210,168
Additions	0	0	0	126,638	228,727	653,319	205,144	1,213,828
Disposals	0	0	0	(347,009)	0	(635,329)	0	(982,338)
Write off	0	0	0	(345,157)	(2,653,541)	0	0	(2,998,698)
Transfer from building at cost	0	516,468	(516,468)	0	0	0	0	0
Transfer to assets held for sale (Note 14)	0	0	(647,512)	(30,017)	(452,844)	0	0	(1,130,373)
At 31 March 2012	5,550,000	16,790,000	0	7,268,082	6,142,063	2,745,891	205,144	38,701,180
Accumulated depreciation								
At 1 April 2011	0	1,567,355	33,889	6,068,587	6,427,825	2,103,980	0	16,201,636
Transfer to cost/valuation on revaluation	0	(1,904,048)	0	0	0	0	0	(1,904,048)
Charge for the financial year	0	399,123	13,443	463,421	588,830	295,723	0	1,760,540
Disposals	0	0	0	(300,320)	0	(546,978)	0	(847,298)
Write off	0	0	0	(260,016)	(2,386,392)	0	0	(2,646,408)
Transfers from building at cost	0	33,889	(33,889)	0	0	0	0	0
Transfer to assets held for sale (Note 14)	0	0	(13,443)	(25,029)	(216,751)	0	0	(255,223)
At 31 March 2012	0	96,319	0	5,946,643	4,413,512	1,852,725	0	12,309,199
Carrying value								
At 31 March 2012	5,550,000	16,693,681	0	1,321,439	1,728,551	893,166	205,144	26,391,981

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Freehold land at valuation RM	Buildings at valuation RM	Buildings at cost RM	Plant and machinery at cost RM	Furniture, fittings, and equipment at cost RM	Motor vehicles at cost RM	Total RM
At 1 April 2011							
Cost/Valuation	4,135,000	17,306,500	1,163,980	7,863,627	9,019,721	2,727,901	42,216,729
Accumulated depreciation	0	(1,567,355)	(33 889)	(6,068,587)	(6,427,825)	(2 103 980)	(16,201,636)
Carrying value	4,135,000	15,739,145	1,130,091	1,795,040	2,591,896	623,921	26,015,093

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Building at valuation RM	Furniture, fittings and equipment at cost RM	Total RM
Cost/Valuation			
At 1 April 2012	1,200,000	575,847	1,775,847
Addition	0	6,300	6,300
As 31 March 2013	1,200,000	582,147	1,782,147
Accumulated depreciation			
At 1 April 2012	7,050	312,769	319,819
Charge for the financial year	28,200	40,446	68,646
At 31 March 2013	35,250	353,215	388,465
Carrying value			
At 31 March 2013	1,164,750	228,932	1,393,682
Cost/Valuation			
At 1 April 2011	1,300,000	575,847	1,875,847
Transfer from accumulated depreciation on revaluation	(130,000)	0	(130,000)
Revaluation surplus credited to equity	30,000	0	30,000
As 31 March 2012	1,200,000	575,847	1,775,847
Accumulated depreciation			
At 1 April 2011	110,500	272,323	382,823
Transfer to cost/valuation on revaluation	(130,000)	0	(130,000)
Charge for the financial year	26,550	40,446	66,996
At 31 March 2012	7,050	312,769	319,819
Carrying value			
At 31 March 2012	1,192,950	263,078	1,456,028

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Building at valuation RM	Furniture, fittings and equipment at cost RM	Total RM
At 1 April 2011			
Cost/Valuation	1,300,000	575,847	1,875,847
Accumulated depreciation	(110,500)	(272,323)	(382,823)
Carrying value	1,189,500	303,524	1,493,024

The details of the revaluation of land and buildings are as follows:

(i) Valuation of the building of the Company carried out by an independent valuer, Suleiman & Co Property Consultants Sdn. Bhd. on 25 October 2011 is as follows:

Description	Valuation method	Valuation amount RM
Building	Comparison method	1,200,000

(ii) Valuations of the freehold land and buildings of the subsidiaries carried out by an independent valuer, Suleiman & Co Property Consultants Sdn. Bhd. are as follows:

Description	Valuation method	Valuation date	Valuation amount RM
Freehold land	Comparison method	17 November 2011	5,550,000
Buildings	Comparison method	9 - 17 November 2011	15,590,000
			21,140,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying value of land and buildings that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation and impairment losses are as follows:

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Freehold land	1,019,735	1,019,735	1,019,735	0	0	0
Buildings	13,496,873	13,864,279	13,749,106	1,029,249	1,054,051	1,078,852
	14,516,608	14,884,014	14,768,841	1,029,249	1,054,051	1,078,852

Carrying value of property, plant and equipment pledged as securities for the borrowings of the Group and the Company as disclosed in Note 31 and Note 32 to the financial statements are RM21,664,875 (31.3.2012: RM22,243,681; 1.4.2011: RM21,004,236) and RM1,164,750 (31.3.2012: RM1,192,950; 1.4.2011: RM1,189,500) respectively.

Property, plant and equipment being acquired under hire-purchase arrangements are as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Motor vehicles			
- additions during the financial year, at cost	138,500	653,319	206,370
- carrying value at financial year end	755,431	874,433	546,862

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 PREPAID LEASE PAYMENTS

	GROUP		COMPANY	
	2013 RM	Restated 2012 RM	2013 RM	Restated 2012 RM
Carrying value				
At 1 April 2012/2011	277,546	757,848	277,546	281,736
Amortisation	(4,189)	(14,075)	(4,189)	(4,190)
Transfer to assets held for sale (Note 14)	0	(466,227)	0	0
At 31 March	273,357	277,546	273,357	277,546

The leasehold land of the Group and the Company with carrying values of RM273,357 (31.3.2012: RM743,773 ; 1.4.2011: RM757,848) and RM273,357 (31.3.2012: RM277,546; 1.4.2011: RM281,736) respectively is pledged as securities for the respective term loans of the Group and the Company as disclosed in Note 31 to the financial statements.

17 SUBSIDIARIES

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares at cost	61,804,486	62,562,873	62,562,873
Accumulated impairment losses	(26,665,441)	(27,595,850)	(27,595,850)
	35,139,045	34,967,023	34,967,023

	COMPANY	
	2013 RM	2012 RM
Accumulated impairment losses		
At 1 April 2012/2011	27,595,850	27,595,850
Impairment losses	77,978	0
Impairment losses written off upon disposal of subsidiaries	(1,008,387)	0
At 31 March	26,665,441	27,595,850

The impairment losses written off was in respect of disposal of investment in Avana Technologies (M) Sdn. Bhd. which was completed on 30 August 2012.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 SUBSIDIARIES (CONTINUED)

Details of the subsidiaries which are all incorporated in Malaysia, are as follows:

	Group's effective interest			
	31.3.2013	31.3.2012	1.4.2011	
Name of company	%	%	%	Principal activities
Caely (M) Sdn. Bhd.	100	100	100	Property development and construction activities, direct sales of undergarments, garments, leather goods, sportswear and household products and retail sales of undergarments and garments.
Classita (M) Sdn. Bhd.	100	100	100	Manufacture and sales of undergarments
Marywah Industries (M) Sdn. Bhd.	100	100	100	Manufacture and sales of undergarments and trading of related raw materials
Caely Development Sdn. Bhd.	100	100	100	Dormant
* Omni Green Sdn. Bhd. ("Omni Green") (^)	51	N/A	N/A	Operation of a golf course and other related services
Avana Technologies (M) Sdn. Bhd. ("ATMSB") (#)	0	51	51	Manufacture and marketing of automobiles accessories and trading of goods. ATMSB ceased operations in December 2011.
Subsidiaries of ATMSB				
Avana MSC Sdn. Bhd.	0	51	51	Dormant
Avana Industries Sdn Bhd	0	51	51	Dormant

* Audited by a firm other than member firms of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers Malaysia.

^ On 31 January 2013, the Company acquired 51% of the equity interest in the issued and paid-up share capital of Omni Green.

On 30 August 2012, the Company completed the disposal of its equity interests in ATMSB and as a result, both the subsidiaries of ATMSB ceased to be the Company's indirect subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 GOODWILL

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Goodwill			
Cost arising from acquisition of a subsidiary	357,964	0	0
Impairment charge for the financial year	(185,942)	0	0
Carrying value	172,022	0	0

Impairment testing for goodwill

Management reviews the business performance of the subsidiary acquired, Omni Green and the related goodwill arising from the acquisition of this subsidiary.

Omni Green did not qualify as a reportable operating segment in the current financial year and is grouped under "Others" as disclosed in Note 6(a) - Segment Reporting.

The recoverable amount is determined based on value-in-use calculations using pre-tax cash flow projections based on financial budgets approved by the directors covering financial years ending 31 March 2014, 31 March 2015 and 31 March 2016.

The key assumptions used for the value-in-use calculations in the current financial year are as follows:

(i) revenue derived from normal operations of its golf course is expected to grow at a rate of 30% and 7% for the financial years ending 31 March 2014 and 31 March 2015 respectively. No growth rate is projected for financial year ending 31 March 2016.

(ii) in addition to the operations of a golf course, Omni Green will also engage in a new operating activities in the landscaping projects assigned to it by its fellow subsidiary, Caely (M) Sdn. Bhd.

(iii) the pre-tax discount rate of 9.4% reflects the weighted average cost of capital of the Group.

Impairment loss arose due to the lower than expected growth rate in membership and green fee subsequent to its acquisition.

With regard to the assessment of value in use, the directors believe that no reasonable cause of change in any of the above key assumptions would cause the carrying value of Omni Green to be materially different from its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same tax authority.

	GROUP			COMPANY		
		Restated	Restated		Restated	Restated
	31.3.2013	31.3.2012	1.4.2011	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM	RM	RM	RM
Deferred tax assets						
- subject to income tax	0	(92,439)	(69,402)	0	0	0
Deferred tax liabilities						
- subject to income tax	1,093,724	582,624	331,092	91,083	98,518	98,452
- subject to real property gains tax	216,641	216,641	146,308	0	0	0
	1,310,365	799,265	477,400	91,083	98,518	98,452
Deferred tax liabilities (net)	1,310,365	706,826	407,998	91,083	98,518	98,452

The movements in deferred tax (assets)/liabilities during the financial year comprise the following:

	GROUP		COMPANY	
		Restated		Restated
	2013	2012	2013	2012
	RM	RM	RM	RM
At 1 April 2012/2011	706,826	407,998	98,518	98,452
Charged/(credited) to profit or loss:				
- property, plant and equipment	(83,218)	7,659	(7,435)	(7,434)
- unused tax losses	707,058	(37,969)	0	0
- other temporary differences	(20,301)	110,151	0	0
	603,539	79,841	(7,435)	(7,434)
Charged to other comprehensive income:				
- property, plant and equipment	0	218,987	0	7,500
At 31 March	1,310,365	706,826	91,083	98,518

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 DEFERRED TAX LIABILITIES (CONTINUED)

	GROUP			COMPANY		
		Restated	Restated		Restated	Restated
	31.3.2013	31.3.2012	1.4.2011	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM	RM	RM	RM
Subject to income tax:						
Deferred tax assets (before offsetting)						
- property, plant and equipment	(282,248)	(489,676)	(618,315)	0	0	0
- unused tax losses	(228,874)	(935,932)	(897,963)	0	0	0
- other temporary differences	(572,299)	(552,866)	(644,345)	0	0	0
Offsetting	1,083,421	1,886,035	2,091,221	0	0	0
Deferred tax assets (after offsetting)	0	(92,439)	(69,402)	0	0	0
Subject to income tax:						
Deferred tax liabilities (before offsetting)						
- property, plant and equipment	2,159,341	2,449,987	2,422,313	91,083	98,518	98,452
- other temporary differences	17,804	18,672	0	0	0	0
Offsetting	(1,083,421)	(1,886,035)	(2,091,221)	0	0	0
Deferred tax liabilities (after offsetting)	1,093,724	582,624	331,092	91,083	98,518	98,452
Subject to real property gains tax:						
Deferred tax liabilities	216,641	216,641	146,308	0	0	0
Deferred tax liabilities (after offsetting)	1,310,365	799,265	477,400	91,083	98,518	98,452

The tax effects of unused tax losses and unutilised capital allowances of subsidiaries determined after appropriate offsetting, for which no deferred tax assets are recognised in the financial statements of the subsidiaries are as follows:

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Unused tax losses	4,269,000	4,318,000	4,903,000
Unutilised capital allowances	215,000	188,000	178,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non current assets						
Trade receivables						
- instalment scheme B	13,907	60,070	119,666	0	0	0
Other receivables	0	0	168,838	0	0	0
	13,907	60,070	288,504	0	0	0
Current assets						
Trade receivables						
- normal trade terms	17,132,509	14,856,451	7,923,884	0	0	0
- instalment scheme B	22,028	40,744	44,328	0	0	0
	17,154,537	14,897,195	7,968,212	0	0	0
Other receivables	1,729,165	301,222	144,419	0	0	0
Deposits	80,885	59,159	172,834	9,686	10,000	10,000
Prepayments	769,535	2,416,750	1,238,691	122,458	3,909	121,790
Amounts owing by subsidiaries	0	0	0	14,513,677	5,190,267	2,503,362
	2,579,585	2,777,131	1,555,944	14,645,821	5,204,176	2,635,152
	19,734,122	17,674,326	9,524,156	14,645,821	5,204,176	2,635,152
Total receivables, deposits and prepayments	19,748,029	17,734,396	9,812,660	14,645,821	5,204,176	2,635,152
The currency profile of trade and other receivables is as follows:						
- Ringgit Malaysia	11,864,214	8,435,793	1,221,001	14,513,677	5,190,267	2,503,362
- US Dollar	5,841,762	6,208,734	5,183,184	0	0	0
- Euro	1,191,633	613,960	1,996,950	0	0	0
Total trade and other receivables	18,897,609	15,258,487	8,401,135	14,513,677	5,190,267	2,503,362

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Credit terms of trade receivables of the Group are as follows:

(i) normal trade terms - cash on delivery to 90 days (31.3.2012 and 1.4.2011: cash on delivery to 90 days);

(ii) instalment scheme A - 4 months to 12 months (This instalment scheme was fully settled in financial year 2011); and

(iii) instalment scheme B - 60 monthly instalments (31.3.2012 and 1.4.2011: 60 monthly instalments).

Non trade balances with subsidiaries are unsecured, carry market floating interest rate of 4.73% (31.3.2012: 4.75%; 1.4.2011: 4.50%) per annum and are repayable on demand.

The amount owing by a former subsidiary, Avana Technologies (M) Sdn. Bhd. of RM3,505,299 (1.4.2011: RM3,342,002) carried interest rates ranging from 8.80% to 9.10% (1.4.2011: 8.30% to 8.80%) per annum. Out of this outstanding balance, RM3,491,299 which had been impaired by the Company as of 31 March 2012 was subsequently written off during the current financial year. The remaining balance not impaired of RM14,000 has been recovered from the new shareholder of Avana Technologies (M) Sdn. Bhd. during the current financial year.

Included in other receivables of the Group as of 31 March 2013 are:

(i) advance payments made to Mutiara Intra Timur Sdn. Bhd. in relation to various construction projects of RM1,635,382 (31.3.2012 and 1.4.2011: Nil); and

(ii) proceeds receivable from sales of plant and machinery to Agri Pacific Sdn. Bhd. of RM70,000 (31.3.2012 and 1.4.2011: Nil).

21 PROPERTY DEVELOPMENT COSTS

	GROUP	
	2013	2012
	RM	RM
At 1 April 2012/2011		
Leasehold land, at cost	3,695,300	0
Development costs	851,697	0
	4,546,997	0
Add: Costs incurred during the financial year:		
Leasehold land, at cost	0	3,695,300
Premium paid for conversion of leasehold land	1,884,897	0
Development costs	5,789,220	851,697
	7,674,117	4,546,997
At 31 March	12,221,114	4,546,997

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 PROPERTY DEVELOPMENT COSTS (CONTINUED)

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Property development costs are analysed as follows:			
Leasehold land, at cost	5,580,197	3,695,300	0
Development costs	6,640,917	851,697	0
At 31 March 2013/2012/2011	12,221,114	4,546,997	0

The titles to the property development leasehold land of a subsidiary have yet to be registered in the name of the subsidiary as the titles have yet to be issued by the relevant authority as of 31 March 2013.

22 INVENTORIES

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
At cost			
Raw materials	11,483,452	9,965,433	10,322,424
Work in progress	2,103,582	3,752,780	4,022,558
Finished goods	9,712,858	11,482,877	11,389,810
Beverages	11,479	0	0
	23,311,371	25,201,090	25,734,792
At net realisable value			
Finished goods	538,522	386,018	160,586
	23,849,893	25,587,108	25,895,378

23 MARKETABLE SECURITIES

	GROUP AND COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Held for trading			
Shares in corporations and unit trusts			
- quoted in Malaysia	1,644,961	1,570,518	1,427,410
- quoted outside Malaysia	554,233	571,429	983,336
	2,199,194	2,141,947	2,410,746

The fair values of all quoted shares and unit trusts are based on quoted market prices at the financial year end in active markets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Derivative financial instruments			
Assets	10,177	8,916	95,593
Liabilities	1,950	35,331	116,203

The Group has entered into foreign currency forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

The notional principal amounts of the outstanding derivative financial instruments are as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
- foreign currency forward exchange contracts	2,839,520	4,559,374	1,976,450
- forward options	1,878,000	4,956,000	5,952,000
	4,717,520	9,515,374	7,928,450

25 DEPOSITS WITH LICENSED BANKS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Deposits with licensed banks	4,453,001	4,270,120	5,696,898
Deposits pledged for credit facilities with a licensed bank	(4,388,591)	(473,342)	(473,342)
Deposits under lien for credit facilities with a licensed bank	(64,410)	0	0
Deposits with licensed banks (unencumbered)	0	3,796,778	5,223,556
Weighted average effective interest rates per annum	3.05%	3.05%	2.75%
Weighted average maturity period (days)	95	91	89

The deposits with licensed banks of the Group are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 CASH AND CASH EQUIVALENTS

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Deposits with licensed banks (unencumbered) (Note 25)	0	3,796,778	5,223,556	0	0	0
Bank and cash balances	2,540,616	777,774	1,551,401	244,301	293,253	55,802
Bank overdrafts (Note 32)	(5,661,142)	(4,186,675)	(1,694,160)	0	0	0
	(3,120,526)	387,877	5,080,797	244,301	293,253	55,802
The currency profile of bank and cash balances is as follows:						
- Ringgit Malaysia	1,837,977	491,686	262,783	218,349	276,566	45,820
- US Dollar	280,588	268,800	564,773	0	0	0
- Hong Kong Dollar	14,107	7,150	593	14,107	7,150	593
- Euro	396,099	601	713,863	0	0	0
- Singapore Dollar	11,845	9,537	9,389	11,845	9,537	9,389
	2,540,616	777,774	1,551,401	244,301	293,253	55,802

Bank and cash balances of the Group and the Company are deposits placed in current accounts with various licensed banks in Malaysia which do not earn any interest and cash in hand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 SHARE CAPITAL

	GROUP AND COMPANY					
	31.3.2013 No. of shares	31.3.2012 No. of shares	1.4.2011 No. of shares	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Authorised:						
Ordinary shares of RM0.50 each	100,000,000	100,000,000	100,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid-up:						
Ordinary shares of RM0.50 each	80,000,000	80,000,000	80,000,000	40,000,000	40,000,000	40,000,000

28 OTHER RESERVES

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 Restated RM	1.4.2011 Restated RM	31.3.2013 RM	31.3.2012 Restated RM	1.4.2011 Restated RM
Share premium	9,419,360	9,419,360	9,419,360	9,419,360	9,419,360	9,419,360
Reserve on consolidation	80,344	80,344	80,344	0	0	0
Currency translation reserve (i)	0	0	79,707	0	0	0
Revaluation reserve (ii)	6,645,018	6,645,018	4,653,837	111,518	111,518	89,018
	16,144,722	16,144,722	14,233,248	9,530,878	9,530,878	9,508,378

(i) The currency translation reserve was in respect of exchange differences arising from the retranslation of the net investment in an investment in a jointly controlled entity in the previous financial years. With the approval obtained from the relevant authority in China to complete the voluntary liquidation of the said jointly controlled entity during the financial year ended 31 March 2012, this currency translation reserve was taken to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 OTHER RESERVES (CONTINUED)

(ii) The details of revaluation reserve are as follows:

	GROUP 2013 RM	GROUP Restated 2012 RM	COMPANY 2013 RM	COMPANY Restated 2012 RM
At 1 April 2012/2011				
- land	4,332,820	2,926,153	0	0
- buildings	3,309,224	2,505,723	151,943	121,943
	7,642,044	5,431,876	151,943	121,943
Net surplus arising from revaluation carried out in November 2011				
- land	0	1,406,667	0	0
- buildings	0	812,991	0	30,000
- clawback of surplus on buildings	0	(9,490)	0	0
	0	2,210,168	0	30,000
At 31 March				
- land	4,332,820	4,332,820	0	0
- buildings	3,309,224	3,309,224	151,943	151,943
	7,642,044	7,642,044	151,943	151,943
Deferred tax liabilities				
At 1 April 2012/2011	997,026	778,039	40,425	32,925
Additions	0	273,581	0	7,500
Clawback of surplus	0	(2,562)	0	0
Effect of change in tax rate	0	(52,032)	0	0
	0	218,987	0	7,500
At 31 March	997,026	997,026	40,425	40,425
Revaluation reserve, net of tax	6,645,018	6,645,018	111,518	111,518

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29 PAYABLES AND ACCRUALS

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non current liabilities						
Other payables	33,090	53,990	74,889	0	0	0
Amounts owing to subsidiaries	0	0	0	10,196,498	6,347,653	14,139,174
	33,090	53,990	74,889	10,196,498	6,347,653	14,139,174
Current liabilities						
Trade payables	8,355,497	8,185,376	4,574,374	0	0	0
Other payables	1,022,265	507,922	396,940	317,600	55,000	0
Accruals	1,956,781	1,947,813	1,999,604	274,369	262,380	246,555
Amounts owing to subsidiaries	0	0	0	6,000,000	6,000,000	6,000,000
Amounts owing to a jointly controlled entity	0	0	33,129	0	0	0
Amount owing to a director	467,503	0	0	0	0	0
	3,446,549	2,455,735	2,429,673	6,591,969	6,317,380	6,246,555
	11,802,046	10,641,111	7,004,047	6,591,969	6,317,380	6,246,555
Total payables and accruals	11,835,136	10,695,101	7,078,936	16,788,467	12,665,033	20,385,729
The currency profile of trade and other payables and accruals is as follows:						
- Ringgit Malaysia	9,688,152	8,681,350	4,523,908	16,788,467	12,665,033	20,385,729
- US Dollar	1,052,335	960,115	1,542,228	0	0	0
- Chinese Renminbi	1,066,232	982,661	923,633	0	0	0
- Others	28,417	70,975	89,167	0	0	0
Total payables and accruals	11,835,136	10,695,101	7,078,936	16,788,467	12,665,033	20,385,729

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (31.3.2012 and 1.4.2011: cash on delivery to 90 days).

Non trade amounts owing to subsidiaries of the Company are unsecured, carry market floating interest rate of 4.73% (31.3.2012: 4.75%; 1.4.2011: 4.50%) per annum and are repayable within a period of 5 years for amounts classified under non current liabilities (31.3.2012 and 1.4.2011: 7 years).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29 PAYABLES AND ACCRUALS (CONTINUED)

Included in other payables of the Group is sales tax payable of RM53,989 (31.3.2012: RM74,889; 1.4.2011: RM95,788) via instalments over a period of 5 years. The amount is unsecured and interest free.

The other payable of the Company of RM317,600 as of 31 March 2013 represents outstanding balance due to be payable with regards to the acquisition of 51% equity interest in Omni Green Sdn. Bhd.

The other payable of the Company of RM55,000 as of 31 March 2012 represented deposit received for the disposal of the 51% interest in a subsidiary, Avana Technologies (M) Sdn. Bhd. ("ATMSB"). The disposal of ATMSB was duly completed on 30 August 2012.

The amount owing to a director is unsecured, interest free and has no fixed terms of repayment.

30 HIRE-PURCHASE CREDITORS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Future minimum hire-purchase payments:			
- Payable within one year	261,916	222,866	248,428
- Payable later than one year but not later than two years	241,542	219,976	131,798
- Payable later than two years but not later than five years	215,847	366,458	284,270
	719,305	809,300	664,496
Less: Finance charges	(59,790)	(81,701)	(76,985)
Present value of hire-purchase liabilities	659,515	727,599	587,511
Analysis of present value of hire-purchase liabilities:			
Current			
Payable within one year	229,181	186,416	210,590
Non Current			
Payable later than one year but not later than two years	222,158	194,869	109,230
Payable later than two years but not later than five years	208,176	346,314	267,691
	430,334	541,183	376,921
	659,515	727,599	587,511

All hire-purchase creditors of the Group are denominated in Ringgit Malaysia. The effective interest rates of hire-purchase creditors of the Group ranged from 4.55% to 8.23% (31.3.2012: 4.55% to 6.98%; 1.4.2011: 5.35% to 6.98%) per annum.

Hire-purchase creditors are effectively secured as the rights to the leased assets revert to the lessors in the event of default.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 TERM LOANS

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Term loan 1	203,844	346,185	478,228	203,844	346,185	478,228
Term loan 2	5,000,000	0	0	0	0	0
Term loan 3	0	0	762,957	0	0	0
	5,203,844	346,185	1,241,185	203,844	346,185	478,228
Current						
Repayable within one year	477,318	153,544	228,615	153,544	153,544	143,304
Non current						
Repayable later than one year and not later than five years	1,745,132	192,641	727,993	50,300	192,641	334,924
Repayable later than five years	2,981,394	0	284,577	0	0	0
	4,726,526	192,641	1,012,570	50,300	192,641	334,924
	5,203,844	346,185	1,241,185	203,844	346,185	478,228

Term loan 1 is repayable by 120 instalments commencing July 2004. It is secured by fixed charges over a leasehold land and building of the Company.

Term loan 2 is repayable by 120 instalments commencing April 2013. Proceeds drawn from this term loan were utilised by the subsidiary, Classita (M) Sdn. Bhd. ("Classita") to facilitate the take-over of the outstanding overdraft balances granted to the subsidiaries, Caely (M) Sdn. Bhd. ("Caely (M)") and Marywah Industries (M) Sdn. Bhd. ("Marywah") by their bank, with the remaining balance of the term loan being used for working capital requirements of Classita. It is secured by fixed charges over land and buildings of Caely (M) and Marywah. This term loan is also guaranteed by the holding company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 TERM LOANS (CONTINUED)

Term loan 3 of a former subsidiary was repayable by 120 instalments commencing November 2008. It was secured by the leasehold land and building of the said subsidiary and covered by a personal guarantee from one of its directors.

	GROUP			COMPANY		
	31.3.2013 %	31.3.2012 %	1.4.2011 %	31.3.2013 %	31.3.2012 %	1.4.2011 %
These term loans have effective interest rates per annum as follows:						
Term loan 1	7.60	7.60	7.30	7.60	7.60	7.30
Term loan 2	7.10	N/A	N/A	N/A	N/A	N/A
Term loan 3	N/A	N/A	6.30	N/A	N/A	N/A

The interests on these loans are calculated based on floating interest rates which may be varied any time at the banks discretions.

All term loans are denominated in Ringgit Malaysia.

32 SHORT TERM BANK BORROWINGS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Secured			
Trade finance liabilities	0	0	769,000
Foreign currency revolving credit	2,029,625	1,955,500	469,950
Bank overdrafts	3,856,373	1,550,290	1,498,380
	5,885,998	3,505,790	2,737,330
Unsecured			
Trade finance liabilities	797,457	110,000	392,000
Bank overdrafts	1,804,769	2,636,385	195,780
	2,602,226	2,746,385	587,780
Total			
Foreign currency revolving credit and trade finance liabilities	2,827,082	2,065,500	1,630,950
Bank overdrafts	5,661,142	4,186,675	1,694,160
	8,488,224	6,252,175	3,325,110

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 SHORT TERM BANK BORROWINGS (CONTINUED)

The short term bank borrowings of the subsidiaries are secured, where applicable, by the following:

(i) fixed charges on the land and buildings of the respective subsidiaries;
(ii) deposits pledged with a licensed bank of RM4,388,591 (31.3.2012 and 1.4.2011: RM473,342) of a subsidiary;
(iii) deposits under lien with a licensed bank as disclosed in Note 25 to the financial statements; and
(iv) assignment of contract payment with Facility/Loan Agreement.

Certain short term bank borrowings of the subsidiaries are also covered by negative pledge and/or guaranteed by the Company.

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
The currency profile of short term bank borrowings is as follows:			
- Ringgit Malaysia	6,458,599	4,296,675	2,855,160
- US Dollar	2,029,625	1,955,500	469,950
	8,488,224	6,252,175	3,325,110

	GROUP		
	31.3.2013 %	31.3.2012 %	1.4.2011 %
Weighted average effective interest rates at the end of the reporting period are as follows:			
- trade finance facilities	7.85	4.73	5.60
- foreign currency revolving credit	2.90	3.61	3.40
- bank overdrafts	7.86	7.95	7.90

The ranges of credit periods of these short term borrowings are as follows:

	GROUP		
	31.3.2013 Days	31.3.2012 Days	1.4.2011 Days
Trade finance liabilities	137 - 145	147	147 - 149
Foreign currency revolving credit	90 - 92	90	183

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have the following significant transactions with related parties based on terms agreed between the parties:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Management fees charged to subsidiaries:				
- Caely (M) Sdn. Bhd.	0	0	108,000	108,000
- Classita (M) Sdn. Bhd.	0	0	60,000	60,000
Dividend received/receivable from a subsidiary				
- Classita (M) Sdn. Bhd.	0	0	7,814,313	15,000,120
Interest expense paid/payable to subsidiaries:				
- Caely (M) Sdn. Bhd.	0	0	0	(40,883)
- Classita (M) Sdn. Bhd.	0	0	(473,300)	(745,573)
Interest income received/ receivable from subsidiaries:				
- Caely (M) Sdn. Bhd.	0	0	234,536	34,299
- Marywah Industries (M) Sdn. Bhd.	0	0	80,104	88,073

(b) Key management compensation

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Salaries and other short term employee benefits (including monetary value of benefits-in-kind)	995,895	954,395	218,700	220,600
Post employment benefits	116,579	108,512	0	0
	1,112,474	1,062,907	218,700	220,600

Key management compensation includes directors' fees and directors' emoluments as disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34 NON CASH TRANSACTIONS

The principal non cash transactions of the Group during the financial year are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Purchase of property, plant and equipment by means of hire-purchase financing	125,200	509,000	0	0
Deposit for purchase of property, plant and equipment made in previous financial year	0	100,000	0	0
Proceeds from disposal of vehicle used for settlement of hire-purchase directly	0	104,759	0	0

35 CAPITAL COMMITMENT

	GROUP	
	2013 RM	2012 RM
Approved capital expenditure not provided for in the financial statements:		
Property, plant and equipment		
- contracted	52,964	294,856

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Financial assets						
Financial asset measured at fair value through profit or loss:						
- Marketable securities	2,199,194	2,141,947	2,410,746	2,199,194	2,141,947	2,410,746
- Derivative financial assets	10,177	8,916	95,593	0	0	0
	2,209,371	2,150,863	2,506,339	2,199,194	2,141,947	2,410,746
Loans and receivables at amortised cost:						
- Trade and other receivables excluding prepayments	18,978,494	15,317,646	8,573,969	9,686	10,000	10,000
- Amounts owing by subsidiaries	0	0	0	14,513,677	5,190,267	2,503,362
- Deposits with licensed banks	4,453,001	4,270,120	5,696,898	0	0	0
- Bank and cash balances	2,540,616	777,774	1,551,401	244,301	293,253	55,802
	25,972,111	20,365,540	15,822,268	14,767,664	5,493,520	2,569,164
Total	28,181,482	22,516,403	18,328,607	16,966,858	7,635,467	4,979,910
Financial liabilities						
Financial liabilities measured at fair value through profit or loss:						
- Derivative financial liabilities	1,950	35,331	116,203	0	0	0
Other financial liabilities at amortised cost:						
- Hire-purchase creditors	659,515	727,599	587,511	0	0	0
- Term loans	5,203,844	346,185	1,241,185	203,844	346,185	478,228
- Short term bank borrowings	8,488,224	6,252,175	3,325,110	0	0	0
- Payables and accruals excluding statutory liabilities	11,781,148	10,620,212	6,983,148	591,969	317,380	246,555
- Amounts owing to subsidiaries	0	0	0	16,196,498	12,347,653	20,139,174
	26,132,731	17,946,171	12,136,954	16,992,311	13,011,218	20,863,957
Total	26,134,681	17,981,502	12,253,157	16,992,311	13,011,218	20,863,957

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's overall financial risk management objectives and policies are to ensure that the Group creates value and maximises returns for its shareholders. Financial risk management is carried out through risk review, internal control systems, bench marking to the industry's best practices and adherence to the Group's financial risk management policies. The main risks arising from the financial instruments of the Group are market risk, price risk, credit risk and liquidity risk. Management monitors the Group's financial position closely with the objective to minimise potential adverse effects on the financial performance of the Group. The nature of these risks and the Group's approaches in managing these risks are listed below:

(i) Market risk

(a) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the changes in foreign exchange rates. The Group is exposed to foreign currency exchange risk as a result of its normal trade activities that are denominated in currencies other than Ringgit Malaysia.

The Group's sales are mostly denominated in US Dollar and to a lesser extent the Euro whilst purchases are denominated in US Dollar, Chinese Renminbi and Ringgit Malaysia.

The Group mitigates its foreign currency exchange risk through the natural hedge of operating foreign currency accounts using the deposits from its export proceeds to pay imported purchases where both are denominated in the same foreign currency. The Group also enters into foreign currency forward contracts for both export proceeds and import purchases.

Sensitivity analysis for foreign currency exchange risk

Based on the currency profile of receivables and payables as disclosed in the respective Notes 20 and 29 to the financial statements respectively, the sensitivity analysis of foreign currency exchange risk (excluding those hedged via forward contracts) is calculated based on fluctuations in historical exchange rates for the past three years for the major currencies transacted by the Group against Ringgit Malaysia at the end of the financial year. This analysis assumes that all other variables are held constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Market risk (continued)

(a) Foreign currency exchange risk (continued)

	Estimated % increase		Impact on profit or loss	
	2013	2012	2013	2012
	%	%	RM	RM
Group				
Foreign currency strengthens against RM				
- US Dollar	2	6	+58,000	+45,000
- Euro	3	5	+30,000	+31,000
- Chinese Renminbi	1	3	-2,000	-29,000

Conversely, weakening of major currencies against Ringgit Malaysia by the above percentages would have had equal but opposite effects on the results of the Group shown above on the basis that all other variables remain constant.

The Group is not exposed to significant foreign currency exchange risk.

(b) Interest rate risk

The Group's exposure to changes in interest rates relates mainly to debt obligations and deposits placed with financial institutions in Malaysia. Majority of the borrowings are contracted on variable terms.

Sensitivity analysis for interest rate risk

Assuming all variables remain constant, an increase in interest rate by 0.5% (2012: 0.5%) on financial assets and liabilities of the Group which have variable interest rates would have an impact on the Group's profit or loss as shown below:

	Impact on profit or loss	
	2013	2012
	RM	RM
Group		
Increase in interest rate:		
- bank borrowings	-67,000	-31,000
- deposits with licensed banks	+158,000	+152,000

Conversely, a decrease in interest rate by 0.5% on financial assets and liabilities of the Group would have had equal but opposite effect on the amounts shown above on the basis that all other variables remain constant.

The impact of fluctuation in interest rate risk on the results of the Group is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company is exposed to price risk arising from its investments in quoted shares and unit trusts. These quoted shares and unit trusts are listed on Bursa Malaysia or overseas' exchanges and are classified as fair value through profit or loss.

At the end of the reporting period, if both the FTSE Bursa Malaysia KLCI and other overseas markets had been 5% (2012: 5%) higher/lower, with all other variables held constant, the Group's and the Company's net profit would have been RM109,960 (2012: RM107,000) higher/lower, as a result of an increase/decrease in the fair value of these quoted shares and unit trusts.

(iii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and deposits and bank balances.

The Group operates locally in Malaysia for its direct selling, retail activities and construction. The Group also exports its ladies undergarment products mostly to Europe, Canada, Japan, Hong Kong, Singapore and the United States of America. For the local market, where a substantial portion of its revenue is transacted on credit terms and instalment schemes, the Group applies due credit approval and monitoring processes and assesses the credit worthiness of its customers on a periodic basis. For overseas customers, most of the trade debtors are secured via Letter of Credit or Document Against Payment at Sight.

Time deposits and cash and bank balances are placed with reputable banks. The likelihood of non-performance by these banks is remote based on their high credit ratings.

Credit risk concentration profile

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, who are involved in the manufacture of consumer and industry products, direct selling and construction activity. The Group considers the risk of default by the trade receivables relating to its construction activity to be negligible as the contract is under Kementerian Kemajuan Luar Bandar Dan Wilayah. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. The Group believes that no additional credit risk beyond amounts allowed for collection losses is inherent in its trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Ageing analysis

The ageing analysis of the loans and receivables of the Group and the Company is as follows:

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Neither past due nor impaired						
- derivative financial assets	10,177	8,916	0	0	0	0
- trade receivables	9,382,966	7,764,369	6,097,781	0	0	0
- other receivables and deposits	1,810,050	360,381	486,091	9,686	10,000	10,000
- amounts owing by subsidiaries	0	0	0	14,513,677	5,190,267	2,503,362
- deposits with licensed banks	4,453,001	777,774	1,551,401	0	0	0
- bank and cash balances	2,540,616	4,270,120	5,696,898	244,301	293,253	55,802
	18,196,810	13,181,560	13,832,171	14,767,664	5,493,520	2,569,164
Trade receivables:						
Past due but not impaired						
1 to 60 days past due	3,049,252	6,483,904	1,562,424	0	0	0
61 to 120 days past due	1,467,420	173,526	126,692	0	0	0
More than 121 days past due	3,268,806	535,466	300,981	0	0	0
	7,785,478	7,192,896	1,990,097	0	0	0
	25,982,288	20,374,456	15,822,268	14,767,664	5,493,520	2,569,164
Trade receivables:						
Impaired	2,694,748	2,916,781	3,020,237	0	3,491,299	3,342,002
Total	28,677,036	23,291,237	18,842,505	14,767,664	8,984,819	5,911,166

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Credit risk (continued)

Receivables that are neither past due nor impaired

Deposits and bank balances are mainly deposits placed with reputable licensed banks in Malaysia. Amounts owing by subsidiaries are repayable on demand and are within the treasury arrangements controlled within the Group. Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors with good historical payment records with the Group. Majority of the Group's trade receivables arise from customers with more than 5 years of experience with the Group and with insignificant losses noted.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

As of 31 March 2013, the Group has trade receivables of RM7,785,478 (31.3.2012: RM7,192,896; 1.4.2011: RM1,990,097) which were past due but not impaired. These debts relate to a number of independent customers for whom there is no recent history of default. A portion of these debts is outstanding from the construction contract. Certain portions of these debts have been repaid subsequent to the financial year end.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	GROUP			COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Receivables						
Nominal amount of individually impaired debt	2,694,748	2,916,781	3,020,237	0	3,491,299	3,342,002
Allowance for doubtful debts	(2,694,748)	(2,916,781)	(3,020,237)	0	(3,491,299)	(3,342,002)
	0	0	0	0	0	0

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Movements in allowance accounts:				
At 1 April 2012/2011	2,916,781	3,020,237	3,491,299	3,342,002
Charge for the financial year				
- continuing operation	49,891	220,859	0	149,297
- discontinued operation	0	63,000	0	0
Allowance written back	(271,924)	(127,895)	0	0
Write off against allowance for discontinued operation	0	(259,420)	(3,491,299)	0
At 31 March	2,694,748	2,916,781	0	3,491,299

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Credit risk (continued)

Receivables that are impaired (continued)

Trade receivables of the Group that are individually impaired at the end of the reporting period relates mainly to specific doubtful debtors in financial difficulties who have defaulted on payments. The impairment in respect of previous financial year was in respect of a specific direct sales scheme which was aborted during the financial year 2011. The directors considered this allowance made to be non-recurring and this specific direct sale scheme was discontinued in the financial year 2011. These receivables are not secured by any collateral or credit enhancements.

The allowance made at the Company level related to debts due from a former subsidiary disposed during the current financial year.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group maintains sufficient cash and ensures availability of funding through an adequate but flexible amount of credit facilities obtained from financial institutions in Malaysia. Borrowings are maintained with varying maturities to ensure sufficient cash inflow from operations is available to meet all repayment requirements.

The table below summaries the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	31.3.2013			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Non-derivative financial liabilities:				
Trade and other payables	11,781,147	0	0	11,781,147
Hire-purchase creditors	261,916	457,389	0	719,305
Term loans	863,532	2,850,010	3,561,935	7,275,477
Short term bank borrowings	8,488,224	0	0	8,488,224
Total undiscounted financial obligations	21,394,819	3,307,399	3,561,935	28,264,153
Derivative financial liabilities: Gross-settled currency forwards				
- receipts	926,100	0	0	926,100
- payments	(928,050)	0	0	(928,050)
	(1,950)	0	0	(1,950)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Liquidity risk (continued)

	31.3.2012			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Non-derivative financial liabilities:				
Trade and other payables	10,620,212	0	0	10,620,212
Hire-purchase creditors	222,866	586,434	0	809,300
Term loans	153,544	192,641	0	346,185
Short term bank borrowings	6,252,175	0	0	6,252,175
Total undiscounted financial obligations	17,248,797	779,075	0	18,027,872
Derivative financial liabilities:				
Gross-settled currency forwards				
- receipts	7,864,400	0	0	7,864,400
- payments	(7,899,731)	0	0	(7,899,731)
	(35,331)	0	0	(35,331)

	1.4.2011			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Non-derivative financial liabilities:				
Trade and other payables	6,950,019	0	0	6,950,019
Amounts owing to related parties	33,129	0	0	33,129
Hire-purchase creditors	248,428	416,068	0	664,496
Term loans	288,924	876,251	297,507	1,462,682
Short term bank borrowings	3,325,110	0	0	3,325,110
Total undiscounted financial obligations	10,845,610	1,292,319	297,507	12,435,436
Derivative financial liabilities:				
Gross-settled currency forwards				
- receipts	2,032,500	0	0	2,032,500
- payments	(2,148,703)	0	0	(2,148,703)
	(116,203)	0	0	(116,203)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Liquidity risk (continued)

	31.3.2013			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Company				
Non-derivative financial liabilities:				
Trade and other payables	591,969	0	0	591,969
Amounts owing to related parties	6,000,000	10,196,498	0	16,196,498
Term loan	163,776	50,986	0	214,762
Total undiscounted financial obligations	6,755,745	10,247,484	0	17,003,229

	31.3.2012			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Company				
Non-derivative financial liabilities:				
Trade and other payables	317,380	0	0	317,380
Amounts owing to related parties	6,000,000	6,347,653	0	12,347,653
Term loan	153,544	192,641	0	346,185
Total undiscounted financial obligations	6,470,924	6,540,294	0	13,011,218

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Liquidity risk (continued)

	1.4.2011			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Company				
Non-derivative financial liabilities:				
Trade and other payables	246,555	0	0	246,555
Amounts owing to related parties	6,000,000	12,000,000	2,139,174	20,139,174
Term loan	163,776	375,659	0	539,435
Total undiscounted financial obligations	6,410,331	12,375,659	2,139,174	20,925,164

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain wholly-owned subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. These bank borrowings amounted to RM13,992,178 (31.3.2012: RM7,290,425; 1.4.2011: RM3,634,947) at financial year end.

The financial guarantees have not been recognised as the amounts are not material.

(v) Capital risk

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

Management monitors capital based on shareholders' equity attributable to the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37 CONSTRUCTION CONTRACTS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At cost			
Aggregate costs incurred to date	26,393,915	6,487,923	0
Attributable profit less recognised losses	6,508,749	2,770,756	0
	32,902,664	9,258,679	0
Progress billings	(32,902,664)	(9,258,679)	0
	0	0	0
Retention on contracts included in:			
- Trade receivables	2,896,582	1,044,028	0

38 IMPACT OF TRANSITION TO MFRS AND CHANGES TO COMPARATIVES

As stated in Note 2 to the financial statements, these are the first financial statements of the Group and of the Company prepared in accordance with MFRS.

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from FRSs to MFRSs for the respective periods noted for equity and total comprehensive income.

Reconciliation of equity

	GROUP		COMPANY	
	31.3.2012 RM	1.4.2011 RM	31.3.2012 RM	1.4.2011 RM
Total equity as previously reported under FRS	63,674,337	60,597,807	31,358,462	21,153,590
Add transitioning adjustments:				
Fair value as deemed cost on leasehold land classified as operating lease	(47,622)	(48,162)	(47,622)	(48,162)
Deferred tax arising from transitioning adjustments	12,040	12,040	12,040	12,040
Total equity upon transition to MFRS	63,638,755	60,561,685	31,322,880	21,117,468

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38 IMPACT OF TRANSITION TO MFRS AND CHANGES TO COMPARATIVES (CONTINUED)

Reconciliation of total comprehensive income

	GROUP 2012 RM	COMPANY 2012 RM
Total comprehensive income as reported under FRS	3,076,530	10,204,872
Add transitioning adjustment:		
Amortisation of prepaid lease payments	540	540
Total comprehensive income upon transition to MFRS	3,077,070	10,205,412

The transition from FRS to MFRS has had no effect on the reported cash flows generated by the Group and the Company. The reconciliation of relevant items in the Statements of Financial Position, Statements of Comprehensive Income and Statements of Cash Flows are shown below:

		— Transition to MFRS —		
	As previously reported under FRS RM	Adjustment to opening balances RM	Adjustment to prior period RM	As restated under MFRS RM
GROUP				
Statement of Financial Position				
At 31 March 2012				
Retained profits	(7,492,780)	(1,253)	0	(7,494,033)
Other reserves	(16,181,557)	36,835	0	(16,144,722)
Deferred tax liabilities	(811,305)	12,040	0	(799,265)
Prepaid lease payments	325,168	(47,622)	0	277,546
At 1 April 2011				
Retained profits	(6,327,724)	(713)	0	(6,328,437)
Other reserves	(14,270,083)	36,835	0	(14,233,248)
Deferred tax liabilities	(489,440)	12,040	0	(477,400)
Prepaid lease payments	806,010	(48,162)	0	757,848

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38 IMPACT OF TRANSITION TO MFRS AND CHANGES TO COMPARATIVES (CONTINUED)

		— Transition to MFRS —		
	As previously reported under FRS RM	Adjustment to opening balances RM	Adjustment to prior period RM	As restated under MFRS RM
GROUP				
Statement of comprehensive income				
For the financial year ended 31 March 2012				
Administrative expenses	(8,270,961)	0	540	(8,270,421)
Net profit for the financial year	1,165,056	0	540	1,165,596
Statement of cash flows				
For the financial year ended 31 March 2012				
Amortisation of prepaid lease payments	(4,730)	0	540	(4,190)
Profit from continuing operations	3,132,631	0	540	3,133,171
COMPANY				
Statement of Financial Position				
At 31 March 2012				
Accumulated losses	18,209,251	(1,253)	0	18,207,998
Other reserves	(9,567,713)	36,835	0	(9,530,878)
Deferred tax liabilities	(110,558)	12,040	0	(98,518)
Prepaid lease payments	325,168	(47,622)	0	277,546
At 1 April 2011				
Accumulated losses	28,391,623	(713)	0	28,390,910
Other reserves	(9,545,213)	36,835	0	(9,508,378)
Deferred tax liabilities	(110,492)	12,040	0	(98,452)
Prepaid lease payments	329,898	(48,162)	0	281,736
Statement of Comprehensive Income				
For the financial year ended 31 March 2012				
Administrative expenses	(386,113)	0	540	(385,573)
Net profit for the financial year	10,182,372	0	540	10,182,912

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38 IMPACT OF TRANSITION TO MFRS AND CHANGES TO COMPARATIVES (CONTINUED)

	As previously reported under FRS RM	Transition to MFRS — Adjustment to opening balances RM	Adjustment to prior period RM	As restated under MFRS RM
COMPANY				
Statement of cash flows				
For the financial year ended 31 March 2012				
Amortisation of prepaid lease payments	(4,730)	0	540	(4,190)
Profit from continuing operations	10,182,372	0	540	10,182,912

39 BUSINESS COMBINATION

(a) Acquisition during the current financial year

On 31 January 2013, the Group acquired 51% interest in Omni Green which is incorporated in Malaysia. Upon acquisition, the Group assumed liabilities of RM150,000 being settlement sum for advances due by Omni Green to its creditors and its related corporations. The purchase consideration and settlement sum of RM250,000 and RM150,000 respectively were satisfied by cash payment of RM82,400 and other consideration comprising two units of single storey terrace house fair valued by the directors at RM317,600.

	RM
Purchase consideration:	
Cash paid	82,400
Balance sum settled via other consideration (partial)	167,600
	250,000
Fair values of net liabilities assumed - shown as below	107,964
Goodwill	357,964
Acquisition - related costs (included in administrative expenses) in the consolidated comprehensive income for the financial year ended 31 March 2013	752

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 BUSINESS COMBINATION (CONTINUED)

(a) Acquisition during the current financial year (continued)

The assets and liabilities as of 31 January 2013 arising from the acquisition were as follows:

	RM
Property, plant and equipment	815,087
Inventories	10,767
Trade receivables	45,739
Other receivables and deposits	98,828
Cash and bank balances	(35,815)
Trade payables	(232,353)
Other payables and accruals	(354,451)
Amount owing to a director	(559,496)
Net liabilities	(211,694)
Less: Non-controlling interests	103,730
Net liabilities acquired	(107,964)
Goodwill	357,964
Purchase consideration	250,000
Purchase consideration satisfied via cash	82,400
Less: Cash and cash equivalents acquired	35,815
Cash outflow on acquisition	118,215

(b) Acquisition in the preceding financial year

There were no significant acquisitions during the financial year ended 31 March 2012.

40 SUBSEQUENT EVENT OCURRING AFTER BALANCE SHEET DATE

On 22 July 2013, a subsidiary, Caely (M) Sdn Bhd ("Caely (M)") entered into a Joint Venture Agreement with Kismajaya Sdn Bhd ("KJSB") to develop an abandoned project ("Abandoned Project") located on a piece of leasehold land held under Master Title No. PN 7136, Lot 6995 Mukim of Ulu Kelang, District of Gombak, Selangor Darul Ehsan ("Master Land").

The Master Land is charged to BI Credit and Leasing Berhad for a loan undertaken by the previous developer. The previous developer had failed to repay the said outstanding loan. Caely (M) has agreed to settle the said outstanding loan of approximately RM6,400,000 before commencing the development of the Abandoned Project. Caely (M) is wholly and exclusively responsible for all the financial interests of the development of the Abandoned Project. KJSB shall share its portion of financial benefits that will result from the development of the Abandoned Project for a total consideration of RM1,000,000 as a condition precedent to be agreed by Caely (M).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

41 REALISED AND UNREALISED PROFITS/LOSSES

The following analysis of realised and unrealised profits/losses at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

The retained profits/(accumulated losses) as at the reporting date are analysed as follows:

	GROUP		COMPANY	
		Restated		Restated
	2013	2012	2013	2012
	RM	RM	RM	RM
Retained profits/(accumulated losses):				
- realised	40,393,920	33,689,505	(12,367,286)	(17,930,594)
- unrealised	(1,361,555)	(876,241)	(73,522)	(277,404)
	39,032,365	32,813,264	(12,440,808)	(18,207,998)
Less: Consolidation adjustments	(29,857,072)	(25,319,231)	0	0
Total retained profits/(accumulated losses) as at 31 March	9,175,293	7,494,033	(12,440,808)	(18,207,998)

The disclosure of realised and unrealised profits/losses above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

LANDED PROPERTIES

AS AT 31 MARCH 2013

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	Net book value RM
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Land	Leasehold	05.04.2078	2,300	25.10.2011	273,358
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building (4 storey shophouse)	Leasehold 9 years	05.04.2078	9,060	25.10.2011	1,164,750
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	45,466	17.11.2011	800,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	2-storey hostel	Freehold 18 years	-	15,250	17.11.2011	437,008
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 16 years	-	11,100	17.11.2011	397,202
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 14 years	-	28,140	17.11.2011	1,595,092
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	274,972	17.11.2011	4,700,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 17 years	-	69,928	17.11.2011	5,097,740
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 10 years	-	76,800	17.11.2011	6,239,081

LANDED PROPERTIES (CONTINUED)

AS AT 31 MARCH 2013

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	Net book value RM
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½-storey Factory Building	Freehold 7 years	-	8,400	17.11.2011	507,526
Lot No. 2661, Geran 2292 Mukim of Durian Sebatang, District of Hilir Perak	1-storey Hostel	Freehold 7 years	-	7,200	17.11.2011	294,599
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Surau	Freehold 7 years	-	625	17.11.2011	22,365
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Factory Building	Freehold 7 years	-	1,980	17.11.2011	70,984
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land and Building (2-storey residential property for staff)	Freehold 12 years	-	1,200 1,693	09.11.2011	50,000 87,242
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1- storey hostel	Freehold 6 year	-	7,200	17.11.2011	338,527
Tapah Road, Plot 31, 32 and 39, Mukim of Batang Padang, District of Batang Padang	Land	Leasehold	15.02.2112	52.79 acres	27.06.2011	3,695,300

ANALYSIS OF SHAREHOLDINGS

AS AT 5 AUGUST 2013

Authorised Capital	:	RM50,000,000
Issued and Paid-up Capital	:	RM40,000,000
Class of shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	1 vote per ordinary share
No. of Shareholders	:	2,334

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 5 AUGUST 2013

Size of shareholding	No. of shareholders	%	No. of Shares	% of Issued Capital
1-99	70	3.00	1,088	Negligible
100 – 1,000	483	20.69	394,381	0.49
1,001 – 10,000	1,232	52.78	6,025,062	7.53
10,001 – 100,000	464	19.88	15,053,469	18.82
100,001 – 4,000,000	82	3.51	32,744,000	40.93
4,000,001 and above	3	0.13	25,782,000	32.23

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDER AS AT 5 AUGUST 2013

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datin Fong Nyok Yoon	13,130,000	16.41	12,652,000 [a]	15.82
Dato' Chuah Chin Lai	12,652,000	15.82	13,130,000 [b]	16.41

Notes:-

(a) Deemed interested by virtue of the shareholdings of her spouse, Dato' Chuah Chin Lai.

(b) Deemed interested by virtue of the shareholdings of his spouse, Datin Fong Nyok Yoon.

DIRECTORS' SHAREHOLDINGS AS AT 5 AUGUST 2013

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datin Fong Nyok Yoon	13,130,000	16.41	12,652,000 [a]	15.82
Dato' Chuah Chin Lai	12,652,000	15.82 [b]	13,130,000 [c]	16.41
Siow Hock Lee	-	-	135,500 [d]	0.17
Ooi Say Teik	-	-	-	
Hem Kan @ Chan Hong Kee	-	-	-	

Notes:-

(a) Deemed interested by virtue of the shareholdings of her spouse, Dato' Chuah Chin Lai.

(b) 5,768,000 shares are held through nominee companies.

(c) Deemed interested by virtue of the shareholdings of his spouse, Datin Fong Nyok Yoon.

(d) Deemed interested by virtue of the shareholdings of his spouse, Chen Bee Yoke.

ANALYSIS OF SHAREHOLDINGS *(CONTINUED)*

THIRTY LARGEST SHAREHOLDERS AS PER THE REGISTER OF MEMBERS AS AT 31 JULY 2012

	Name of Shareholder	No. Shares Held	%
1	DATIN FONG NYOK YOON	13,130,000	16.41
2	CHUAH CHIN LAI	6,884,000	8.61
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' CHUAH CHIN LAI (474038)	5,768,000	7.21
4	CHONG JONG SIEW	2,943,300	3.68
5	JELAPANG JASA SDN BHD	2,880,000	3.60
6	FONG YOKE MOOI	2,668,900	3.34
7	FONG CHONG SENG	2,180,800	2.73
8	TAN YENG FATT	2,008,100	2.51
9	TAN YENG FATT	1,276,400	1.60
10	NG CHOO BENG	1,200,000	1.50
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GAIK SUAN	820,400	1.03
12	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR HORIZON GROWTH FUND N.V.	725,500	0.91
13	LEE YU YONG @ LEE YUEN YING	680,000	0.85
14	TEO BOON HUANG ANDY	672,400	0.84
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG (8092237)	612,900	0.77
16	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHOO HOCK @ NG CHOO HUAT	600,000	0.75
17	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG	575,500	0.64
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA GUAN SENG	511,300	0.52
19	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH WEE HIAN @ MAH SIEW KUNG	500,000	0.63
20	LEE BOON KOON	442,700	0.55
21	FONG YOK MAN	400,000	0.50
22	CHIA GUAN SENG	370,300	0.46
23	MAH WEE HIAN @ MAH SIEW KUNG	300,800	0.38
24	OW TIEW SEE	293,600	0.37
25	LIM KA BOON	289,000	0.36
26	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM ENG PENG	280,000	0.35
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG CHOO HOCK @ NG CHOO HUAT (PB-IU)	265,000	0.33
28	WOON LAY KUEN	261,000	0.33
29	LOW KWAI LENG	251,300	0.31
30	LEAN AH TOO	250,000	0.31
	TOTAL	**50,041,200**	**62.55**

Caely Holdings Bhd.
(Company No. 408376-U)
(Incorporated in Malaysia)

PROXY FORM

No. of ordinary shares held

I/We ____
(Full Name in Capital Letters)

of ____
(Full Address)

being a Member/Members of CAELY HOLDINGS BHD hereby appoint * the Chairman of the meeting or ____________________

____________________ of ____________________
(Full Name in Capital Letters) (Full Address)

____

or failing him/her ____________________ of ____________________
(Full Name in Capital Letters) (Full Address)

____

as * my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Seventeenth Annual General Meeting of the Company, to be held at Hotel Sri Petaling, Function Room 4, Level 2, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on 23 September 2013 at 9.30 a.m. and, at every adjournment thereof to vote as indicated below :

	Ordinary Business	FOR	AGAINST
Resolution 1	To receive the Statutory Financial Statements for the year ended 31 March 2013 and the Reports of the Directors and Auditors' thereon		
Resolution 2	To approve the payment of directors' fee of RM235,000/- in respect of the year ended 31 March 2013.		
Resolution 3	To re-elect Mr Ooi Say Teik who retires in accordance with Article 124 of the Company's Articles of Association		
Resolution 4	To re-appoint of Mr Hem Kan @ Chan Hong Kee who retires in accordance to Section 129 of the Companies Act, 1965.		
Resolution 5	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company, and to authorise the Directors to determine their remuneration		
	Special Business		
Resolution 6	To approve continuation of term of office as Independent Non-Executive Director of the Company for Mr Ooi Say Teik.		
Resolution 7	To approve continuation of term of office as Independent Non-Executive Director of the Company for Mr Hem Kan @ Chan Hong Kee.		
Resolution 8	To approve continuation of term of office as Independent Non-Executive Director of the Company for Mr Siow Hock Lee.		
Resolution 9	To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

The proportion of my holdings to be represented by my *proxy/proxies are as follows :-

First name Proxy		%
Second name Proxy		%
		100%

In case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

As witness my hand ____________ day of ____________ 2013.

*Strike out whichever is not desired.

Signature : ____________________

NOTES :

1. Only depositors whose names appear in the Record of Depositors as at 11 September 2013 ("General Meeting Record of Depositors") shall be regarded as members entitled to attend, speak and vote at the Meeting.
2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
3. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office situated at Level 8 Symphony House Block D13 Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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Affix
Stamp

CAELY HOLDINGS BHD.
(408376-U)

Level 8, Symphony House,
Block D13, Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor.

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