



CAELY HOLDINGS BHD.
(408376-U)

Stepping Forward

Annual Report

2015

CAELY HOLDINGS BHD. (408376-U) (INCORPORATED IN MALAYSIA) | ANNUAL REPORT 2015



CAELY HOLDINGS BHD.
(408376-U)

WISMA CAELY

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www.caelyholdings.com



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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

RISK MANAGEMENT AND 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 SECRETARY

Chan Sau Leng
(MAICSA 7012211)

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 Darul Ehsan

Tel : 03 – 7841 8000

Fax : 03 – 7841 8199

AUDITORS

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

Tel : 05 – 254 9545

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 19th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT

the Nineteenth Annual General Meeting ("AGM") of Caely Holdings Bhd will be convened and held at Hotel Transit Kuala Lumpur, 42, Jalan Pudu, 55100 Kuala Lumpur on **Tuesday, 15 September 2015** at 10.00 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2015 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of single-tier final dividend of RM0.01 per share for the financial year ended 31 March 2015. (Resolution 1)
3. To approve the payment of Directors' fees of RM235,000 for the financial year ended 31 March 2015. (Resolution 2)
4. To re-elect Datin Fong Nyok Yoon who retires by rotation in accordance with Article 124 of the Company's Articles of Association. (Resolution 3)
5. To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965 ("the Act"):- (Resolution 4)

"THAT Mr Hem Kan @ Chan Hong Kee, who has attained the age of seventy (70) years old, retiring in accordance with Section 129 of the Act, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next AGM."
6. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company 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:-

7. Ordinary Resolution

Approval to Continue In Office as an Independent Non-Executive Director

"THAT approval be and is hereby given to the following Independent Non-Executive Directors, who have served the Company for a cumulative term of more than nine (9) years, to continue to serve as Independent Non-Executive Directors of the Company in accordance with the Malaysian Code on Corporate Governance 2012.

- | | |
|---------------------------------|----------------|
| (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 19th ANNUAL GENERAL MEETING (CONTINUED)

8. Ordinary Resolution

Authority to allot shares pursuant to Section 132D of the Act

"THAT subject always to the Act and the approval of the relevant government/regulatory authorities, the (Resolution 9) Board of Directors be and is hereby empowered pursuant to Section 132D of the Act, to issue and allot shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Board of Directors may in their absolute discretion deem fit, and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company for the time being and THAT the Board of Directors be and is also empowered to obtain the 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 commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. To transact any other ordinary business of which due notice shall have been received in accordance with the Act.

**INNOVATIVE
LINGERIE MANUFACTURER**





NOTICE OF 19th ANNUAL GENERAL MEETING (CONTINUED)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the following single-tier final dividend for the financial year ended 31 March 2015, if approved by shareholders, will be paid on 28 October 2015 to all shareholders whose names appear in the Record of Depositors of the Company at the close of business at 5.00 p.m. on 1 October 2015:-

(a) Single-tier final dividend of RM0.01 per share amounting to RM800,000.00 on 80,000,000 ordinary shares of RM0.50 each.

A Depositor shall qualify for entitlement only in respect of:-

(a) Shares transferred into the Depositors' Securities Account on or before 4.00 p.m. on 1 October 2015 in respect of transfers; and

(b) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia.

BY ORDER OF THE BOARD

CHAN SAU LENG (MAICSA 7012211)
Company Secretary
Selangor

Date: 24 August 2015

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 9 September 2015 ("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 for multiple beneficial owners 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 19th ANNUAL GENERAL MEETING (CONTINUED)

EXPLANATORY NOTES ON THE SPECIAL BUSINESS

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

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of 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 hereby recommends 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's Main Market Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;
- (ii) They have been with the Company for more than nine (9) years and therefore understand the Company's business operations which enable them to participate actively and contribute 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 have exercised due care and diligence during their tenure as Independent Non-Executive Directors of the Company and carried out their fiduciary duty in the interest of the Company and shareholders without being subject to influence of management.

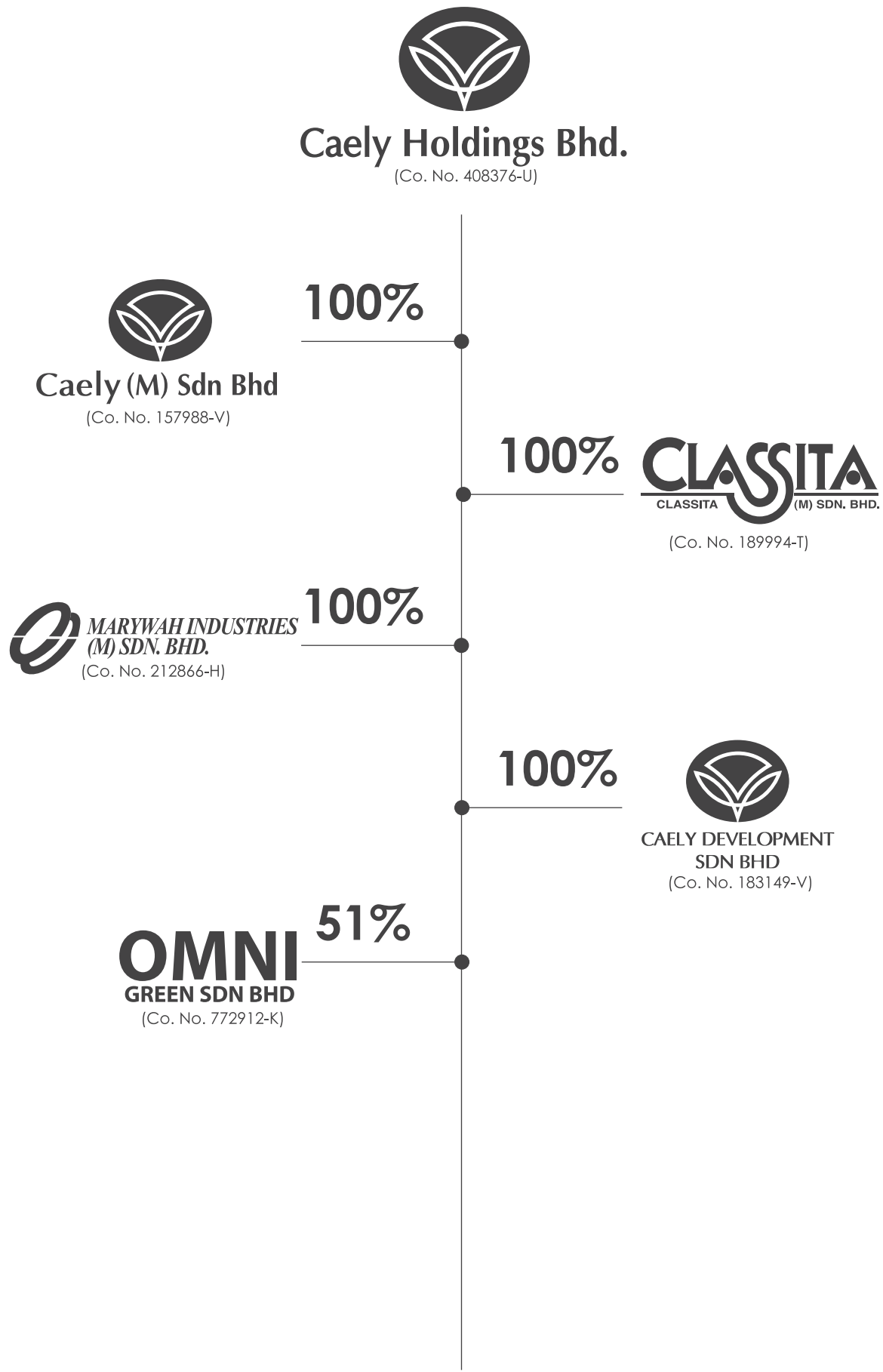
2. Ordinary Resolution No. 9 – Authority to Allot Shares pursuant to Section 132D of the Act

The Resolution 9, if approved, will empower the Directors of the Company, from the date of the above AGM, authority to issue and allot shares in the Company up to an amount not exceeding in total 10% of the issued 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 at a 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 23 September 2014. 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





DIRECTORS' PROFILE

DATIN FONG NYOK YOON

Aged 53, 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 undergarments 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 a 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 not been convicted of any offences within the past ten (10) years. She attended all five (5) Board Meetings of CHB held during the financial year ended 31 March 2015.

DATO' CHUAH CHIN LAI

Aged 55, 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 Nyok Yoon, were among the founders of the Group's business. He heads the direct selling division and he is actively involved in the Group's Property Development and Construction and OEM export businesses.

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 not been convicted of any offences within the past ten (10) years. He attended all five (5) Board Meetings of CHB held during the financial year ended 31 March 2015.

SIOW HOCK LEE

Aged 59, 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 Risk Management and 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 Securities Berhad. 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 not been convicted of any offences within the past ten (10) years. He attended all five (5) Board Meetings of CHB held during the financial year ended 31 March 2015.

DIRECTORS' PROFILE (CONTINUED)



OOI SAY TEIK

Aged 55, 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 Risk Management and Audit Committee and the 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 not been convicted of any offences within the past ten (10) years. He attended all five (5) Board Meetings of CHB held during the financial year ended 31 March 2015.

HEM KAN @ CHAN HONG KEE

Aged 75, 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 Risk Management and 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 not been convicted of any offences within the past ten (10) years and has attended all five (5) Board Meetings of CHB held during the financial year ended 31 March 2015.



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 2015.

FINANCIAL REVIEW

For the financial year ended 31 March 2015, the Group registered revenue of RM94.5 million, on par with the previous financial year. Both the Property Development and Construction and Direct Selling/Retail Segments recorded increase in revenue of RM5.2 million and RM1.3 million respectively. However, the Manufacturing Sales Segment declined by RM6.5 million.

Despite the drop in revenue for the Manufacturing Sales Segment, it continued to be the main contributor to the Group and recorded revenue of RM48.2 million. The Property Development and Construction Segment was the second biggest revenue contributor, recorded revenue of RM40.6 million while the Direct Selling/Retail Segment contributed RM4.9 million.

Although the Group's revenue for the current financial year remained unchanged, the Group's profit after tax dropped to RM3.6 million from the previous financial year's RM7.1 million. The drop in the Group's profit after tax was mainly due to lower profit margin from the Property Development and Construction Segment and the recognition of deferred tax asset of RM2.4 million for the previous financial year.

DIVIDEND

The Board has recommended a final single-tier dividend of one (1) sen per ordinary share for the financial year ended 31 March 2015. This final dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

PROSPECTS

Moving forward, the Board expects the operating environment to remain challenging. Globally, the subdued growth in several major economies such as Japan, Middle East and certain Euro zone has caused these economies to remain vulnerable to downside risks. In the local front, raw material costs and unpredictable foreign exchange rates continue to plague the economy. The weakening of the Ringgit Malaysia against the US Dollar and Renminbi, the cautious spending by the general public due to the introduction of the Goods and Services Tax and the tight credit control by banks are some of the factors that may affect the Group's financial performance.

Nevertheless, the Group remains committed to exercise prudence and place greater emphasis in its business approach such as product 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 on building leadership, self-confidence, personal and work competence. Trainings are conducted either in-house or outsourced. These programs 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 a year 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, 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 and/or consumer products. During the financial year, the Group also donated products to the flood victims mostly in the East Coast states and Perak.

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 Chairperson



CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") recognises the importance of corporate governance and is committed to maintain a 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 of 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").

1. PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Board should establish clear functions reserved for the 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 various communities in which the Group conducts its business.

1.2 Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions

The Board assumes the following roles and 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 and implementing 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 Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board adopts an enterprise-wide risk management program to formalise the process by which risks are identified, assessed, controlled and reviewed. The Board and the Risk Management and Audit Committee will continue to review the Group's whole system of internal control including operational, compliance and risk management as well as financial controls.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)



1. PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONTINUED)

1.3 Board should formalise ethical standards through a code of conduct and ensure its compliance

The Board has adopted the Code of Conducts and Ethics and the Whistleblowing Policy in 2013. The Company shall observe and comply with the Code of Conduct and Ethics which 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.

1.4 Board should ensure that 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 incorporates the Environment, Social and Governance aspects. The Sustainability Policy is available on the Company's website at www.caelyholdings.com, and on page 21 of this Annual Report.

1.5 Board should have procedures to allow its members access to information and advice

All Board members are provided with the agenda for the meeting together with detailed reports and information on a timely basis before each Board Meeting is convened. 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's approvals. Senior management staffs are invited to attend Board Meetings when necessary to provide further explanation and clarification on matters being tabled.

All Directors have full and unrestricted access to all information within the Group and they have a duty to make enquiries, if any, in discharging their duties. The Directors can also have access to the advice and services of the Company Secretary and independent professional advisers whenever deemed necessary at the Company's expense.

1.6 Board should ensure it is supported by a suitably qualified and competent Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary from Symphony Corporatehouse Sdn. Bhd. who is a member of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and has unrestricted access to the advice and services of the Company Secretary. The Company Secretary plays 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 Secretary in discharging her duties.

1.7 Board should formalise, periodically review and make public its Board Charter

The Board affirms the importance of the roles and responsibilities of the Board and management. As an integral part of the corporate governance process, the Board has set out 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 public viewing on the Company's website at www.caelyholdings.com.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

2. PRINCIPLE 2: STRENGTHEN THE COMPOSITION

2.1 Board should establish a Nomination 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 proposing suitable new nominees for appointment of Directors, to Board and Board Committees wherever necessary as well as assessing the Directors on an ongoing basis as to their skills and other qualities. The Board is satisfied that there is an appropriate mix of experience and expertise in the board composition which meet the needs of the Company.

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

2.2 Nomination 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 of the Board as a whole as well as the contribution of each individual director including the Independent Non-Executive Directors. The NC's assessments and evaluations are documented.

In addition, the NC undertakes evaluation of suitability of directors seeking for re-election at the Annual General Meeting under the following requirements:-

- Company's Articles of Association, where 1/3 of the Directors is to retire;
- Companies Act, 1965, for the directors over the age of seventy; and
- The Code's requirements for Independent Directors who have served the Board for cumulative term of more than nine years to continue serving as Independent Directors.

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

2.3 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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)



2. PRINCIPLE 2: STRENGTHEN THE COMPOSITION (CONTINUED)

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

The RC has been 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 public viewing on 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 salaries, 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 Directors' Remuneration for the financial year ended 31 March 2015 are as follows:-

	Fees RM	Salaries and other Emoluments RM	Benefits in kind RM	Total RM
Executive Directors	135,000	791,061	18,600	944,661
Non-Executive Directors	100,000	6,500	0	106,500
	235,000	797,561	18,600	1,051,161

	Number of Directors		Total
	Executive Directors	Non-Executive Directors	
RM1 to RM50,000	-	2	2
RM50,001 to RM100,000	-	1	1
RM350,001 to RM400,000	1	-	1
RM450,001 to RM500,000	1	-	1
	2	3	5

The Best Practices of the Code recommends 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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

3. PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 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 2015, the NC 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 set under the Listing Requirements.

3.2 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

In regards to 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.

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.

3.3 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 shareholders' approval at the forthcoming Annual General Meeting to retain all the Independent Directors who have served the Company for more than nine years.

3.4 Positions of chairman and CEO should be held by different individuals and the chairman must be a non-executive member of the board

The positions of Executive Chairperson and Managing Director are held by two different individuals with clear separation of duties defined in the Board Charter. Whilst the Executive Chairperson is involved in the operations of the manufacturing and sale of the undergarments division, she also leads the Board in the oversight of management. The Managing Director focuses on the overall business and day-to-day operations of the Property Development and Construction Division of the Company.

The Board, being mindful that the Executive Chairperson is not a non-executive member as prescribed by the Code, is of the opinion that the element of independence is currently strong as the Independent Directors comprise the majority of the Board. This provides assurance of proper balance of power and authority in the governance of the Board and the Company.

3.5 Board must comprise majority independent directors if the Chairman is not an independent director

As at the financial year ended 31 March 2015, the Chairman is not an Independent Director, but the Company has a majority of Independent Directors sitting on the Board.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)



4. PRINCIPLE 4: FOSTER COMMITMENT

4.1 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 once 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 2015 is set out in the table below:-

Directors	Attendance
1. Datin Fong Nyok Yoon	5/5
2. Dato' Chuah Chin Lai	5/5
3. Siow Hock Lee	5/5
4. Ooi Say Teik	5/5
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 2015, none of the Directors have accepted new appointment in other public listed companies.

4.2 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. 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 2015, all Directors have attended training programmes as summarised below:

Directors	Seminar / Training Programmes Attended
Datin Fong Nyok Yoon	- Advocacy Sessions on Corporate Disclosure for Directors by Bursa Malaysia - In-house Malaysian Goods and Services Tax ("GST") and Business Preparation
Dato' Chuah Chin Lai	- Advocacy Sessions on Corporate Disclosure for Directors by Bursa Malaysia - In-house Malaysian Goods and Services Tax ("GST") and Business Preparation
Siow Hock Lee	- In-house awareness briefing on Goods and Services Tax ("GST") - Workshop on Risk Management and Internal Control for Audit Committee - 2015 Budget Seminar
Ooi Say Teik	- Advocacy Sessions on Corporate Disclosure for Directors by Bursa Malaysia
Hem Kan @ Chan Hong Kee	- Advocacy Sessions on Corporate Disclosure for Directors by Bursa Malaysia



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

4. PRINCIPLE 4: FOSTER COMMITMENT (CONTINUED)

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

Throughout the year, the Board of Directors also received updates and briefings provided by the Company Secretary, internal 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

5.1 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 announcements of its quarterly and annual financial results. In the preparation of financial statements, the Risk Management and 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.

5.2 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 Risk Management and 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 Risk Management and Audit Committee is of the opinion that the current external auditors are suitable for re-appointment. As to the assessment of the independence of the external auditors, the Risk Management and 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 engagement.

After having assessed the suitability and independence aspects of the external auditors, the Risk Management and Audit Committee recommends their re-appointment. During the financial year ended 31 March 2015, the external auditors have met twice with the Risk Management and Audit Committee without the presence of the Management.

A full Risk Management and Audit Committee report enumerating its role in relation to the auditors is set out in pages 22 to 26 of the Annual Report.

6. PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

6.1 Board should establish a sound framework to manage risks

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 management to identify, evaluate, monitor, manage and mitigate the risks that may affect the Group in achieving its 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 has formalised an appropriate risk management framework and the details of the risk management and internal controls are set out in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)



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

6.2 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 2015, the Company has outsourced its internal audit functions to RSM Corporate Consulting Sdn Bhd. The representative(s) of RSM have unrestricted access to the Risk Management and Audit Committee Members and report directly to the Committee.

During the financial year, the internal audit reports were provided to the Risk Management and 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 were presented to the Risk Management and Audit Committee.

7. PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Board should 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.

7.2 Board should encourage the 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.

8. PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 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 are given opportunity to raise questions or seek more information on the Company. The Executive Chairperson, Managing Director and other Board members are available during the AGM to respond to shareholders' queries.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

8. PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONTINUED)

8.2 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 with the provisions 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.

8.3 Board should promote effective communication and proactive engagements with shareholders

The Board is committed to effective communication and proactive engagement with shareholders. During general meetings, the Board members, Company Secretary and external auditors would be present to answer questions that may be raised. The Executive Chairperson would allot time for shareholders to ask questions for each agenda in the notice of the general meetings.

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 Depositary Receipt ("ADR") or Global Depositary 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 RM48,600.

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 2015.

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 Bhd 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; and
- f. Run an ethical business.

In addition to our sustainability commitments, Caely Holdings Bhd 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 have been tasked to debate and discuss key issues and set objectives going forward. The Managing Director and the Management Team will continuously endeavour to improve our sustainable performance internally.

Caely Holdings Bhd also seeks 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.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

In compliance with Paragraph 15.5 of the Main Market Listing Requirements ("MMLR") of Bursa Securities, the Board of Directors is pleased to present to the Risk Management and Audit Committee Report which lays out the activities held for the financial year ended 31 March 2015.

MEMBERS OF THE RISK MANAGEMENT AND AUDIT COMMITTEE

The Risk Management and Audit Committee comprises three (3) Directors, all of whom are Independent Non-Executive Directors.

The members are :

Chairman : Siow Hock Lee
Members : Ooi Say Teik
Hem Kan @ Chan Hong Kee

TERMS OF REFERENCE

Composition of members

1. Objectives

The principle objective of the Risk Management and Audit Committee ("RMAC") is to assist the Board in fulfilling the following key responsibilities :

- i. Assessing the risk management policies and procedures and internal control;
- ii. Overseeing financial reporting;
- iii. Evaluating the internal and external audit process; and
- iv. Reviewing conflict of interest situations and related party transactions.

2. Composition

- i. The Committee is appointed by the Board and consists of at least three members. All the committee members must be Non-Executive Directors, with a majority of them being Independent Directors to fully comply with Paragraph 15.09 of the MMLR.
- ii. The Chairman is one of the appointed Independent Non-Executive Directors. In the absence of the Chairman, the meeting shall be chaired by an Independent Director.
- iii. At least one (1) member of the Committee must be qualified under paragraph 15.09(1)(c) of the MMLR.
- iv. No Alternate Director shall be appointed as a member of the Committee.

In the event of any vacancy resulting that the number of members is reduced to below three, the vacancy must be filled within three (3) months.

RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)



3. Quorum and Frequency of meetings

- i. A quorum shall be the majority of Independent Non-Executive Directors;
- ii. Meetings shall be held at least four times each financial year, usually preceding the meetings of the Board;
- iii. The external and internal auditors may request a meeting if they consider it necessary in any Committee Meeting;
- iv. At least twice a year, the Committee shall meet with the external auditors without any Non-Independent Directors or the Management present;
- v. The Managing/Executive Directors and the Finance Manager/Accountant shall attend the quarterly meetings although they do not have any voting rights; and
- vi. The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

4. Attendance at meetings

During the financial year ended 31 March 2015 the RMAC held six (6) meetings in the presence of the Company Secretaries. The Executive Directors, Senior Management staff and Internal Auditors were invited to the meetings to respond 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 three (3) of the meetings held during the financial year. The RMAC had the opportunity to meet up with the external auditors without the presence of management in those meetings.

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

Name of RMAC members	Number of attendance
Siow Hock Lee	6/6
Ooi Say Teik	6/6
Hem Kan @ Chan Hong Kee	6/6

Secretary

The Company Secretaries or such other approved person shall be the Secretaries of the Committee.

Authority

The RMAC is authorised by the Board to:

- i. investigate any matter within its terms of reference;
- ii. have full and unrestricted access to any information pertaining to the Group;
- iii. establish a channel of direct communication with the external and internal auditors;
- iv. obtain external legal or other independent professional advice whenever deemed necessary; and
- v. report to Bursa Securities if a matter is not satisfactorily resolved and is in breach of the Listing Requirements.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

Duties and responsibilities

a. Risk Management and Internal Control

- i. Review the adequacy and effectiveness of risk management, internal control and management information systems, including compliance with applicable laws, rules, corporate governance requirements and guidelines.
- ii. Review the Group's risk management policy and implementation of the risk management framework.
- iii. Review and recommend to the Board, the Directors' Statement on Risk Management and Internal Control and any changes thereto.

b. Financial Reporting

- i. Review the quarterly results and annual financial statements before recommendation to the Board for approval for release to Bursa Securities, focusing particularly on:
 - Any changes in or implementation of accounting policies and practices;
 - Significant or material adjustments with financial impact arising from the audit;
 - Significant unusual event or exceptional activities;
 - Financial decision-making with the presumptions of significant judgments;
 - The going concern assumptions; and
 - The appropriateness of Management's selection of accounting policies and disclosures in compliance with approved accounting standards, stock exchange and other regulatory requirements.
- ii. Propose best practices on disclosure in annual and other financial reports of the Company in line with the principles set out in the Malaysian Code on Corporate Governance 2012, other applicable laws, rules, directives and guidelines.

c. External Audit

- i. Recommend the appointment or re-appointment of the external auditors and audit fee to the Board, after reviewing the suitability, resources, competency and independence of external auditors and the accounting firm;
- ii. Make appropriate recommendations to the Board on matters of resignation, dismissal or cessation of office of the external auditors and secure the reasons of such resignation, dismissal or cessation of office;
- iii. Review and discuss the nature and scope of the external audit strategy and plan for the year; and
- iv. Review and discuss issues arising from external auditors' interim and final letters of recommendation to management, including management responses and the external auditors' evaluation of the system of internal control and any other matters the external auditors may wish to discuss (in the absence of Management, if required).

RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)



Duties and responsibilities (continued)

d. Internal Audit

- i. Review the adequacy of the scope, function, competency, resources and authority of the internal audit function in carrying out its work;
- ii. Review the risk-based internal audit plans and programmes;
- iii. Ensure co-ordination between the internal and external auditors;
- iv. Review the major findings reported by the internal audit and follow up on Management's implementation of the recommended actions;
- v. Annually assess performance of services provided by the internal audit function; and
- vi. Any appraisal or assessment of the performance of members of the internal audit function and approve any appointment or termination of senior staff members of the internal audit function.

e. Related Party Transactions

Review and recommend to the Board, matters regarding any related party transactions including disclosures, values of mandates and situations involving potential conflict of interest that may arise within the Company, including any transaction, procedure or course of conducts that raises questions on Management's integrity.

In addition, the RMAC shall undertake such other functions as may be agreed to by the RMAC and the Board.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The summary of the activities carried out by the RMAC in the discharge of its duties and responsibilities during the financial year included, among others, 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;
- Undertook an evaluation of the independence of external auditors;
- Held two separate meetings with the external auditors to discuss on audit issues without the presence of the Executive Directors and the Management;
- Reviewed the quarterly and annual financial results, reports and announcements for the Board's consideration and approval;
- Reviewed the internal audit plan prepared by the internal auditors;
- Reviewed and discussed reports of the internal auditors and assessed the effectiveness of the system of internal controls in the areas audited;



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONTINUED)

- Reviewed the risk management programme including key risks identified, the potential impacts and assessed the likelihood of the risk occurring;
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Malaysian Code of Corporate Governance;
- Reviewed all related party transactions entered by the Group and the Company to ensure that such transactions are on normal commercial terms which are not detrimental to the interests of the minority shareholders;
- Reported to the Board major events covered by the RMAC and make recommendations to the Board and management concerning these matters.

INTERNAL AUDIT FUNCTION

The Board believes that an internal audit function will provide the RMAC 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, apart from the usual provision of internal audit plans, the internal auditors reviewed the following areas:-

- Identification of key risks in the sales of the Manufacturing Sales Segment covering the billing process, collection and credit control, delivery, compliance process and quality control on goods delivered;
- Evaluation of the effective controls on project management of the Property Development and Construction Segment;
- Evaluation of the effective implementation of controls on the Sales Administration on Property Development and Construction Segment; and
- Follow up audits on sales of the Manufacturing Sales Segment and Project Management of the Property Development and Construction Segment.

The total cost incurred for the internal audit functions of the Group in respect of the financial year ended 31 March 2015 amounted to RM42,103.

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 Berhad ("BMSB") and the 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 for the Group's system of risk management and internal controls and for reviewing and maintaining an adequate system of internal controls organisation-wide with consistent integrity designed to manage rather than eliminate risks so as 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 the Group Managing Director that the Group's risk management and internal control is operating adequately 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 ongoing 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, among others 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 key 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 outsourced the internal audit function to an independent consultancy firm, Messrs. RSM Corporate Consulting Sdn Bhd to review the internal control system of the Group and to report directly to the Risk Management and Audit Committee of its internal audit findings.

The scope of the internal audit focused on the key risk areas identified in the enterprise-wide risk assessment exercise in accordance with the internal audit plan approved by the management. The Risk Management and 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 Risk Management and 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 Risk Management and 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 system 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 in respect of manufacturing activities are set out in a series of standard operating policies and procedures. These procedures are subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies and also in ensuring compliance with Worldwide Responsible Accreditation Production ("WRAP") certification.
- Management reports are prepared at subsidiary levels on a monthly basis.
- Quarterly performance reports with comprehensive information on financial performance and key business indicators are deliberated at the Risk Management and Audit Committee meetings and thereafter tabled to the Board for consideration and approval.
- The Risk Management and 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 Risk Management and Audit Committee reviews the external auditors' recommendations on internal controls arising from the statutory audit.

The Risk Management and 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. As part of the ongoing control improvement process, management will take the appropriate action to address the control recommendations made by the internal and external auditors. 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 this 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 control 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.

The statement was adopted by the Board on 24 July 2015.



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 approved Financial Reporting 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 2015



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DIRECTORS' REPORT

The directors are pleased to submit their report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 16 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	3,786,148	1,206,607
- Non-controlling interests	(148,752)	0
Net profit for the financial year	<u>3,637,396</u>	<u>1,206,607</u>

DIVIDENDS

Dividend declared and paid by the Company since 31 March 2014 is as follows:

	RM
In respect of the financial year ended 31 March 2014:	
- Final single-tier dividend of 1 sen per share on 80,000,000 ordinary shares paid on 14 October 2014	<u>800,000</u>

In respect of the financial year ended 31 March 2015, the directors recommend a final single-tier dividend of 1 sen per share on 80,000,000 ordinary shares, amounting to RM800,000, subject to the shareholders' approval at the forthcoming Annual General Meeting.

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, Article 124, Datin Fong Nyok Yoon retires at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

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



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 1.4.2014	Bought	Sold	As at 31.3.2015
Direct interest				
Caely Holdings Bhd. (The Company)				
Dato' Chuah Chin Lai	12,652,000	80,000	0	12,732,000
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	80,000	0	12,732,000
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 2015, 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 the 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; 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.

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 24 July 2015.

DATO' CHUAH CHIN LAI
MANAGING DIRECTOR

DATIN FONG NYOK YOON
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 118 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 2015 and of the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The information set out in Note 38 on page 119 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 24 July 2015.

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 119 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 24 July 2015.

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 118, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of 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 37.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the 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 is 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 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the 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 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.
- (c) 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 38 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.

OTHER MATTERS

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

LOH LAY CHOON

[No. 2497/03/16 (J)]

Chartered Accountant

1st Floor, Standard Chartered Bank Chambers

21-27 Jalan Dato' Maharaja Lela

30000 Ipoh

Perak Darul Ridzuan

24 July 2015



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	7	94,496,191	94,530,810	1,500,012	11,254,285
Cost of sales	8	(77,562,147)	(77,400,047)	0	0
Gross profit		16,934,044	17,130,763	1,500,012	11,254,285
Other operating income					
- reversal of impairment loss					
on investment in a subsidiary		0	0	77,978	26,587,463
- others		1,673,917	1,118,076	2,221,855	1,349,546
Selling and distribution costs		(2,803,533)	(2,351,797)	0	0
Administrative expenses		(10,408,390)	(10,266,133)	(637,190)	(781,349)
Other operating expenses		0	(242,022)	(169,368)	(781,115)
Profit from operations	9	5,396,038	5,388,887	2,993,287	37,628,830
Finance cost	10	(382,351)	(577,663)	(1,435,050)	(1,053,288)
Profit for ordinary activities					
before taxation		5,013,687	4,811,224	1,558,237	36,575,542
Taxation	11	(1,376,291)	2,319,131	(351,630)	(2,725,021)
Net profit for the financial year		3,637,396	7,130,355	1,206,607	33,850,521
Other comprehensive income					
Item that will not be reclassified					
to profit or loss					
Surplus on revaluation of					
land and buildings		0	1,794,282	0	1,794,282
Deferred tax on revaluation					
surplus of land and buildings		0	(54,289)	0	(54,289)
		0	1,739,993	0	1,739,993
Total comprehensive					
income for the financial year		3,637,396	8,870,348	1,206,607	35,590,514
Net profit for the financial					
year attributable to:					
- owners of the Company		3,786,148	7,103,794	1,206,607	33,850,521
- non-controlling interests		(148,752)	26,561	0	0
Net profit for the financial year		3,637,396	7,130,355	1,206,607	33,850,521
Total comprehensive income					
attributable to:					
- owners of the Company		3,786,148	8,843,787	1,206,607	35,590,514
- non-controlling interests		(148,752)	26,561	0	0
Total comprehensive income		3,637,396	8,870,348	1,206,607	35,590,514
Earnings per share (sen)					
Basic/diluted	12	4.73	8.88		



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	2015 RM	2014 RM
ASSETS			
Non current assets			
Property, plant and equipment	14	24,738,813	25,400,182
Investment property	15	3,200,000	3,200,000
Deferred tax assets	18	1,795,631	2,381,691
Receivables, deposits and prepayments	19	340,705	746,413
		30,075,149	31,728,286
Current assets			
Property development costs	20	34,970,508	21,986,353
Inventories	21	15,325,342	13,377,227
Receivables, deposits and prepayments	19	45,308,976	30,190,109
Tax recoverable		27,061	284,321
Marketable securities	22	682,915	754,566
Derivative financial instruments	23	33,834	6,473
Deposits with licensed banks	24	3,623,296	6,910,118
Bank and cash balances	25	1,877,229	2,725,483
		101,849,161	76,234,650
Total assets		131,924,310	107,962,936
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	40,000,000	40,000,000
Other reserves	27	17,884,715	17,884,715
Retained profits		19,265,235	16,279,087
		77,149,950	74,163,802
Non-controlling interests		(266,526)	(117,774)
Total equity		76,883,424	74,046,028



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2015 (CONTINUED)

	Note	2015 RM	2014 RM
LIABILITIES			
Non current liabilities			
Payables and accruals	29	0	12,191
Hire-purchase creditors	30	213,159	437,003
Term loans	31	5,465,748	4,583,608
Deferred tax liabilities	18	938,662	831,862
		6,617,569	5,864,664
Current liabilities			
Payables and accruals	29	34,735,879	18,004,770
Derivative financial instruments	23	8,421	7,242
Hire-purchase creditors	30	223,759	274,762
Current tax liabilities		172,824	371,164
Term loans	31	4,311,145	506,314
Short term bank borrowings			
- bank overdrafts	32	6,260,756	7,018,580
- others	32	2,710,533	1,869,412
		48,423,317	28,052,244
Total liabilities		55,040,886	33,916,908
Total Equity and Liabilities		131,924,310	107,962,936



COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	2015 RM	2014 RM
ASSETS			
Non current assets			
Property, plant and equipment	14	167,127	187,856
Investment property	15	3,200,000	3,200,000
Investments in subsidiaries	16	61,804,486	61,726,508
Receivables, deposits and prepayments	19	28,022,317	22,619,674
		93,193,930	87,734,038
Current assets			
Receivables, deposits and prepayments	19	6,013,166	11,132,632
Tax recoverable		0	271,108
Marketable securities	22	682,915	754,566
Cash and bank balances	25	41,621	19,345
		6,737,702	12,177,651
Total Assets		99,931,632	99,911,689
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	40,000,000	40,000,000
Other reserves	27	11,270,871	11,270,871
Retained profits	28	21,816,320	21,409,713
Total equity		73,087,191	72,680,584
LIABILITIES			
Non current liabilities			
Payables and accruals	29	8,196,498	8,196,498
Deferred tax liabilities	18	129,786	134,136
		8,326,284	8,330,634
Current liabilities			
Payables and accruals	29	18,348,013	18,850,172
Current tax liabilities		170,144	0
Term loan	31	0	50,299
		18,518,157	18,900,471
Total liabilities		26,844,441	27,231,105
Total Equity and Liabilities		99,931,632	99,911,689



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Attributable to owners of the Company					Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Share premium RM	Reserve on consolidation RM	Revaluation reserve RM	Retained profits RM			
GROUP								
At 1 April 2013	40,000,000	9,419,360	80,344	6,645,018	9,175,293	65,320,015	(144,335)	65,175,680
Net profit for the financial year	0	0	0	0	7,103,794	7,103,794	26,561	7,130,355
Other comprehensive income								
Surplus on revaluation of land and buildings	0	0	0	1,794,282	0	1,794,282	0	1,794,282
Deferred tax on revaluation surplus of land and buildings	0	0	0	(54,289)	0	(54,289)	0	(54,289)
	0	0	0	1,739,993	0	1,739,993	0	1,739,993
Total comprehensive income	0	0	0	1,739,993	7,103,794	8,843,787	26,561	8,870,348
At 31 March 2014	40,000,000	9,419,360	80,344	8,385,011	16,279,087	74,163,802	(117,774)	74,046,028



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

	Attributable to owners of the Company					Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Share premium RM	Reserve on consolidation RM	Revaluation reserve RM	Retained profits RM			
GROUP								
At 1 April 2014	40,000,000	9,419,360	80,344	8,385,011	16,279,087	74,163,802	(117,774)	74,046,028
<u>Total comprehensive income</u>								
Net profit/Total comprehensive income for the financial year	0	0	0	0	3,786,148	3,786,148	(148,752)	3,637,396
<u>Transactions with owners</u>								
Dividend for the financial year ended 31 March 2014 (Note 13)	0	0	0	0	(800,000)	(800,000)	0	(800,000)
At 31 March 2015	40,000,000	9,419,360	80,344	8,385,011	19,265,235	77,149,950	(266,526)	76,883,424



COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

		Non-distributable		Distributable	
	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits/ (Accumulated losses) RM	Total RM
COMPANY					
At 1 April 2013	40,000,000	9,419,360	111,518	(12,440,808)	37,090,070
Net profit for the financial year	0	0	0	33,850,521	33,850,521
Other comprehensive income					
Surplus on revaluation of land and building	0	0	1,794,282	0	1,794,282
Deferred tax on revaluation surplus of land and building	0	0	(54,289)	0	(54,289)
	0	0	1,739,993	0	1,739,993
Total comprehensive income	0	0	1,739,993	33,850,521	35,590,514
At 31 March 2014	40,000,000	9,419,360	1,851,511	21,409,713	72,680,584

		Non-distributable		Distributable	
	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
COMPANY					
At 1 April 2014	40,000,000	9,419,360	1,851,511	21,409,713	72,680,584
Total comprehensive income					
Net profit/Total comprehensive income for the financial year	0	0	0	1,206,607	1,206,607
Transaction with owner					
Dividend for the financial year ended 31 March 2014 (Note 13)	0	0	0	(800,000)	(800,000)
At 31 March 2015	40,000,000	9,419,360	1,851,511	21,816,320	73,087,191



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	3,637,396	7,130,355	1,206,607	33,850,521
Adjustments for:				
Property, plant and equipment				
- depreciation	1,658,451	1,869,791	24,429	69,276
- gains on disposals	(38,900)	(40,438)	0	0
- write off	55,055	2,969	0	0
Amortisation of prepaid lease payments	0	4,189	0	4,189
Allowance for doubtful debts written back	(9,717)	0	0	0
Allowance for doubtful debts provided for	0	0	169,368	0
Reversal of impairment loss on investment				
in subsidiaries	0	0	(77,978)	(26,587,463)
Impairment of goodwill	0	172,022	0	0
Provision for liquidated damages	504,361	0	0	0
Interest expense	278,797	451,443	1,435,050	1,053,288
Interest income	(131,916)	(171,946)	(1,880,120)	(1,106,399)
Gross dividend income from				
marketable securities	(18,168)	(13,170)	(18,168)	(13,170)
Fair value losses on marketable securities	71,651	7,783	71,651	7,783
Gains on disposals of marketable securities	0	(7,577)	0	(7,577)
Fair value (gains)/losses on derivative				
financial instruments	(26,182)	8,996	0	0
Gross dividend income from a subsidiary	0	0	(1,500,012)	(11,254,285)
Net unrealised foreign exchange loss	146,477	29,583	0	0
Taxation	1,376,291	(2,319,131)	351,630	2,725,021
	7,503,596	7,124,869	(217,543)	(1,258,816)
Net movements in working capital:				
Inventories	(1,948,115)	10,472,666	0	0
Property development costs	(13,168,594)	(9,302,606)	0	0
Receivables	(14,416,621)	(11,208,923)	119,466	(488)
Payables	16,113,764	6,254,108	7,237	16,194
Cash flows (used in)/from operations	(5,915,970)	3,340,114	(90,840)	(1,243,110)
Dividends received from subsidiaries	0	0	0	8,440,714
Interest paid	(1,238,430)	(926,428)	(818)	(10,231)
Tax paid	(832,516)	(351,419)	(113,250)	(3,000)
Tax refund	208,005	359,942	198,522	87,270
Net operating cash flow	(7,778,911)	2,422,209	(6,386)	7,271,643



STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(152,504)	(1,430,375)	(3,700)	0
Proceeds from disposals of property, plant and equipment	38,900	41,600	0	0
Interest income received	30,089	73,936	3	63,342
Cash repaid from/(advanced to) subsidiaries Marketable securities	0	0	1,117,546	(10,962,841)
- payments for investments	0	(295,251)	0	(295,251)
- proceeds from disposals	0	1,739,673	0	1,739,673
- dividend received	18,168	13,170	18,168	13,170
Net investing cash flow	(65,347)	142,753	1,132,017	(9,441,907)
CASH FLOWS FROM FINANCING ACTIVITIES				
Deposits released/(pledged) under lien for credit facilities with licensed banks	2,994,197	(1,964,655)	0	0
Receipts/(Repayments) of short term bank borrowings	714,464	(957,670)	0	0
Repayments of hire-purchase creditors	(274,847)	(237,750)	0	0
Advances from/(Repayments to) a director	64,833	(69,084)	0	0
Repayments of term loans	(539,615)	(513,922)	(50,299)	(153,545)
Dividend paid	(800,000)	0	(800,000)	0
Cash (repaid to)/advanced from a subsidiary	0	0	(253,056)	2,098,853
Drawdown of term loan	5,200,344	400,000	0	0
Net financing cash flow	7,359,376	(3,343,081)	(1,103,355)	1,945,308
Net movement in cash and cash equivalents	(484,882)	(778,119)	22,276	(224,956)
Cash and cash equivalents at beginning of the financial year	(3,898,645)	(3,120,526)	19,345	244,301
Cash and cash equivalents at end of the financial year (Note 25)	(4,383,527)	(3,898,645)	41,621	19,345



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 16 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:

<u>Registered office</u>	<u>Principal place of business</u>
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 24 July 2015.

2. BASIS OF PREPARATION

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

The Group includes transitioning entities ("TE") that have elected to continue to apply FRS during the financial year. The Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") for annual period beginning on 1 April 2017. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

TE are those entities within the scope of MFRS 141 "Agriculture" and/or IC Interpretation 15 "Agreements for the Construction of Real Estate", including a parent, significant investor and venturer of such entities.

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.

The preparation of financial statements in conformity with the FRS 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

The new accounting standards, amendments and improvements to published standards interpretations that are effective for the Group's and the Company's financial year beginning on or after 1 April 2014 are as follows:

- Amendment to FRS 132 "Offsetting Financial Assets and Financial Liabilities"
- Amendments to FRS 10, FRS 12 and FRS 127 "Investment Entities"
- IC Interpretation 21 "Levies"
- Amendment to FRS 139 "Novation of Derivatives and Continuation of Hedge Accounting"

Unless otherwise disclosed, the above new accounting standard, amendments to published standards and IC interpretation do not have any significant impact on the financial statements of the Group and the Company for the current financial year.

(b) Standards early adopted by the Group

There is no standard early adopted by the Group and the Company.

(c) Standards, amendments to published standards and interpretations to existing standards 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 1 April 2015

- Annual Improvements to FRSs 2010-2012 Cycle "Amendments to FRS 2 Share-based Payment, FRS 3 Business Combinations, FRS 8 Operating Segments, FRS 13 Fair Value Measurement, FRS 116 Property, Plant and Equipment, FRS 124 Related Party Disclosures & FRS 138 Intangible Assets"
- Annual Improvements to FRSs 2011-2013 Cycle "Amendments to FRS 1 First-time Adoption of Financial Reporting Standards, FRS 3 Business Combinations, FRS 13 Fair Value Measurement & FRS 140 Investment Property"
- Amendments to FRS 119 "Defined Benefits Plans: Employee Contributions"



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

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

Financial year beginning 1 April 2016

- Amendments to FRS 116 and FRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation"
- Amendments to FRS 127 Separate Financial Statements - "Equity accounting in separate financial statements"
- Annual Improvements to FRSs 2012 - 2014 Cycle "Amendments to FRS 5 Non-current Assets Held for sale and Discontinued Operations, FRS 7 Financial Instruments: Disclosures, FRS 119 Employee Benefits, FRS 134 "Interim Financial Reporting"
- Amendments to FRS 101 "Presentation of Financial Statements - Disclosure Initiative"
- Amendments to FRS 11 "Accounting for Acquisition of Interests in Joint Operations"
- Amendments to FRS 10 & FRS 128 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to FRS 10, 12 & 128 "Investment Entities - Applying the Consolidation Exception"

Financial year beginning 1 April 2017

- MFRS 15 "Revenue from Contracts with Customers"

Financial year beginning 1 April 2018

- MFRS 9 "Financial Instruments"

Unless otherwise disclosed, the above new accounting standard, amendments to published standards and IC interpretation are not anticipated to have any significant impact on the financial statements of the Group and the Company in the year of initial application.

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) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries which were acquired in 2003 were accounted for using the merger method. The Group has taken advantage of the exemption provided by FRS 1 to not restate business combinations that occurred before 1 July 2010. Accordingly, business combinations entered into prior to 1 July 2010 have not been restated.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(i) Subsidiaries (continued)

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, the Group applies the acquisition method to account for business combination.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement (Note 4(g)).

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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 FRS 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.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

- (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 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.

(b) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Freehold land and buildings are subsequently shown at fair value, less subsequent depreciation and impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. 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. 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.

Freehold land is not depreciated as it has an infinite life. Capital work in progress is not depreciated. Depreciation on assets under construction commences when the assets are ready for their intended use.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

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.

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. The revaluation surplus included in equity is transferred directly to retained profits when the asset is retired or disposed of.

(c) Investment properties

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both, and an insignificant portion is occupied by the Group for own production or supply of goods or services or for administrative purposes.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequent changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment properties (continued)

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of such a property at the date of transfer is treated in the same way as a revaluation under FRS 116 "Property, plant and equipment". Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase credited directly to other comprehensive income in revaluation surplus reserve. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus reserve, with any remaining decrease charged to profit or loss. On subsequent disposal of the investment property, the revaluation surplus included in equity is transferred to retained profits.

(d) 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)

(e) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(f) 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 disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(g) Intangible assets - Goodwill

Goodwill or negative goodwill represents the excess or deficit 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.

Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets whereas negative goodwill is recognised immediately in the income statements.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost to sell, any impairment losses on goodwill is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

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, identified according to operating segment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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.

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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus reserve. 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 reserve.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value.

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) Inventories of raw materials, work in progress and finished goods

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.

(ii) Unsold properties

The cost of unsold properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract is recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

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

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

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 survey of work performed. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

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

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).

(k) Property development activities

(i) Land held for property development

Land held for property development consists of land 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(h), 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 4 years.

Borrowing costs are capitalised in accordance with Note 4(t).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property development activities (continued)

(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, with the standard 10% downpayment received, 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.

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).

Borrowing costs are capitalised in accordance with Note 4(t).

(l) Financial instruments

(i) Financial instruments recognised on the statement of financial position

The particular recognition method adopted for financial instruments recognised on the statement of financial position is disclosed in the individual accounting policy statements associated with each item.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

(ii) Fair value estimation for disclosure purposes

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The market price used for financial assets held by the Group is the closing quoted market price. These instruments are classified under Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value the instruments are observable, these instruments are classified under Level 2.

If one or more of the significant inputs is not based on observable market data, these instruments are classified under Level 3.

(m) 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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (continued)

(i) Classification (continued)

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 Group's loans and receivables comprise of trade and other receivables (excluding prepayments), amounts owing by subsidiaries (at entity level), deposits with licensed banks and bank and cash balances in the statements of financial position.

(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.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (continued)

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

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.

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.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Liabilities in this category are classified within current liabilities if they are either held for trading or are expected to be settled within 12 months after the reporting date. Otherwise, they are classified as non current.

(ii) Other financial liabilities

Other financial liabilities of the Group comprise bank borrowings, hire-purchase creditors, term loans, amounts owing to subsidiaries (at entity level) and trade and other payables in the statement of financial position.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(iii) 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.

The Group has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Group to reimburse the banks if the subsidiaries fail to make the required repayments when due in accordance with the terms of their borrowings.

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 amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(p) 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 Notes 4(m) and 4(n).

(q) Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. 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. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of 3 months or less, and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

For the purpose of statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(s) 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)

(t) Borrowings and borrowing assets

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.

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.

General and specific borrowing costs directly attributable to the acquisition, construction 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(u) Employee benefits

(i) Short term employee benefits

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.

(v) 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) 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 in 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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income 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 income 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 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.

The Group presumed investment property measured at fair value will be recovered through sale. Accordingly, deferred tax assets or liabilities arising on such investment property are measured at the tax rate applicable when the Group sells the property.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) 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. -

(y) 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 Company's functional currency.

- (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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Foreign currencies (continued)

(ii) Transactions and balances (continued)

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

	2015 RM	2014 RM
<u>Assets:</u>		
1 US Dollar	3.67	3.22
1 Euro	3.97	4.43
<u>Liabilities:</u>		
1 US Dollar	3.76	3.30
1 Euro	4.07	4.54
100 Hong Kong Dollars	49.10	43.11
100 Chinese Renminbi	60.47	52.91

(z) 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.

(aa) 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. However, contingent liabilities do not include financial guarantee contracts.

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.

Recognition of deferred tax assets, which principally relate to unused tax losses, depends on the expectation of future taxable profits that will be available against which the unused tax losses can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(b) Impairment of non financial 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.

(c) Recoverability of receivables

Management monitors the credit quality of receivable balances, the ageing profile and the risk of non recoverability of those balances on a regular basis and makes estimates about the amount of credit losses that have been incurred at each financial statement reporting date. For construction contracts, any changes to the saleability of projects where the Group acts as contractor, may affect the recoverability of progress billings made.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) 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 the stage of completion and the 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.

(e) Recognition of construction contracts profits

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

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.

(f) Impairment of investments in subsidiaries

The Company assesses whether investments in subsidiaries are impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from the asset discounted at an appropriate discount rate. Significant judgement is required in estimating the future cash flows and the discount rate used.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



6. SEGMENT REPORTING

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

- 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 and under own brand to cater for direct selling business.
- Direct selling and retail - involving multi-level marketing of undergarments, garments, leather goods, sportswear and household products and retailing of undergarments and garments.
- Investment holding activities undertaken by the Company.

Others represent the operations of a golf course and related services and provision of landscaping and related contract work by a subsidiary and trading of goods.

Intersegment revenue comprises sales of goods from certain subsidiaries to the "Direct selling/retail" segment and dividend income received from a subsidiary.

Unallocated assets and liabilities consist of income tax recoverable/payable and deferred tax assets/liabilities.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2015						
<u>Revenue</u>						
Total revenue	40,596,902	49,763,539	4,886,903	1,500,012	1,259,895	98,007,251
Intersegment revenue	0	(1,554,990)	0	(1,500,012)	(456,058)	(3,511,060)
External revenue	40,596,902	48,208,549	4,886,903	0	803,837	94,496,191
<u>Results</u>						
Profit/(Loss) from operations	4,230,621	1,633,870	217,267	(463,452)	(222,268)	5,396,038
Finance cost	(123,849)	(229,990)	(27,228)	(818)	(466)	(382,351)
Profit/(Loss) before tax	4,106,772	1,403,880	190,039	(464,270)	(222,734)	5,013,687
Taxation						(1,376,291)
Net profit for the financial year						3,637,396
Segment assets	75,598,866	45,443,586	3,949,727	4,104,829	1,004,610	130,101,618
Unallocated corporate assets						
- Deferred tax assets						1,795,631
- Tax recoverable						27,061
						131,924,310
Segment liabilities	35,404,807	16,505,936	847,643	424,840	746,174	53,929,400
Unallocated corporate liabilities						
- Deferred tax liabilities						938,662
- Current tax liabilities						172,824
						55,040,886



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SEGMENT REPORTING (CONTINUED)

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

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2015						
Capital expenditure	905,453	75,315	39,656	3,700	28,013	1,052,137
Included in profit/(loss) from operations are:						
Interest income	(21,710)	(110,203)	0	(3)	0	(131,916)
Depreciation and amortisation	96,151	1,216,865	86,522	24,429	234,484	1,658,451



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SEGMENT REPORTING (CONTINUED)

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

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2014						
<u>Revenue</u>						
Total revenue	35,410,284	55,794,429	3,635,502	11,254,285	1,905,869	108,000,369
Intersegment revenue	0	(1,063,911)	0	(11,254,285)	(1,151,363)	(13,469,559)
External revenue	35,410,284	54,730,518	3,635,502	0	754,506	94,530,810
<u>Results</u>						
Profit/(Loss) from operations	7,539,004	1,446,292	(2,579,149)	(876,049)	(141,211)	5,388,887
Finance cost	(152,157)	(381,898)	(32,775)	(10,231)	(602)	(577,663)
Profit/(Loss) before tax	7,386,847	1,064,394	(2,611,924)	(886,280)	(141,813)	4,811,224
Taxation						2,319,131
Net profit for the financial year						7,130,355
Segment assets	50,209,660	46,112,311	3,415,044	4,294,399	1,265,510	105,296,924
Unallocated corporate assets						2,381,691
- Deferred tax assets						284,321
- Tax recoverable						107,962,936
Segment liabilities	15,402,613	15,253,505	445,968	658,462	953,334	32,713,882
Unallocated corporate liabilities						831,862
- Deferred tax liabilities						371,164
- Current tax liabilities						33,916,908



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SEGMENT REPORTING (CONTINUED)

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

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2014						
Capital expenditure	88,038	1,168,746	39,445	0	424,146	1,720,375
Included in profit/(loss) from operations are:						
Interest income	(47,488)	(122,273)	(10)	(2,175)	0	(171,946)
Depreciation and amortisation	84,058	1,382,605	114,338	73,465	219,514	1,873,980
Impairment of goodwill	0	0	0	172,022	0	172,022



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. The revenue of the Group is analysed as follows:

	GROUP	
	2015 RM	2014 RM
Canada	13,547,511	18,837,985
Germany	13,433,278	11,681,136
France	359,943	147,101
United States of America	14,990,753	15,560,802
Hong Kong	1,263,351	1,186,918
Japan	743,568	523,129
Netherlands	945,496	12,337
Mexico	405,806	0
Singapore	205,036	1,161,260
Malaysia	46,287,642	39,800,292
South Korea	1,081,756	4,375,937
Sweden	462,204	409,715
Vietnam	397,251	144,062
Other countries	372,596	690,136
	94,496,191	94,530,810

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 2015 and the statement of financial position as at 31 March 2015. 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Direct sales and retail	4,886,903	3,635,502	0	0
Sales of finished goods	48,301,860	54,817,280	0	0
Contract revenue	21,525,885	34,048,505	0	0
Property development revenue	19,071,017	1,361,779	0	0
Golfing fees and others				
club revenue	710,526	667,744	0	0
Gross dividend income from				
unquoted subsidiaries	0	0	1,500,012	11,254,285
	94,496,191	94,530,810	1,500,012	11,254,285



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. COST OF SALES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cost of inventories recognised as an expense	43,593,860	51,608,136	0	0
Contract costs recognised as an expense	17,852,548	24,680,803	0	0
Property development costs recognised as an expense	16,115,739	1,111,108	0	0
	77,562,147	77,400,047	0	0

9. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit from operations is stated after charging/(crediting):				
Auditors' remuneration paid/payable to PricewaterhouseCoopers Malaysia				
- statutory audit	239,000	220,000	64,500	61,450
- other services	48,600	44,900	7,500	7,500
Employee benefit expense (including directors' remuneration)	17,594,927	17,095,998	219,500	219,500
Inventories				
- allowance for slow moving inventories (written back)/ provided for	(2,570,293)	3,366,644	0	0
- write down	46,360	451,475	0	0
Amortisation of prepaid lease payments	0	4,189	0	4,189
Property, plant and equipment				
- depreciation	1,658,451	1,869,791	24,429	69,276
- gains on disposal	(38,900)	(40,438)	0	0
- write off	55,055	2,969	0	0
Rental expenses of premises	66,600	81,150	0	0
Sub-contract wages	4,312,740	4,584,616	0	0
Provision for liquidated damages	504,361	0	0	0



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. PROFIT FROM OPERATIONS (CONTINUED)

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit from operations is stated after charging/(crediting):				
Significant amounts included in other operating expenses are:				
- impairment of goodwill	0	172,022	0	0
- allowance for doubtful debts - non trade	0	70,000	169,368	781,115
Significant amounts included in other operating income are:				
- reversal of impairment loss on investment in a subsidiary	0	0	(77,978)	(26,587,463)
- interest income	(131,916)	(171,946)	(1,880,120)	(1,106,399)
- net realised foreign exchange gains	(794,551)	(679,178)	(2,519)	(2,183)
- net unrealised foreign exchange losses	146,477	29,583	0	0
- rental income of premises	(322,219)	(254,676)	(94,600)	(60,000)
- gains on disposals of marketable securities	0	(7,577)	0	(7,577)
- fair value losses on marketable securities	71,651	7,783	71,651	7,783
- fair value (gains)/ losses on derivative financial instruments	(26,182)	8,996	0	0
- gross dividend income from marketable securities	(18,168)	(13,170)	(18,168)	(13,170)
- insurance claim received	(520,396)	0	(130,099)	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



9. PROFIT FROM OPERATIONS (CONTINUED)

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Employee benefit expense (including directors' remuneration)				
Executive directors:				
- fees	135,000	135,000	109,000	109,000
- allowances	4,000	4,000	4,000	4,000
- salaries and bonus	677,180	677,180	0	0
- defined contribution plan	109,881	109,881	0	0
	926,061	926,061	113,000	113,000
Non-executive directors:				
- fees	100,000	100,000	100,000	100,000
- allowances	6,500	6,500	6,500	6,500
	106,500	106,500	106,500	106,500
Total directors' remuneration	1,032,561	1,032,561	219,500	219,500
Other staff costs:				
- salaries, wages and bonus	14,860,561	13,952,332	0	0
- defined contribution plan	760,498	743,685	0	0
- other short term employee benefits	941,307	1,367,420	0	0
Total other staff costs	16,562,366	16,063,437	0	0
Total employee benefit expense	17,594,927	17,095,998	219,500	219,500
Monetary value of benefits given to certain directors	18,600	18,600	0	0



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. FINANCE COST

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Term loan interests	559,610	397,820	818	10,231
Overdraft interests	594,510	393,564	0	0
Interests on other borrowings	110,552	135,044	1,434,232	1,043,057
	1,264,672	926,428	1,435,050	1,053,288
Less: Amount capitalised in				
- Development costs (Note 20)	(715,194)	(462,633)	0	0
- Construction contracts (Note 37)	(270,681)	(12,352)*	0	0
	(985,875)	(474,985)	0	0
Net interest expense	278,797	451,443	1,435,050	1,053,288
Bank commissions, bank charges and commitment fees	103,554	126,220	0	0
	382,351	577,663	1,435,050	1,053,288

* The interest expense capitalised in construction contracts was charged to profit or loss as part of contract costs in the previous financial year ended 31 March 2014.

The average capitalisation rate for borrowing costs of the Group is 7.77% (2014: 7.10%).

11. TAXATION

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Malaysian taxation:				
Income tax charge	586,343	610,538	297,000	2,743,735
Deferred tax charge/(credit)				
- origination and reversal of temporary differences (Note 18)	692,860	(2,914,483)	(4,350)	(11,236)
	1,279,203	(2,303,945)	292,650	2,732,499
In respect of previous financial years:				
- under/(over) provision of income tax	97,088	(15,186)	58,980	(7,478)
Tax charge/(credit)	1,376,291	(2,319,131)	351,630	2,725,021



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. TAXATION (CONTINUED)

The explanation of the relationship between taxation and profit from ordinary activities before taxation is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit from ordinary activities before taxation	5,013,687	4,811,224	1,558,237	36,575,542
Tax calculated at the Malaysian income tax rate 25% (2014: 25%)	1,253,422	1,202,806	389,559	9,143,886
Tax effects of:				
- expenses not deductible for tax purposes	535,693	938,091	316,782	240,575
- change in tax rate on temporary differences from 25% to 24%	69,932	0	(1,621)	0
- reversal of previously recognised unused tax losses as deductible temporary differences	72,327	0	0	0
- current year tax loss not recognised	6,496	0	0	0
- expenses eligible for double deduction/tax incentives	(78,245)	(104,085)	0	0
- income not subject to tax	(552,944)	(26,931)	(412,070)	(6,651,962)
- previously unrecognised unused tax losses now recognised	0	(4,313,826)	0	0
- over/(under) provision of income tax in respect of previous financial years	69,610	(15,186)	58,980	(7,478)
Tax charge/(credit)	1,376,291	(2,319,131)	351,630	2,725,021

The Group has unused tax losses which can be carried forward and utilised to set off against future taxable profits as of 31 March 2015 of RM7,883,000 (2014: RM9,855,000).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. EARNINGS PER SHARE

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

	GROUP	
	2015	2014
Net profit for the financial year attributable to owners of the Company (RM)	3,786,148	7,103,794
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic/diluted earnings per share (sen)	4.73	8.88

13. DIVIDENDS

	GROUP AND COMPANY	
	2015	2014
Paid		
Final single-tier dividend of 1 sen per share on 80,000,000 ordinary shares in respect of financial year ended 31 March 2014, paid on 14 October 2014	800,000	0

In respect of the financial year ended 31 March 2015, the directors recommend a final single-tier dividend of 1 sen per share on 80,000,000 ordinary shares amounting to RM800,000, subject to shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this dividend. This dividend if approved at the Annual General Meeting, will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2016.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land at valuation RM	Buildings at valuation 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
<u>Cost/Valuation</u>								
At 1 April 2014	5,550,000	15,590,000	8,358,368	7,835,661	3,094,782	674,235	0	41,103,046
Additions	0	0	25,913	121,791	0	4,800	0	152,504
Transfer from property development cost	0	0	0	0	0	0	899,633	899,633
Disposals	0	0	0	0	(280,620)	0	0	(280,620)
Write off	0	0	(17,305)	(114,117)	(2,500)	0	0	(133,922)
At 31 March 2015	5,550,000	15,590,000	8,366,976	7,843,335	2,811,662	679,035	899,633	41,740,641
<u>Accumulated depreciation</u>								
At 1 April 2014	0	915,997	6,697,027	5,775,763	2,225,109	88,968	0	15,702,864
Charge for the financial year	0	413,365	360,416	524,545	326,261	33,864	0	1,658,451
Disposals	0	0	0	0	(280,620)	0	0	(280,620)
Write off	0	0	(7,757)	(69,152)	(1,958)	0	0	(78,867)
At 31 March 2015	0	1,329,362	7,049,686	6,231,156	2,268,792	122,832	0	17,001,828
<u>Carrying value</u>								
At 31 March 2015	5,550,000	14,260,638	1,317,290	1,612,179	542,870	556,203	899,633	24,738,813



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Freehold land at valuation RM	Buildings at valuation 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 2013	5,550,000	16,790,000	7,466,103	7,329,074	2,872,241	619,475	179,536	40,806,429
Additions	0	0	965,864	77,242	371,150	54,760	251,359	1,720,375
Disposals	0	0	0	(1,550)	(147,109)	0	0	(148,659)
Write off	0	0	(73,599)	0	(1,500)	0	0	(75,099)
Transfers	0	0	0	430,895	0	0	(430,895)	0
Transfer from accumulated depreciation on revaluation	0	(63,450)	0	0	0	0	0	(63,450)
Revaluation surplus credited to equity	0	63,450	0	0	0	0	0	63,450
Transfer to investment property	0	(1,200,000)	0	0	0	0	0	(1,200,000)
At 31 March 2014	5,550,000	15,590,000	8,358,368	7,835,661	3,094,782	674,235	0	41,103,046
Accumulated depreciation								
At 1 April 2013	0	537,883	6,333,286	5,113,808	2,075,359	55,814	0	14,116,150
Charge for the financial year	0	441,564	434,996	662,343	297,734	33,154	0	1,869,791
Transfer to cost/valuation on revaluation	0	(63,450)	0	0	0	0	0	(63,450)
Disposals	0	0	0	(388)	(147,109)	0	0	(147,497)
Write off	0	0	(71,255)	0	(875)	0	0	(72,130)
At 31 March 2014	0	915,997	6,697,027	5,775,763	2,225,109	88,968	0	15,702,864
Carrying value								
At 31 March 2014	5,550,000	14,674,003	1,661,341	2,059,898	869,673	585,267	0	25,400,182



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Building at valuation RM	Furniture, fittings and equipment at cost RM	Total RM
<u>Cost/Valuation</u>			
At 1 April 2014	0	582,147	582,147
Addition	0	3,700	3,700
As 31 March 2015	0	585,847	585,847
<u>Accumulated depreciation</u>			
At 1 April 2014	0	394,291	394,291
Charge for the financial year	0	24,429	24,429
At 31 March 2015	0	418,720	418,720
<u>Carrying value</u>			
At 31 March 2015	0	167,127	167,127
<u>Cost/Valuation</u>			
At 1 April 2013	1,200,000	582,147	1,782,147
Transfer from accumulated depreciation on revaluation	(63,450)	0	(63,450)
Revaluation surplus credited to equity	63,450	0	63,450
Transfer to investment property	(1,200,000)	0	(1,200,000)
As 31 March 2014	0	582,147	582,147
<u>Accumulated depreciation</u>			
At 1 April 2013	35,250	353,215	388,465
Charge for the financial year	28,200	41,076	69,276
Transfer to cost/valuation on revaluation	(63,450)	0	(63,450)
At 31 March 2014	0	394,291	394,291
<u>Carrying value</u>			
At 31 March 2014	0	187,856	187,856



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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
			<u>21,140,000</u>

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	
	2015	2014
	RM	RM
Freehold land	1,019,735	1,019,735
Buildings	11,782,416	12,125,020
	<u>12,802,151</u>	<u>13,144,755</u>

Carrying value of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 31 and Note 32 to the financial statements are RM20,155,520 (2014: RM20,624,453).

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

	GROUP	
	2015	2014
	RM	RM
Motor vehicles		
- additions during the financial year, at cost	0	367,350
- carrying value at financial year end	<u>521,366</u>	<u>836,639</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



15. INVESTMENT PROPERTY

	GROUP AND COMPANY	
	2015 RM	2014 RM
At fair value:		
At 1 April	3,200,000	0
Transferred from		
- property, plant and equipment (Note 14)	0	1,200,000
- prepaid lease payments	0	2,000,000 *
	0	3,200,000
At 31 March	3,200,000	3,200,000
Prepaid lease payment		
At 1 April		273,357
Amortisation		(4,189)
Surplus arising from revaluation		1,730,832
Transferred to investment property		(2,000,000) *
At 31 March		0

The leasehold land and building of the Company has been transferred to investment property with the change in use from own use to rental and capital appreciation since the financial year ended 31 March 2014.

The investment property of the Group and the Company are stated at fair value of RM3,200,000 (2014: RM3,200,000) based on market value of similar properties in the same locality provided by an independent professional valuer, Suleiman & Co. Property Consultants Sdn. Bhd. on 31 March 2015.

The investment property was pledged as security for a term loan of the Group and the Company as disclosed in Note 31 to the financial statements. This term loan has subsequently been fully settled with the said property discharged as security during the current financial year.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SUBSIDIARIES

	COMPANY	
	2015	2014
	RM	RM
Unquoted shares at cost	61,804,486	61,804,486
Accumulated impairment losses	0	(77,978)
	61,804,486	61,726,508
Accumulated impairment losses		
At 1 April	77,978	26,665,441
Impairment losses written back	(77,978)	(26,587,463)
At 31 March	0	77,978

(a) Impairment loss written back in the current financial year

The impairment loss written back is in respect of Omni Green Sdn. Bhd. ("Omni Green").

Omni Green which operates a golf course and engages in the provision of related services, does not qualify as a reportable operating segment 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 5 financial years ending 31 March 2016, 2017, 2018, 2019 and 2020. Cash flows beyond 5 years period up to the end of the lease of golf course are extrapolated using zero growth rate.

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

- (i) there will be no material changes in the principal activities of Omni Green.
- (ii) revenue derived from normal operations of its golf course with various fee categories is expected to grow at average rate of 5% for the 5 financial years ending 31 March 2020. Operating expenses are expected to increase at 3% per annum.
- (iii) discount rate of 12.3% is used.

The key assumptions mentioned above are based on past performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



16. SUBSIDIARIES (CONTINUED)

(b) Impairment loss written back in the previous financial year

The impairment loss written back for the financial year ended 31 March 2014 was in respect of Caely (M) Sdn. Bhd. ("Caely (M)") which property development and construction activities have contributed positively to the results of the Group since the financial year ended 31 March 2014.

The recoverable amount was determined based on value-in-use calculation using post tax cash flow projections based on financial budgets approved by the directors over a three year period for the financial years ended/ending 31 March 2015, 2016 and 2017. Cash flows beyond the three year period were not taken into consideration in the value-in-use calculation as the property development and construction contracts on hand are expected to be completed by the financial year ending 31 March 2017.

Key assumptions used in the value-in-use calculation

The following key assumptions had been applied in the value-in-use calculation for the cost of investment in Caely (M):

- (i) there would be no material changes in the principal activities of Caely (M);
- (ii) timing of revenue recognition of the property development projects were based on planned sales of units of residential/commercial units over a period three years;
- (iii) costs of property development and construction contracts were based on contracted sum on hand or expected contracted sum currently under negotiation; and
- (iv) discount rate of 13% was used. The discount rate used was from market cost of equity plus a reasonable risk premium at the date of assessment.

Based on the above calculations, the recoverable amount was higher than the carrying amount of the cost of investment in Caely (M).

Sensitivity to change in key assumptions

The Group reviewed the sensitivity of the key assumptions to the cash flow projection as change in assumptions may significantly affect the recoverable amount of the cost of investment in Caely (M).

The directors believes that no reasonable possible change in any of the above key assumptions would cause the carrying values to materially differ from the recoverable amount except for the increase in cost mentioned below.

The circumstance where a reasonable possible increase in total operating cost by 3% for the whole three year period would result in the recoverable amount of the cost of investment in Caely (M) to equal to corresponding carrying amount, assuming no change in the other variables.

Updated impairment review was performed by management in the current financial year and no impairment loss was noted.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SUBSIDIARIES (CONTINUED)

(c) List of subsidiaries

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

Name of company	Group's effective interest		Principal activities
	2015	2014	
	%	%	
Caely (M) Sdn. Bhd.	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	Manufacture and sales of undergarments.
Marywah Industries (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments and trading of related raw materials.
Caely Development Sdn. Bhd.	100	100	Dormant.
Omni Green Sdn. Bhd. ("Omni Green")	51	51	Operation of a golf course and other related services and the provision of landscaping and related contract work.

17. GOODWILL

	GROUP
	2014
	RM
Goodwill	
Cost arising from acquisition of a subsidiary	357,964
Accumulated impairment losses	
At 1 April	(185,942)
Impairment charge for the financial year	(172,022)
At 31 March	(357,964)
Carrying value	0

Impairment testing for goodwill

During the previous financial year, management reviewed the business performance of the subsidiary acquired, Omni Green and the related goodwill arising from the acquisition of this subsidiary. Goodwill impaired in the previous financial year was not reversed subsequently.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. DEFERRED TAX (ASSETS)/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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Deferred tax assets				
- subject to income tax	(1,795,631)	(2,381,691)	0	0
Deferred tax liabilities				
- subject to income tax	627,307	520,507	35,072	39,422
- subject to real property gains tax	311,355	311,355	94,714	94,714
	938,662	831,862	129,786	134,136
Deferred tax (assets)/liabilities (net)	(856,969)	(1,549,829)	129,786	134,136
Deferred tax assets				
- realised within 12 months	(1,443,404)	(554,860)	0	0
- realised after 12 months	(352,227)	(1,826,831)	0	0
	(1,795,631)	(2,381,691)	0	0
Deferred tax liabilities				
- realised within 12 months	5,373	7,174	5,373	4,350
- realised after 12 months	933,289	824,688	124,413	129,786
	938,662	831,862	129,786	134,136

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

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
At 1 April	(1,549,829)	1,310,365	134,136	91,083
Charged/(credited) to profit or loss (Note 11):				
- property, plant and equipment	(463,696)	(60,484)	(4,350)	(11,236)
- unused tax losses	647,674	(2,235,109)	0	0
- property development cost	156,802	(238,759)	0	0
- provision and allowance	250,145	(448,531)	0	0
- other temporary differences	101,935	68,400	0	0
	692,860	(2,914,483)	(4,350)	(11,236)
Charged to other comprehensive income:				
- revaluation surplus on investment property	0	54,289	0	54,289
At 31 March	(856,969)	(1,549,829)	129,786	134,136



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Subject to income tax:				
Deferred tax assets (before offsetting)				
- property, plant and equipment	(61,000)	0	0	0
- unused tax losses	(1,816,309)	(2,463,983)	0	0
- property development cost	(81,957)	(238,759)	0	0
- provisions and allowance	(727,131)	(977,276)	0	0
- other deductible temporary differences	(148,952)	(253,711)	0	0
Offsetting	1,039,718	1,552,038	0	0
Deferred tax assets (after offsetting)	(1,795,631)	(2,381,691)	0	0
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	1,655,736	2,058,432	35,072	39,422
- other taxation temporary differences	11,289	14,113	0	0
Offsetting	(1,039,718)	(1,552,038)	0	0
Deferred tax liabilities (after offsetting)	627,307	520,507	35,072	39,422
Subject to real property gains tax:				
Deferred tax liabilities				
- property, plant and equipment	216,641	216,641	0	0
- investment property	94,714	94,714	94,714	94,714
	311,355	311,355	94,714	94,714
Total deferred tax liabilities	938,662	831,862	129,786	134,136

The tax effects of unused tax losses of a subsidiary determined after appropriate offsetting, for which no deferred tax assets are recognised in the financial statements of the subsidiary as at 31 March 2015 is RM75,800 (2014: Nil).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non current assets				
Trade receivables				
- instalment scheme	245	8,492	0	0
Other receivables	340,460	737,921	0	0
Amounts owing by subsidiaries	0	0	28,022,317	22,619,674
	340,705	746,413	28,022,317	22,619,674
Current assets				
Trade receivables				
- normal trade terms	36,740,764	17,754,876	0	0
- instalment scheme	6,878	16,269	0	0
	36,747,642	17,771,145	0	0
Amount due from customers on contracts (Note 37)	3,228,209	3,908,948	0	0
Other receivables	1,111,299	1,972,742	0	0
Accrued billings in respect of property development	0	591,570	0	0
Deposits	138,959	132,319	9,686	9,686
Prepayments	1,038,289	1,179,031	3,480	122,946
Advances to sub-contractors	3,044,578	4,634,354	0	0
Amounts owing by subsidiaries	0	0	6,000,000	11,000,000
	8,561,334	12,418,964	6,013,166	11,132,632
Total current assets	45,308,976	30,190,109	6,013,166	11,132,632
The currency profile of trade and other receivables is as follows:				
- Ringgit Malaysia	33,458,534	15,704,957	34,022,317	33,619,674
- US Dollar	3,363,990	4,298,888	0	0
- Euro	1,377,122	552,566	0	0
Total trade and other receivables	38,199,646	20,556,411	34,022,317	33,619,674

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

- (i) normal trade terms - cash on delivery to 75 days (2014: Cash on delivery to 75 days); and
- (ii) instalment scheme - 60 monthly instalments (2014: 60 monthly instalments).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Included in other receivables of the Group under non current assets and current assets of RM340,460 (2014: RM737,921) and RM188,843 (2014: RM1,964,661) respectively are advances given in relation to various construction projects which are unsecured and interest free. The non current portion is expected to be recovered within a period of 5 years, correspond to the completion of the construction contracts period.

Amounts owing by subsidiaries are non trade in nature. They are unsecured, carry market floating interest rate of 5.59% (2014: 5.05%) per annum and are repayable within a period of 5 years commencing April 2015 for amount classified under non current assets.

20. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2015	2014
	RM	RM
Property development costs comprise the following:		
At 1 April		
- Leasehold land, at cost	5,713,982	5,580,197
- Development costs	17,383,479	6,640,917
	23,097,461	12,221,114
Add/(Less): Movements in land		
- Transfer to property, plant and equipment under capital work in progress	(66,141)	0
- Premium paid for conversion of leasehold land	0	133,785
	(66,141)	133,785
Add/(Less): Movements in development costs		
- Additions	29,999,527	10,742,562
- Transfer to property, plant and equipment under capital work in progress	(833,492)	0
	29,166,035	10,742,562
Less: Accumulated costs charged to profit or loss		
- At 1 April	(1,111,108)	0
- Movements during the financial year	(16,115,739)	(1,111,108)
- At 31 March	(17,226,847)	(1,111,108)
At 31 March	34,970,508	21,986,353
Property development costs are analysed as follows:		
Leasehold land, at cost	5,647,841	5,713,982
Development costs	46,549,514	17,383,479
Accumulated costs recognised in profit or loss	(17,226,847)	(1,111,108)
At 31 March	34,970,508	21,986,353
Leasehold land at cost pledged for credit facilities of the Company	5,647,841	5,713,982



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. PROPERTY DEVELOPMENT COSTS (CONTINUED)

Included in development costs is interest capitalised during the financial year amounting to RM715,194 (2014: RM462,633) (Note 10).

Some of the titles to the property development leasehold land of the Company have yet to be registered in the name of the Company as the titles have yet to be issued by the relevant authority as of 31 March 2015. Certain of the sub-divided titles of the property development leasehold land of the Company have been pledged as securities for credit facilities granted to the Company for bank overdrafts (Note 32) and bridging loan (Note 31).

21. INVENTORIES

	GROUP	
	2015	2014
	RM	RM
At cost		
Raw materials	7,439,865	6,898,192
Work in progress	1,024,039	858,275
Finished goods	5,977,942	4,975,882
Operating supplies and beverages	15,279	12,477
	14,457,125	12,744,826
At net realisable value		
Finished goods	868,217	632,401
	15,325,342	13,377,227

22. MARKETABLE SECURITIES

	GROUP AND COMPANY	
	2015	2014
	RM	RM
Held for trading		
Shares in corporations and unit trusts		
- quoted in Malaysia	197,773	271,363
- quoted outside Malaysia	485,142	483,203
	682,915	754,566

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)

23. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP	
	2015	2014
	RM	RM
Derivative financial instruments		
Assets	33,834	6,473
Liabilities	8,421	7,242

The Group has entered into foreign currency forward exchange/option 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	
	2015	2014
	RM	RM
- foreign currency forward exchange contracts	1,541,950	658,600
- foreign currency option contracts	0	3,293,600
	1,541,950	3,952,200

24. DEPOSITS WITH LICENSED BANKS

	GROUP	
	2015	2014
	RM	RM
Deposits with licensed banks	3,623,296	6,910,118
Deposits pledged for credit facilities with a licensed bank	(3,623,296)	(3,521,469)
Deposits under lien for credit facilities with a licensed bank	0	(2,994,197)
Deposits with licensed banks (unencumbered)	0	394,452
Weighted average effective interest rates per annum	3.00%	2.92%
Weighted average maturity period (days)		
- encumbered deposits	90	217
- unencumbered deposits	N/A	90

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



25. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Deposits with licensed banks (with maturity period of 3 months or less) (Note 24)	0	394,452	0	0
Bank and cash balances	1,451,511	2,249,908	41,621	19,345
Cash held under Housing Development Accounts	425,718	475,575	0	0
	1,877,229	2,725,483	41,621	19,345
Bank overdrafts (Note 32)	(6,260,756)	(7,018,580)	0	0
	(4,383,527)	(3,898,645)	41,621	19,345
The currency profile of bank and cash balances is as follows:				
- Ringgit Malaysia	959,068	700,029	23,528	16,757
- US Dollar	896,912	2,021,582	0	0
- Hong Kong Dollar	15,797	2,588	15,797	2,588
- Euro	3,156	1,284	0	0
- Singapore Dollar	2,296	0	2,296	0
	1,877,229	2,725,483	41,621	19,345

Bank and cash balances of the Group and the Company are cash in hand and deposits placed in current accounts with various licensed banks in Malaysia which do not earn any interest except for bank balances held in USD call accounts of the Group of RM45,805 (2014: RM536,861) which carry weighted average effective interest rate of 0.05% (2014: 0.05%) per annum.

Bank balances held under the Housing Development Accounts of the Group represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Act, 1966 held at call with banks.

The weighted average effective interest rate of bank balances under Housing Development Accounts during the financial year is 2.00% (2014: 1.97%) per annum.

26. SHARE CAPITAL

	GROUP AND COMPANY			
	2015	2014	2015	2014
	No. of shares	No. of shares	RM	RM
Authorised:				
Ordinary shares of RM0.50 each	100,000,000	100,000,000	50,000,000	50,000,000
Issued and fully paid-up:				
Ordinary shares of RM0.50 each	80,000,000	80,000,000	40,000,000	40,000,000



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. OTHER RESERVES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Share premium	9,419,360	9,419,360	9,419,360	9,419,360
Reserve on consolidation	80,344	80,344	0	0
Revaluation reserve	8,385,011	8,385,011	1,851,511	1,851,511
	17,884,715	17,884,715	11,270,871	11,270,871

The details of revaluation reserve are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
At 1 April				
- land	6,063,652	4,332,820	1,730,832	0
- buildings	3,372,674	3,309,224	215,393	151,943
	9,436,326	7,642,044	1,946,225	151,943
Surplus arising from revaluation				
- land	0	1,730,832	0	1,730,832
- buildings	0	63,450	0	63,450
	0	1,794,282	0	1,794,282
At 31 March				
- land	6,063,652	6,063,652	1,730,832	1,730,832
- buildings	3,372,674	3,372,674	215,393	215,393
	9,436,326	9,436,326	1,946,225	1,946,225
Less: Deferred tax liabilities				
At 1 April	1,051,315	997,026	94,714	40,425
Addition	0	54,289	0	54,289
At 31 March	1,051,315	1,051,315	94,714	94,714
Revaluation reserve, net of tax	8,385,011	8,385,011	1,851,511	1,851,511



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. RETAINED PROFITS

Under the single-tier tax system which came into effect from the year of assessment 2008 and with the 6 years transitional period expired on 31 December 2013, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

29. PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non current liabilities				
Other payables	0	12,191	0	0
Amount owing to a subsidiary	0	0	8,196,498	8,196,498
	0	12,191	8,196,498	8,196,498
Current liabilities				
Trade payables	25,204,846	13,758,263	0	0
Progress billings for property development	4,780,386	0	0	0
Other payables	2,493,769	1,744,387	158,340	347,600
Accruals	1,793,626	2,103,701	266,500	260,563
Amount owing to a subsidiary	0	0	17,923,173	18,242,009
Amount owing to a director	463,252	398,419	0	0
	9,531,033	4,246,507	18,348,013	18,850,172
	34,735,879	18,004,770	18,348,013	18,850,172
Total payables and accruals	34,735,879	18,016,961	26,544,511	27,046,670
The currency profile of trade and other payables and accruals is as follows:				
- Ringgit Malaysia	32,753,521	16,518,912	26,544,511	27,046,670
- US Dollar	844,294	882,525	0	0
- Chinese Renminbi	1,120,129	548,302	0	0
- Others	17,935	67,222	0	0
Total payables and accruals	34,735,879	18,016,961	26,544,511	27,046,670



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. PAYABLES AND ACCRUALS (CONTINUED)

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2014: cash on delivery to 90 days).

Non trade amounts owing to a subsidiary of the Company are unsecured, carry market floating interest rate of 5.59% (2014: 5.05%) per annum and are repayable within a period of 5 years commencing March 2013 for amount classified under non current liabilities.

The amount owing to a director denominated in Ringgit Malaysia is unsecured, interest free and repayable on demand.

30. HIRE-PURCHASE CREDITORS

	GROUP	
	2015	2014
	RM	RM
Future minimum hire-purchase payments:		
- within one year	241,034	307,134
- later than one year but not later than two years	105,899	241,163
- later than two years but not later than five years	120,181	225,933
	467,114	774,230
Less: Finance charges	(30,196)	(62,465)
Present value of hire-purchase liabilities	436,918	711,765
Analysis of present value of hire-purchase liabilities:		
Current		
Repayable within one year	223,759	274,762
Non current		
Repayable later than one year but not later than two years	98,217	224,034
Repayable later than two years but not later than five years	114,942	212,969
	213,159	437,003
	436,918	711,765

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 4.52% to 8.23% (2014: 4.52% to 8.23%) 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Secured				
Term loan 1	0	50,299	0	50,299
Term loan 2	4,295,851	4,671,948	0	0
Term loan 3	296,771	367,675	0	0
Term loan 4	1,457,685	0	0	0
Bridging loan	3,726,586	0	0	0
	9,776,893	5,089,922	0	50,299
Current				
Repayable within one year	4,311,145	506,314	0	50,299
Non current				
Repayable later than one year				
but not later than five years	2,674,407	2,136,612	0	0
Repayable later than five years	2,791,341	2,446,996	0	0
	5,465,748	4,583,608	0	0
	9,776,893	5,089,922	0	50,299

Term loan 1 was repayable by 120 instalments commencing July 2004. It was secured by fixed charges over an investment property of the Company and this loan has been fully settled during the current financial year.

Term loan 2 is repayable by 120 instalments commencing April 2013. It is secured by fixed charges over land and certain buildings of the subsidiaries. This term loan is also guaranteed by the Company.

Term loan 3 is repayable by 60 instalments commencing October 2013. It is secured by a specific debenture over a unit of machinery of a subsidiary. This term loan is also guaranteed by the Company.

During the current financial year, a subsidiary has drawdown a term loan facility of RM1,500,000 from a local licensed bank for its working capital purposes. The term loan 4 is repayable by 120 instalments commencing September 2014. It is secured by fixed charges on the freehold land and certain buildings of the subsidiaries. This term loan is also guaranteed by the Company.

As at 31 March 2015, a subsidiary has obtained a bridging loan facility of RM7,000,000 (2014: N/A) from a local licensed bank. This bridging loan is repayable within 18 months from the date of first drawdown. It is secured by way of legal charge over the development land of the subsidiary. This term loan is also guaranteed by the Company.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. TERM LOANS (CONTINUED)

	GROUP		COMPANY	
	2015 %	2014 %	2015 %	2014 %
These term loans have effective interest rates per annum as follows:				
Term loan 1	N/A	7.60	N/A	7.60
Term loan 2	7.35	7.10	N/A	N/A
Term loan 3	7.85	7.60	N/A	N/A
Term loan 4	7.35	N/A	N/A	N/A
Bridging loan	8.35	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	
	2015 RM	2014 RM
<u>Secured</u>		
Foreign currency revolving credit	2,049,473	1,650,000
Bank overdrafts	4,424,634	5,520,187
	6,474,107	7,170,187
<u>Unsecured</u>		
Trade finance liabilities	661,060	219,412
Bank overdrafts	1,836,122	1,498,393
	2,497,182	1,717,805
<u>Total</u>		
Foreign currency revolving credit and trade finance liabilities	2,710,533	1,869,412
Bank overdrafts	6,260,756	7,018,580
	8,971,289	8,887,992



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 RM3,623,296 (2014: RM3,521,469) of a subsidiary;
- (iii) against first party legal charge over certain of the sub-divided titles of the property development leasehold land (Note 20); and
- (iv) assignment of contract payment with Facility/Loan Agreement.

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

	GROUP	
	2015	2014
	RM	RM
The currency profile of short term bank borrowings is as follows:		
- Ringgit Malaysia	6,921,816	7,237,992
- US Dollar	2,049,473	1,650,000
	8,971,289	8,887,992

	GROUP	
	2015	2014
	%	%
Weighted average effective interest rates at the end of the reporting period are as follows:		
- trade finance facilities	5.64	4.96
- foreign currency revolving credit	2.90	2.90
- bank overdrafts	8.03	7.83

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

	GROUP	
	2015	2014
	Days	Days
Trade finance liabilities	144 - 147	144 - 148
Foreign currency revolving credit	89 - 181	91



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	
	2015	2014	2015	2014
	RM	RM	RM	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
Interest expense paid/payable to a subsidiary				
- Classita (M) Sdn. Bhd.	0	0	(1,434,232)	(1,043,057)
Interest income received/receivable from subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	1,666,417	911,119
- Marywah Industries (M) Sdn. Bhd.	0	0	206,914	141,475
- Omni Green Sdn. Bhd.	0	0	0	45,982
- Caely Development Sdn. Bhd.	0	0	6,786	5,648
Advances repaid from/(to) subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	1,182,712	(18,126,308)
- Marywah Industries (M) Sdn. Bhd.	0	0	0	(966,598)
- Omni Green Sdn. Bhd.	0	0	(169,368)	(7,444)
- Caely Development Sdn. Bhd.	0	0	0	(5,647)
Advances (repaid to)/from a subsidiary				
- Classita (M) Sdn. Bhd.	0	0	(260,000)	10,242,009
Payments on behalf by the subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	41,467	49,303
- Classita (M) Sdn. Bhd.	0	0	6,944	0
- Marywah Industries (M) Sdn. Bhd.	0	0	100,627	0
Payments on behalf for the subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	(37,893)	(48,891)
- Classita (M) Sdn. Bhd.	0	0	0	(48,197)
Advances from/(repaid to) a Director				
- Dato' Chuah Chin Lai	64,833	(69,084)	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Key management compensation

Key management comprises directors (executive and non-executive) and general managers of the Group and the Company. The compensation paid or payable to key management is shown below:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries and other short term employee benefits (including monetary value of benefits-in-kind)	1,044,280	1,044,280	219,500	219,500
Post employment benefits	122,241	122,241	0	0
	1,166,521	1,166,521	219,500	219,500

34. NON CASH TRANSACTIONS

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

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Purchase of property, plant and equipment by means of hire-purchase financing	0	290,000	0	0
Interest received added on directly to fixed deposits pledged as security with a licensed bank	101,827	98,010	0	0
Contra of amount owing by a subsidiary against the amount owing to another subsidiary	0	0	(472,876)	0
Cost of asset transferred from property development costs to capital work in progress	899,633	0	0	0
Contra of other payable balance against amount owing by a subsidiary	0	0	(190,560)	0
Interim single-tier dividend income from a subsidiary and debited to amount owing to a subsidiary	0	0	1,500,012	0



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. NON CASH TRANSACTIONS (CONTINUED)

The Company had the following intercompany transactions during the previous financial year which were non cash in nature:

	COMPANY 2014 RM
Total advances to subsidiaries	(19,105,997)
Add: Direct remittance of cash between subsidiaries	8,143,156
Cash advanced to subsidiaries	<u>(10,962,841)</u>
 Total advances from a subsidiary	 10,242,009
Less: Direct remittance of cash between subsidiaries	(8,143,156)
Cash advances from/(repaid to) a subsidiary	<u>2,098,853</u>

There is no similar non cash transaction for the current financial year.

35. CAPITAL COMMITMENT

	GROUP	
	2015 RM	2014 RM
Approved and contracted capital commitment not provided for in the financial statements:		
- Investment in a foreign entity	550,500	418,600



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial assets				
Financial asset measured at fair value through profit or loss:				
- Marketable securities	682,915	754,566	682,915	754,566
- Derivative financial assets	33,834	6,473	0	0
	716,749	761,039	682,915	754,566
Loans and receivables at amortised cost:				
- Trade and other receivables excluding prepayments, amounts due from customers on contracts, accrued billings and advances to sub-contractors	38,338,605	20,622,619	9,686	9,686
- Amounts owing by subsidiaries	0	0	34,022,317	33,619,674
- Deposits with licensed banks	3,623,296	6,910,118	0	0
- Bank and cash balances	1,877,229	2,725,483	41,621	19,345
	43,839,130	30,258,220	34,073,624	33,648,705
Total	44,555,879	31,019,259	34,756,539	34,403,271
Financial liabilities				
Financial liabilities measured at fair value through profit or loss:				
- Derivative financial liabilities	8,421	7,242	0	0
Other financial liabilities at amortised cost:				
- Hire-purchase creditors	436,918	711,765	0	0
- Term loans	9,776,893	5,089,922	0	50,299
- Short term bank borrowings	8,971,289	8,887,992	0	0
- Payables and accruals excluding statutory liabilities	34,215,520	17,979,381	424,840	608,163
- Amounts owing to subsidiaries	0	0	26,119,671	26,438,507
	53,409,620	32,669,060	26,544,511	27,096,969
Total	53,409,041	32,676,302	26,544,511	27,096,969



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, benchmarking 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 Note 19 and Note 29 to the financial statements respectively, the sensitivity analysis of foreign currency exchange risk is calculated based on fluctuations in historical exchange rates 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.

Group	Estimated % increase		Impact on profit or loss	
	2015 %	2014 %	2015 RM	2014 RM
Foreign currency strengthens against RM				
- US Dollar	14	3	+358,000	+6,000
- Euro	10	7	+143,000	+39,000
- Chinese Renminbi	14	4	-160,000	-20,000

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Market risk (continued)

(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% (2014: 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 —	
	2015	2014
Group	RM	RM
Increase in interest rate:		
- bank borrowings	-94,000	-70,000
- deposits with licensed banks	+23,000	+30,000

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% (2014: 5%) higher/lower, with all other variables held constant, the Group's and the Company's net profit would have been RM34,146 (2014: RM37,728) higher/lower, as a result of an increase/decrease in the fair value of these quoted shares and unit trusts.

(iii) Fair value estimation

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, bank and cash balances, receivables and payables (including non trade amounts owing (to)/from group companies).

The fair value of the floating interest rate borrowings approximates its carrying value as at the reporting date.

The disclosure of fair value measurements by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Fair value estimation (continued)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
At 31 March 2015				
Group				
Assets				
Property, plant and equipment	0	0	19,810,638	19,810,638
Investment property	0	3,200,000	0	3,200,000
Marketable securities	682,715	0	0	682,715
Derivative financial instruments	0	38,834	0	38,834
Liabilities				
Derivative financial instruments	0	8,421	0	8,421
At 31 March 2014				
Group				
Assets				
Property, plant and equipment	0	0	20,224,003	20,224,003
Investment property	0	3,200,000	0	3,200,000
Marketable securities	754,566	0	0	754,566
Derivative financial instruments	0	6,473	0	6,473
Liabilities				
Derivative financial instruments	0	7,242	0	7,242



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Fair value estimation (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
At 31 March 2015				
Company				
Assets				
Investment property	0	3,200,000	0	3,200,000
Marketable securities	682,915	0	0	682,915
At 31 March 2014				
Company				
Assets				
Investment property	0	3,200,000	0	3,200,000
Marketable securities	754,566	0	0	754,566

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The market price used for marketable securities held by the Group is the closing quoted market price at the end of the reporting period. These instruments are included in Level 1.

The fair value of the derivative financial instruments is based on certain inputs which are not directly obtainable from quoted prices and is therefore classified in Level 2.

The Group and the Company engage external, independent and qualified valuers to determine the fair values of the Group's land and buildings and the Company's investment property.

The fair value of the investment property which is a four storey shop house located in a commercial area as disclosed in Note 15 is classified under Level 2 as the fair value is derived using the market value of similar properties in the same locality.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Fair value estimation (continued)

The fair value of the land and buildings included in property, plant and equipment disclosed in Note 14 is classified under Level 3 as the fair value is derived using the comparison method as there has been a limited number of similar sales in the same location. Valuation has been performed using unobservable input. The unobservable input is price per square metre. Adjustment is made for size, shape of lot, site facilities and time element.

There were no transfers between levels 1, 2 and 3 during the financial year.

(iv) 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, amounts due from customers on contracts, and deposits with licensed banks and bank balances.

Credit risk arising from OEM

The Group exports its ladies undergarment products mostly to Europe, Canada, Japan, Hong Kong, Singapore and the United States of America. For overseas customers, most of the trade debtors are secured via Letter of Credit or Document Against Payment at Sight.

Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument. The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Credit risk (continued)

Credit risk arising from property development activities

The Group does not have any significant credit risk nor any concentration of credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers or loans obtained from relevant government authority.

Trade receivables are monitored on an on-going basis via the management reporting procedures.

Credit risk arising from construction activities

The Group has significant concentration of credit risk in the form of outstanding balance due from 2 customers (2014: 2 customers) representing 51% (2014: 70%) of the total trade receivables. The Group considers the risk of default by the trade receivable relating to its construction activity to be low as the major contract is under Kementerian Kemajuan Luar Bandar Dan Wilayah. Trade receivables from other various constructions projects are monitored on an on-going basis via the management reporting procedures.

Credit risk arising from direct selling and retailing activities

The Group operates locally in Malaysia for its direct selling and retailing activities. 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. Concentration of credit risk with respect to trade receivables is limited due to the Company's large number of customers. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks and financial institutions. The deposits are placed with credit-worthy financial institutions. The Group considers the risk of material loss in the event of non performance by a financial counterparty to be low.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company'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 except for financial guarantee contracts applicable to the Company. The maximum exposure for financial guarantee contracts are as disclosed in Note 36(b)(v) to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Credit risk (continued)

Ageing analysis

The ageing analysis of the financial assets of the Group and the Company is as follows:

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Neither past due nor impaired				
Derivative financial assets	33,834	6,473	0	0
Trade receivables	29,596,084	10,192,766	0	0
Other receivables	1,590,718	2,842,982	9,686	9,686
Amounts owing by subsidiaries	0	0	34,022,317	33,619,674
Deposits with licensed banks	3,623,296	6,910,118	0	0
Bank and cash balances	1,877,229	2,725,483	41,621	19,345
	36,721,161	22,677,822	34,073,624	33,648,705
Trade receivables:				
Past due but not impaired				
1 to 60 days past due	2,394,514	3,638,394	0	0
61 to 120 days past due	81,205	728,112	0	0
More than 121 days past due	4,676,084	3,220,365	0	0
	7,151,803	7,586,871	0	0
	43,872,964	30,264,693	34,073,624	33,648,705
Trade receivables:				
Impaired	2,144,265	2,153,982	0	0
Total	46,017,229	32,418,675	34,073,624	33,648,705



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) 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 credit-worthy debtors with good historical payment records with the Group. Majority of the Group's trade receivables are due from property purchasers using financing from reputable end-financiers or loans obtained from relevant government authority.

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 2015, the Group has trade receivables of RM7,151,803 (2014: RM7,586,871) 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.

Trade 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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade receivables				
Nominal amount of				
individually impaired debt	2,144,265	2,153,982	0	0
Allowance for doubtful debts	(2,144,265)	(2,153,982)	0	0
	0	0	0	0
Movements in allowance accounts:				
At 1 April	2,153,982	2,694,748	0	0
Write back	(9,717)	0	0	0
Write off	0	(540,766)	0	0
At 31 March	2,144,265	2,153,982	0	0



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Credit risk (continued)

Trade 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 and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(v) 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.

	2015			Total RM
	Within one year RM	Two to five years RM	More than five years RM	
Group				
Non derivative financial liabilities:				
Trade and other payables	34,215,520	0	0	34,215,520
Hire-purchase creditors	241,034	226,080	0	467,114
Term loans	5,058,061	3,880,666	3,202,300	12,141,027
Short term bank borrowings	9,505,717	0	0	9,505,717
Total undiscounted financial obligations	49,020,332	4,106,746	3,202,300	56,329,378
Derivative financial liabilities:				
Gross-settled currency forwards				
- receipts	735,300	0	0	735,300
- payments	(743,721)	0	0	(743,721)
	(8,421)	0	0	(8,421)



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(v) Liquidity risk (continued)

2014				
	Within one year RM	Two to five years RM	More than five years RM	Total RM
Group				
Non derivative financial liabilities:				
Trade and other payables	17,979,381	0	0	17,979,381
Hire-purchase creditors	307,134	467,096	0	774,230
Term loans	846,795	3,132,810	2,799,024	6,778,629
Short term bank borrowings	9,465,189	0	0	9,465,189
Total undiscounted financial obligations	28,598,499	3,599,906	2,799,024	34,997,429
Derivative financial liabilities:				
Gross-settled currency forwards				
- receipts	1,635,700	0	0	1,635,700
- payments	(1,642,942)	0	0	(1,642,942)
	(7,242)	0	0	(7,242)
2015				
	On demand * or within one year RM	Two to five years RM	More than five years RM	Total RM
Company				
Non derivative financial liabilities:				
Trade and other payables	424,840	0	0	424,840
Amount owing to a subsidiary	19,028,635	10,413,562	0	29,442,197
Financial guarantee liabilities*	14,580,898	3,880,666	3,202,300	21,663,864
Total undiscounted financial obligations	34,034,373	14,294,228	3,202,300	51,530,901

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(v) Liquidity risk (continued)

	2014			Total RM
	On demand * or within one year RM	Two to five years RM	More than five years RM	
Company				
Non derivative financial liabilities:				
Trade and other payables	608,163	0	0	608,163
Amount owing to a subsidiary	19,182,944	10,023,024	0	29,205,968
Term loan	50,619	0	0	50,619
Financial guarantee liabilities*	10,261,365	3,132,810	2,799,024	16,193,199
Total undiscounted financial obligations	30,103,091	13,155,834	2,799,024	46,057,949

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. As at 31 March 2015, there was no indication that the subsidiaries would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on its banking facilities is remote.

(vi) 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	
	2015	2014
	RM	RM
At cost,		
Aggregate costs incurred to date	20,139,461	9,124,984
Attributable profit less recognised losses	3,645,269	1,251,554
	23,784,730	10,376,538
Progress billings	(20,556,521)	(6,467,590)
	3,228,209	3,908,948
Represented by:		
Amount due from customers on contracts (Note 19)	3,228,209	3,908,948
Retention on contracts included in:		
- Trade receivables	5,135,691	3,342,239
Interest capitalised	270,681	0



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. 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 as at the reporting date are analysed as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Retained profits:				
- realised	74,560,225	70,541,185	22,017,757	21,551,632
- unrealised	160,662	1,503,467	(201,437)	(141,919)
	74,720,887	72,044,652	21,816,320	21,409,713
Less: Consolidation adjustments	(55,455,652)	(55,765,565)	0	0
Total retained profits as at 31 March	19,265,235	16,279,087	21,816,320	21,409,713

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 2015

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Land	Leasehold	05.04.2078	2,300	31.03.2015	2,000,000
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building (4 storey shophouse)	Leasehold 11 years	05.04.2078	9,060	31.03.2015	1,200,000
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 20 years	-	15,250	17.11.2011	409,554
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 18 years	-	11,100	17.11.2011	373,716
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 16 years	-	28,140	17.11.2011	1,505,903
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 19 years	-	69,928	17.11.2011	4,786,623
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 12 years	-	76,800	17.11.2011	5,925,521



LANDED PROPERTIES (CONTINUED)

AS AT 31 MARCH 2015 (CONTINUED)

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½-storey Factory Building	Freehold 9 years	-	8,400	17.11.2011	483,798
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Hostel	Freehold 9 years	-	7,200	17.11.2011	280,850
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Surau	Freehold 9 years	-	625	17.11.2011	21,319
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Factory Building	Freehold 9 years	-	1,980	17.11.2011	67,666
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land and Building (2-storey residential property for staff)	Freehold 14 years	-	1,200 1,693	09.11.2011	50,000 82,627
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 8 year		7,200	17.11.2011	323,061
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	5,713,982



ANALYSIS OF SHAREHOLDINGS

AS AT 31 JULY 2015

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	: 2,316

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 31 JULY 2015

Size of shareholding	No. of shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	137	5.92	2,378	0
100 – 1,000	521	22.50	386,363	0.48
1,001 – 10,000	1,134	48.96	5,854,000	7.32
10,001 – 100,000	462	19.95	14,789,059	18.49
100,001 – 3,999,999	58	2.50	28,157,400	35.20
4,000,000 and above	4	0.17	30,810,800	38.51
	2316	100.00	80,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDER AS AT 31 JULY 2015

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datin Fong Nyok Yoon	13,130,000	16.41	12,732,000 (a)	15.92
Dato' Chuah Chin Lai	12,732,000	15.92	13,130,000 (b)	16.41
Koh Kok Hooi	5,317,600	6.65		

Notes:-

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

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

DIRECTORS' SHAREHOLDINGS AS AT 31 JULY 2015

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datin Fong Nyok Yoon	13,130,000	16.41	12,732,000 (a)	15.92
Dato' Chuah Chin Lai	12,732,000	15.92 (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 in the shareholdings of her spouse, Dato' Chuah Chin Lai.

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

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

(d) Deemed interested in 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 2015

	Name of Shareholder	No. Shares Held	%
1	DATIN FONG NYOK YOON	13,130,000	16.41
2	DATO' 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	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KOK HOOI	5,028,800	6.29
5	CHONG JONG SIEW	2,943,300	3.68
6	FONG YOKE MOOI	2,934,100	3.67
7	JELAPANG JASA SDN BHD	2,880,000	3.60
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KOOI PHING (474509)	2,838,800	3.55
9	TAN YENG FATT	2,008,100	2.51
10	FONG CHONG SENG	1,934,100	2.42
11	TAN YENG FATT	1,276,400	1.60
12	TEE AH SWEE	735,000	0.92
13	TI LIAN KER	550,000	0.69
14	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	538,700	0.67
15	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAY HOCK SOON (MY1055)	500,000	0.63
16	SIM WEE CHEN	414,400	0.52
17	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (STA 1)	410,400	0.51
18	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUEK SIEW CHYI (CCTS)	377,200	0.47
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LIAN HOCK (E-SPI)	371,000	0.46
20	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEOW HIAN @ TAN LEK KEAH	333,300	0.42
21	MAH WEE HIAN @ MAH SIEW KUNG	304,800	0.38
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEONG NAM SOON	303,800	0.38
23	OW TIEW SEE	293,600	0.37



ANALYSIS OF SHAREHOLDINGS (CONTINUED)

THIRTY LARGEST SHAREHOLDERS AS PER THE REGISTER OF MEMBERS AS AT 31 JULY 2015 (CONTINUED)

	Name of Shareholder	No. Shares Held	%
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KOK HOOI (474004)	288,800	0.36
25	FONG YEW KONG	259,900	0.33
26	TEE AH SWEE	253,900	0.32
27	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VOON SEW JOON (CEB)	220,000	0.28
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GAIK SUAN	218,300	0.27
29	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHIA CHEE FONG	210,000	0.26
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AOW YONG HUI CHIN	200,000	0.25



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 Nineteenth Annual General Meeting of the Company, to be held at Hotel Transit Kuala Lumpur, 42, Jalan Pudu, 55100 Kuala Lumpur on Tuesday, 15 September 2015 at 10.00 a.m. and, at every adjournment thereof to vote as indicated below:

Ordinary Business		FOR	AGAINST
Resolution 1	To approve the payment of single tier final dividend of RM 0.01 per share for the financial year ended 31 March 2015.	☐	☐
Resolution 2	To approve the payment of Directors' fees of RM235,000/- for the financial year ended 31 March 2015.	☐	☐
Resolution 3	To re-elect Datin Fong Nyok Yoon who retires by rotation in accordance with Article 124 of the Company's Articles of Association.	☐	☐
Resolution 4	To re-appoint Mr Hem Kan @ Chan Hong Kee who retires in accordance with Section 129 of the Companies Act, 1965.	☐	☐
Resolution 5	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the ensuing year, and to authorise the Directors to fix their remuneration.	☐	☐

Special Business		FOR	AGAINST
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 _____ 2015.

*Strike out whichever is not desired.

Signature : _____

NOTES :

- Only depositors whose names appear in the Record of Depositors as at 9 September 2015 ("General Meeting Record of Depositors") shall be regarded as members entitled to attend, speak and vote at the Meeting.
- 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.
- 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.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners 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.
- 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.
- 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.

Then fold here

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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