



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

ANNUAL REPORT 2016

Stepping Forward

CAELY HOLDINGS BHD. (408376-U) (INCORPORATED IN MALAYSIA) | ANNUAL REPORT 2016



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

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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
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
(AF: 1146)
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 20th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting ("AGM") of **Caely Holdings Bhd** will be convened and held at Pearl International Hotel, Batu 5, Jalan Klang Lama, Taman Hock Ann, 58100 Kuala Lumpur on Friday, 23 September 2016 at 10.00 a.m. to transact the following businesses:-

A G E N D A

ORDINARY BUSINESS

- 1 To receive the Statutory Financial Statements for the financial year ended 31 March 2016 together with the Directors' and Auditors' Reports thereon.
- 2 To approve the payment of single tier tax exempt final dividend of 1 sen per share for the financial year ended 31 March 2016. (Resolution 1)
- 3 To approve the payment of Directors' fees of RM235,000 for the financial year ended 31 March 2016. (Resolution 2)
- 4 To re-elect Dato' Chuah Chin Lai 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 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 20th 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 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." (Resolution 9)

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





NOTICE OF 20th ANNUAL GENERAL MEETING (CONTINUED)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the following single tier tax exempt final dividend for the financial year ended 31 March 2016, if approved by shareholders, will be paid on 18 October 2016 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 28 September 2016:-

- (a) Single tier tax exempt final dividend of 1 sen 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 28 September 2016 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

26 July 2016

NOTES:

- 1 Only depositors whose names appear in the Record of Depositors as at 19 September 2016 ("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 20th 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 15 September 2015. 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.



NOTICE OF 20th ANNUAL GENERAL MEETING (CONTINUED)

STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NAMES OF DIRECTORS STANDING FOR RE-ELECTION OR RE-APPOINTMENT

The Director who is retiring pursuant to Article 124 of the Articles of Association of the Company and seeking for re-election at the forthcoming Twentieth Annual General Meeting ("20th AGM") is Dato' Chuah Chin Lai.

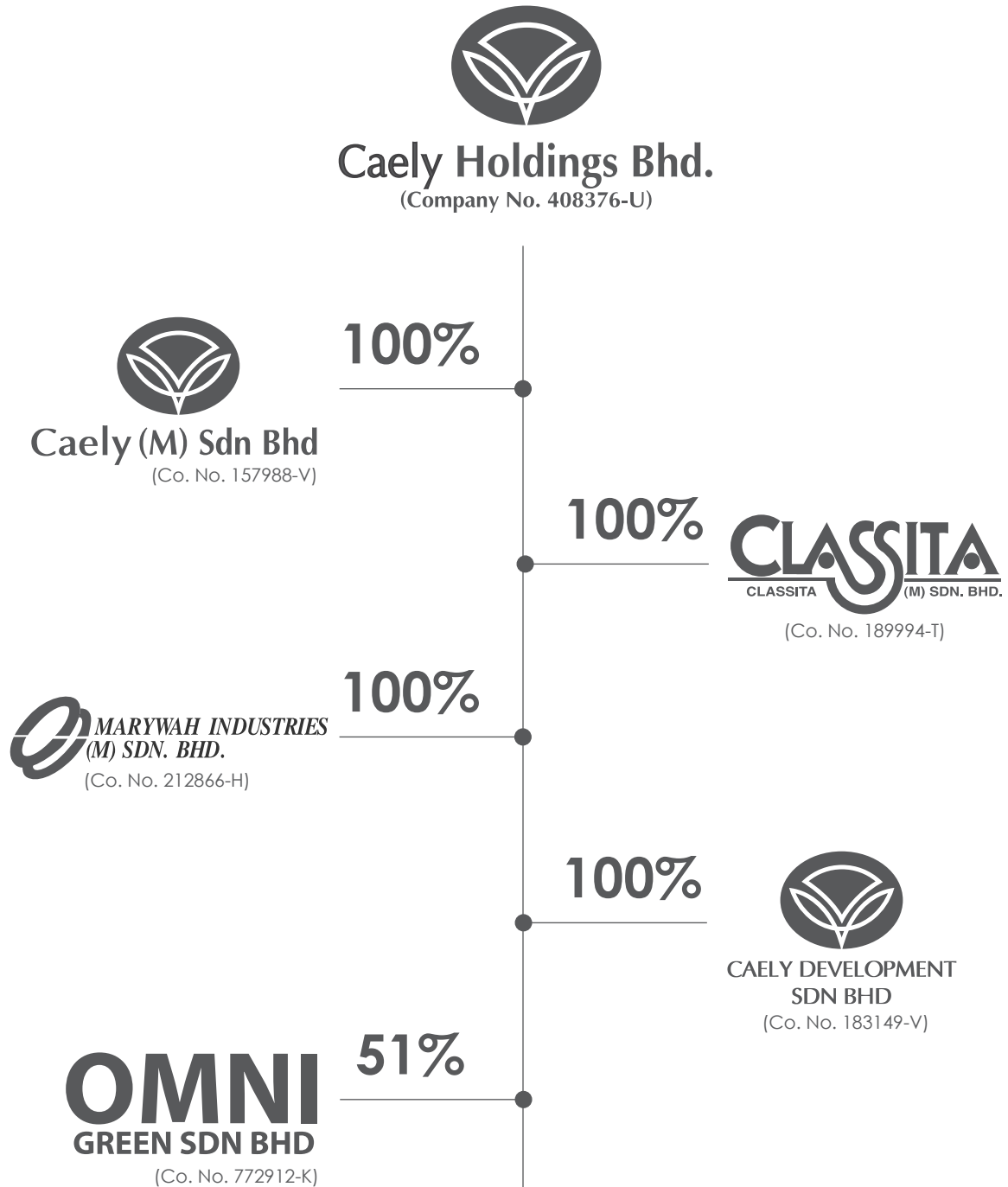
SECTION 129(6) OF THE COMPANIES ACT, 1965

Mr Hem Kan @ Chan Hong Kee who is above the age of seventy (70) years will seek re-appointment at the forthcoming 20th AGM.

Details of the above Directors are set out in the Directors' Profiles section and their shareholdings in the Company, where applicable, are set out in the Analysis of Shareholdings section appearing on pages 9 to 11 and 126 to 128 respectively of the Company's Annual Report respectively.



GROUP STRUCTURE





DIRECTORS' PROFILE

DATIN FONG NYOK YOON

Aged 54, 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 Original Equipment Manufacturer (OEM)'s export markets, which has been the dominant revenue contributor to the Group.

Datin Fong is the spouse to Dato' Chuah Chin Lai, the Managing Director and a major shareholder of the Company. She does not hold any directorship in other public companies. Currently, she holds directorship in the subsidiaries of CHB.

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 2016.

DATO' CHUAH CHIN LAI

Aged 56, 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 is actively involved in the Group's Property and Construction and OEM export businesses.

He does not hold any directorship in other public companies. Currently, he holds directorship in the subsidiaries of CHB.

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 four (4) Board Meetings of CHB held during the financial year ended 31 March 2016.



DIRECTORS' PROFILE (CONTINUED)

SIOW HOCK LEE

Aged 60, 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 has extensive working experience in providing audit and accounting related services. Mr. Siow is also an Independent Non-Executive Director of Amtel Holdings Berhad and Green Ocean Corporation Berhad, the shares of both companies are listed and traded on Bursa Malaysia Securities Berhad.

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 for 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 2016.

OOI SAY TEIK

Aged 56, 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 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 relationship with the other Directors and major shareholders of CHB. He has no conflict of interest with CHB and has not been convicted for 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 2016.



DIRECTORS' PROFILE (CONTINUED)

HEM KAN @ CHAN HONG KEE

Aged 76, 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 does not hold any directorship in other public companies and 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 for 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 2016.



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 2016.

FINANCIAL REVIEW

The local and global economic environment for the year under review has been challenging. The decline in crude oil and palm oil prices, the implementation of the Government's policies on minimum wages and Goods and Service Tax ("GST") had created much uncertainty and dampened the economic climates in which the Group operates. Despite all these challenges, the Group's performance for the financial year ended 31 March 2016 was commendable with improved results.

For the financial year under review, the Group's revenue grew RM23.6 million, or approximately 25% to RM118.1 million compared to RM94.5 in the previous financial year. The increase was mainly attributed to the Manufacturing segment which posted revenue of RM70.1 million, accounting for approximately 59.4% of the Group's total revenue.

In line with the increase in revenue and the strengthening of the US Dollar against Malaysian Ringgit, the Group posted improved profit after tax of RM4.9 million as compared to RM3.6 million in the previous financial year.

PERFORMANCE REVIEW BY BUSINESS SEGMENT

Manufacturing Segment

The Manufacturing segment was the main contributor to the overall improvement of the Group revenue and profit after tax for the financial year under review. Revenue recorded by this segment was RM70.1 million with a segment profit before tax of RM6.1 million. The improvement in revenue was largely attributed to the favourable foreign exchange rate and hence, the positive improvement in profit.

Property and Construction Segment

For the financial year under review, this segment contributed 38.3% to the Group's total revenue. Although there was an improvement of RM4.7 million or 11.5%, the segment profit before tax has decreased by RM1.3 million as compared to the previous financial year. The lower segment profit was mainly due to lower profit margin and the increase in operational costs.

Direct Sales Segment

This segment recorded a revenue of RM2.1 million for the financial year under review, a drop of RM2.8 million as compared to the previous financial year. The drop in revenue was mainly due to the decrease in trading sales. In line with the decrease in revenue, this segment posted loss before tax of RM1.3 million.

Investment Holding Segment

This investment holding segment reported an increase in revenue of RM13.5 million, an increase of RM12.0 million over the previous financial year. In line with the increase in revenue, this segment posted profit before tax of RM0.3 million for the current financial year as compared to loss before tax of RM0.5 million for the previous financial year.

Others Segment

This segment recorded revenue of RM0.7 million for the financial year under review as compared to RM0.8 million for the previous financial year. It registered a loss before tax of RM0.3 million mainly due to lower revenue recorded and higher operational costs incurred.



EXECUTIVE CHAIRPERSON'S STATEMENT (CONTINUED)

DIVIDEND

The Board has recommended a final single-tier tax exempt dividend of one (1) sen per ordinary share for the financial year ended 31 March 2016. This final dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

PROSPECTS

The global and local economic outlook remains subdued and is filled with uncertainties. The Malaysian Institute of Economic Research has reported that 2016 is certainly a very challenging year for the Malaysian economy.

In view of such outlook, the Board expects the market sentiments will be unfavourable and will continue to be cautious of the challenges ahead. As such, the Group remains committed to exercise prudence and place greater emphasis on improvement in the operational processes, cost cutting exercise and consistently looking for new business opportunities to further improve the financial performance of the Group.

Barring any unforeseen circumstances, the Board is cautiously optimistic to deliver satisfactory results for the next financial year.

CORPORATE SOCIAL RESPONSIBILITY

The Group's Corporate Social Responsibility (CSR) activities are continuously guided by its philosophy that it can contribute positively as a caring and sharing corporate entity. The Group is committed to uphold its firm belief in the interest of our stakeholders in the work place, community and the environment.

The Group recognises the importance of the contributions of our employees and has always strived to provide a conducive working environment by promoting fair promotional and remuneration schemes, welfare and improving the quality of life for all.

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 and action-based trainings. Through such trainings, we 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, Cardiopulmonary Resuscitation (CPR), orderly evacuation procedures and other hazard preventive measures.



EXECUTIVE CHAIRPERSON'S STATEMENT (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

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. In addition, the Group also donates to local schools in the local community.

The Group is committed to ensure that all its activities will not have a significant negative impact to the environment. Being an exporter, the Group's manufacturing segment has to comply with the stringent requirements of our overseas buyers that the raw materials used are free from harmful substances and are tested in accordance to Oeko-Tek 100. Oeko-Tek 100, a certification body from Germany for independent testing on textile raw materials, intermediate and end products for harmful chemicals. The Group's insists that all our suppliers must comply with this standard.

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 high standard 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"). Unless otherwise stated, the Company is in compliance with the requirements of the Code.

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 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 and 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 cultivate a positive environment where integrity and ethical behavior is fostered and in which employees can raise genuine concerns without fear of recrimination and enable prompt corrective action to be taken where appropriate. Generally, all disclosures pursuant to the Whistleblower Policy are to be made to the Group Chairperson who will then refer the disclosure together with a general recommendation to the Risk Management and Audit Committee Chairman.

1.4 Board should ensure that the Company's strategies promote sustainability

The Board recognises the importance of sustainability and its increasing significance in operating its businesses. As such, 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 27 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 staff 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 fiduciary 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 qualified and competent Company Secretary

The Board is supported by a 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 attends all Board meetings as well as Board Committee meetings and ensures that accurate and proper records of the proceedings of such meetings are kept. The Company Secretary plays an advisory role to the Board on matters involving the Company's constitution and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The Board is satisfied with the performance and support provided by the Company Secretary in discharging her duties.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

1 PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *(continued)*

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 on the Company's website at www.caelyholdings.com.

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 as follows:

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 NC reviews annually the required mix of skills and experience of Directors, including core competencies which the Directors should bring to the Board. During the financial year under review, the NC had carried out the annual assessment and was satisfied that the Board and Board Committees are effective as a whole, and having the required mix of skills, size and composition, experience, competencies and other qualities. The NC was also satisfied that each of its Directors has the character, experience, integrity, competence and time to effectively discharge their respective role.

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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

2 PRINCIPLE 2: STRENGTHEN THE COMPOSITION (CONTINUED)

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

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 (9) 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.

The Group does not have a specific policy regarding gender, ethnicity and age group as all candidates shall be given fair and equal treatment. The suitability of candidates is evaluated based on the candidates' character, competency, experience, time commitment and integrity in meeting the needs of the Group. The Board believes in the principles of non-discrimination and merit when making appointment to the Board and Board Committees, regardless of race, ethnicity, gender, age, religion or belief.

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 as follows:

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

The RC was established to assist the Board in assessing the remuneration packages of the Directors of the Company and its subsidiaries. The RC is to recommend to the Board, the level of remuneration for the Directors. The Board will decide after considering the recommendations of the RC. The Terms of Reference of the RC is available for 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, services, 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 appropriate.

For instance, the basic salary 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 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.



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)

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 meeting allowance for attendance at each meeting.

Details of the Directors' Remuneration for the financial year ended 31 March 2016 are as follows:-

	Fees RM	Salaries and other Emoluments RM	Benefits in kind RM	Total RM
Executive Directors	135,000	790,761	18,600	944,361
Non-Executive Directors	100,000	6,500	0	106,500
	235,000	797,261	18,600	1,050,861

	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.

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 2016, the NC held three (3) meetings 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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

3 PRINCIPLE 3: REINFORCE INDEPENDENCE (CONTINUED)

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 (9) 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 towards the Board's efficiency.

Currently, all the Independent Directors have served the Board for more than nine (9) years. However, the Board has assessed the independence of all the Independent Directors and is of the opinion 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 (9) 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 (9) 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 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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

3 PRINCIPLE 3: REINFORCE INDEPENDENCE (CONTINUED)

3.5 Board must comprise majority Independent Directors if the Chairman is not an Independent Director

As at the financial year ended 31 March 2016, the Chairman is not an Independent Director. However, the Company has a majority of Independent Directors sitting on the Board. Their presence provides a check and balance in discharge of the Board function in arriving at decisions made by the Board.

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 2016 is set out in the table below:-

Directors	Attendance
Datin Fong Nyok Yoon	5/5
Dato' Chuah Chin Lai	4/5
Siow Hock Lee	5/5
Ooi Say Teik	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 2016, 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. An education / training programme is in place to ensure that the Directors are given the opportunity to further enhance their skills and knowledge continuously. All the Directors have attended trainings conducted either in-house or by external party.

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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

4 PRINCIPLE 4: FOSTER COMMITMENT (CONTINUED)

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

During the financial year ended 31 March 2016, all Directors have attended training programmes as summarised below:

Directors	Seminar / Training Programmes Attended
Datin Fong Nyok Yoon	– In-house training – Developing Positive Attitude and Habits at Workplace – In-house training – Improving Work Performance via Communication and Leadership Skills
Dato' Chuah Chin Lai	– In-house training – Developing Positive Attitude and Habits at Workplace – In-house training – Improving Work Performance via Communication and Leadership Skills
Siow Hock Lee	– Tax Planning, Tax Issues and GST Accounting for Property Developers
Ooi Say Teik	– Bursa Malaysia Workshop for Audit Committee Members - Risk Management and Internal Control – Bar Council - Legal Issues Relating to GST and Property
Hem Kan @ Chan Hong Kee	– In-house training – Developing Positive Attitude and Habits at Workplace – In-house training – Improving Work Performance via Communication and Leadership Skills

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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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 2016, 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 External Auditors is set out in page 28 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 on-going 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 2016, the Company has outsourced its internal audit functions to RSM Corporate Consulting Sdn Bhd ("RSM"). 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.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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 also available during the AGM to respond to shareholders' queries.

8.2 Board should encourage poll voting

Pursuant to the amended Listing Requirements, all resolutions to be considered at general meetings of shareholders will be voted on by way of poll effective from 1 July 2016.

8.3 Board should promote effective communication and proactive engagements with shareholders

The Board is committed to promote 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 raise questions for each agenda in the notice of the general meetings.



CORPORATE GOVERNANCE STATEMENT (CONTINUED)

OTHER COMPLIANCE INFORMATION

Utilisation of Proceeds

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

Share Buybacks

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

Options, Warrants or Convertible Securities

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

American 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 RM51,500 .

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 2016.

Profit Guarantee

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

Material Contracts

During the financial year, there were no material contracts (not being contracts entered into the ordinary course of business) entered by the Company or its subsidiaries involving the interests of the Directors and major shareholders.

Contracts relating to Loans

There were no contracts relating to loans by the Company in respect of material contracts involving Directors and major shareholders during the financial year.

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

Our 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, our Board is pleased to set out below our Group's sustainability commitment that will provide positive impact towards our 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 our 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 our Board will provide top level governance to reflect the importance and broad scope of the sustainability agenda. Our 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 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("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 2016.

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 (3) 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 in the number of members being reduced to below three (3), the vacancy must be filled within three (3) months.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

TERMS OF REFERENCE *(continued)*

Composition of members *(continued)*

3 Quorum and Frequency of meetings

- (i) A quorum shall be the majority of Independent Non-Executive Directors;
- (ii) Meeting 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 2016 the RMAC held five (5) meetings in the presence of the Company Secretary. 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 Meeting attended
Siow Hock Lee	5/5
Ooi Say Teik	5/5
Hem Kan @ Chan Hong Kee	5/5

Secretary

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



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

TERMS OF REFERENCE *(continued)*

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;
- (v) report to Bursa Securities if a matter is not satisfactorily resolved and is in breach of the MMLR.

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 making recommendations 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.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

TERMS OF REFERENCE *(continued)*

Duties and responsibilities *(continued)*

(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).

(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.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

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 (2) 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;
- 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 on Corporate Governance 2012;
- 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.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT (CONTINUED)

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:-

- Evaluation of the effective controls in Project Management at Head Office covering execution of contracts, project budget monitoring, project monitoring and meetings and contractor's and cConsultant's progress claims and payment;
- Evaluation of the effective controls on the Sales Administration of the Property and Construction segment covering progressive billings to customers, collection and credit control, updating of buyers' files, timeliness on the closing of accounts for GST returns purposes and reviewing of relevant policies and procedures;
- Evaluation of the effective controls on the Project Management at sites covering purchasing of materials, quality control on materials received, project monitoring and meetings, site safety and variation orders; and
- Follow up audits on the above mentioned areas.
- The total cost incurred for the internal audit functions of the Group in respect of the financial year ended 31 March 2016 amounted to RM44,248.
- 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 risk management framework and internal controls system 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 ("Bursa Securities") 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 on-going risk management commitment for identifying risks, assessing and evaluating its likelihood and impact and taking preventive measures to manage potential risks that may be faced by the Group. In this regard, the risk management policy and framework is established to incorporate, 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, 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 on 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. Updates 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, accountability and delegation of authority to the various divisions of the Group's business.
- Internal control procedures in respect of the 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, where appropriate, 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

5 OTHER KEY ELEMENTS ON INTERNAL CONTROL SYSTEM (CONTINUED)

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

- 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 presented 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.

6 CONCLUSION

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

The statement was adopted by the Board on 20 July 2016.



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 which 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 the Company whereby an appropriate system of internal control is established to prevent and detect fraud as well as other irregularities.

The Directors have considered and pursued the necessary actions to meet their responsibilities as set out in this Statement.



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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 2016.

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

Net profit for the financial year attributable to:

- Owners of the Company

- Non-controlling interests

Net profit for the financial year

GROUP	COMPANY
RM	RM
5,159,213	14,283,181
(281,171)	0
4,878,042	14,283,181

DIVIDENDS

Dividend declared and paid by the Company since 31 March 2015 is as follows:

In respect of the financial year ended 31 March 2015:

- Final single-tier dividend of 1 sen per share on 80,000,000 ordinary shares paid on 15 October 2015

RM

800,000

In respect of the financial year ended 31 March 2016, 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, Dato' Chuah Chin Lai retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

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



DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 1.4.2015	Bought	Sold	As at 31.3.2016
Direct interest				
Caely Holdings Bhd. (The Company)				
Dato' Chuah Chin Lai	12,732,000	0	0	12,732,000
Datin Fong Nyok Yoon	13,130,000	500,000	0	13,630,000
Indirect interest				
Caely Holdings Bhd. (The Company)				
Dato' Chuah Chin Lai	13,130,000	500,000	0	13,630,000
Datin Fong Nyok Yoon	12,732,000	0	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 2016, 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 20 July 2016.

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 46 to 123 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2016 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 124 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution dated 20 July 2016.

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 46 to 124 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATIN FONG NYOK YOON
EXECUTIVE CHAIRPERSON

Subscribed and solemnly declared by the abovenamed Datin Fong Nyok Yoon at Teluk Intan in the state of Perak Darul Ridzuan, Malaysia on 20 July 2016.

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 46 to 123, which comprise the statements of financial position as at 31 March 2016 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 2016 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. 2497/03/18 (J)]

Chartered Accountant

1st Floor, Standard Chartered Bank Chambers

21-27 Jalan Dato' Maharaja Lela

30000 Ipoh

Perak Darul Ridzuan

20 July 2016



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	GROUP		COMPANY	
		2016	2015	2016	2015
	RM	RM	RM	RM	RM
Revenue	7	118,134,832	94,496,191	13,500,108	1,500,012
Cost of sales	8	(97,056,007)	(77,562,147)	0	0
Gross profit		21,078,825	16,934,044	13,500,108	1,500,012
Other operating income		2,038,879	1,673,917	2,942,718	2,299,833
Selling and distribution costs		(3,977,232)	(2,803,533)	0	0
Administrative expenses		(11,099,314)	(10,408,390)	(545,852)	(637,190)
Other operating expenses		0	0	(100,000)	(169,368)
Profit from operations	9	8,041,158	5,396,038	15,796,974	2,993,287
Finance cost	10	(506,967)	(382,351)	(1,016,403)	(1,435,050)
Profit before taxation		7,534,191	5,013,687	14,780,571	1,558,237
Taxation	11	(2,656,149)	(1,376,291)	(497,390)	(351,630)
Net profit for the financial year		4,878,042	3,637,396	14,283,181	1,206,607
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on revaluation of land and buildings	27	1,870,607	0	0	0
Deferred tax on revaluation surplus	27	(35,547)	0	0	0
Other comprehensive income for the financial year, net of tax		1,835,060	0	0	0
Total comprehensive income for the financial year		6,713,102	3,637,396	14,283,181	1,206,607
Net profit for the financial year attributable to:					
- owners of the Company		5,159,213	3,786,148	14,283,181	1,206,607
- non-controlling interests		(281,171)	(148,752)	0	0
Net profit for the financial year		4,878,042	3,637,396	14,283,181	1,206,607
Total comprehensive income attributable to:					
- owners of the Company		6,994,273	3,786,148	14,283,181	1,206,607
- non-controlling interests		(281,171)	(148,752)	0	0
Total comprehensive income for the financial year		6,713,102	3,637,396	14,283,181	1,206,607
Earnings per share (sen)					
Basic/diluted	12	6.45	4.73		



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non current assets			
Property, plant and equipment	14	25,666,359	24,738,813
Investment property	15	4,000,000	3,200,000
Deferred tax assets	18	1,092,094	1,795,631
Receivables, deposits and prepayments	19	0	340,705
		30,758,453	30,075,149
Current assets			
Property development costs	20	50,880,481	34,970,508
Inventories	21	15,243,532	15,325,342
Receivables, deposits and prepayments	19	49,310,311	45,308,976
Tax recoverable		13,213	27,061
Marketable securities	22	584,759	682,915
Derivative financial instruments	23	0	33,834
Deposits with licensed banks	24	4,357,070	3,623,296
Bank and cash balances	25	6,554,954	1,877,229
		126,944,320	101,849,161
Total assets		157,702,773	131,924,310
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	40,000,000	40,000,000
Other reserves	27	19,719,775	17,884,715
Retained profits		23,624,448	19,265,235
		83,344,223	77,149,950
Non-controlling interests		(547,697)	(266,526)
Total equity		82,796,526	76,883,424



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016 (CONTINUED)

	Note	2016 RM	2015 RM
LIABILITIES			
Non current liabilities			
Hire-purchase creditors	28	138,252	213,159
Term loans	29	11,628,849	5,465,748
Deferred tax liabilities	18	767,673	938,662
		12,534,774	6,617,569
Current liabilities			
Payables and accruals	30	39,675,117	34,231,518
Derivative financial instruments	23	0	8,421
Current tax liabilities		865,355	172,824
Hire-purchase creditors	28	118,053	223,759
Term loans	29	4,146,869	4,311,145
Short term bank borrowings			
- bank overdrafts	31	13,330,402	6,260,756
- others	31	2,557,316	2,710,533
Provisions	32	1,678,361	504,361
		62,371,473	48,423,317
Total liabilities		74,906,247	55,040,886
Total equity and liabilities		157,702,773	131,924,310



COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non current assets			
Property, plant and equipment	14	148,986	167,127
Investment property	15	4,000,000	3,200,000
Investments in subsidiaries	16	61,804,486	61,804,486
Receivables, deposits and prepayments	19	29,460,533	28,022,317
		95,414,005	93,193,930
Current assets			
Receivables, deposits and prepayments	19	6,024,483	6,013,166
Marketable securities	22	584,759	682,915
Cash and bank balances	25	41,880	41,621
		6,651,122	6,737,702
Total assets		102,065,127	99,931,632
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		35,299,501	21,816,320
Total equity		86,570,372	73,087,191
LIABILITIES			
Non current liabilities			
Payables and accruals	30	8,196,498	8,196,498
Deferred tax liabilities	18	126,273	129,786
		8,322,771	8,326,284
Current liabilities			
Payables and accruals	30	6,956,784	18,348,013
Current tax liabilities		215,200	170,144
		7,171,984	18,518,157
Total liabilities		15,494,755	26,844,441
Total equity and liabilities		102,065,127	99,931,632



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	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
Total comprehensive income								
Net profit/Total comprehensive income for the financial year	0	0	0	0	3,786,148	3,786,148	(148,752)	3,637,396
Transactions with owners								
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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 2015	40,000,000	9,419,360	80,344	8,385,011	19,265,235	77,149,950	(266,526)	76,883,424
Net profit for the financial year	0	0	0	0	5,159,213	5,159,213	(281,171)	4,878,042
Other comprehensive income								
Revaluation surplus (Note 27)	0	0	0	1,835,060	0	1,835,060	0	1,835,060
Total comprehensive income	0	0	0	1,835,060	5,159,213	6,994,273	(281,171)	6,713,102
Transactions with owners								
Dividend for the financial year ended 31 March 2015 (Note 13)	0	0	0	0	(800,000)	(800,000)	0	(800,000)
At 31 March 2016	40,000,000	9,419,360	80,344	10,220,071	23,624,448	83,344,223	(547,697)	82,796,526



COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

		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
<u>Total comprehensive income</u>					
Net profit/Total comprehensive income for the financial year	0	0	0	1,206,607	1,206,607
<u>Transaction with owners</u>					
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

		Non-distributable		Distributable	
	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
COMPANY					
At 1 April 2015	40,000,000	9,419,360	1,851,511	21,816,320	73,087,191
<u>Total comprehensive income</u>					
Net profit/Total comprehensive income for the financial year	0	0	0	14,283,181	14,283,181
<u>Transaction with owners</u>					
Dividend for the financial year ended 31 March 2015 (Note 13)	0	0	0	(800,000)	(800,000)
At 31 March 2016	40,000,000	9,419,360	1,851,511	35,299,501	86,570,372



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	4,878,042	3,637,396	14,283,181	1,206,607
Adjustments for:				
Property, plant and equipment				
- depreciation	1,432,113	1,658,451	18,141	24,429
- gains on disposals	(38,663)	(38,900)	0	0
- write off	11,073	55,055	0	0
- clawback of revaluation deficit previously charged out to profit or loss	(25,365)	0	0	0
Fair value gain on revaluation of investment property	(800,000)	0	(800,000)	0
Allowance for doubtful debts				
- charge for the financial year	189,950	0	100,000	169,368
- write back	(2,949)	(9,717)	0	0
Reversal of impairment loss on investment in a subsidiary	0	0	0	(77,978)
Provision for liquidated damages	430,000	504,361	0	0
Interest expense	488,193	278,797	1,016,403	1,435,050
Interest income	(121,833)	(131,916)	(1,943,457)	(1,880,120)
Gross dividend income from marketable securities	(15,160)	(18,168)	(15,160)	(18,168)
Fair value losses on marketable securities	106,069	71,651	106,069	71,651
Gains on disposals of marketable securities	(6,812)	0	(6,812)	0
Fair value losses/(gains) on derivative financial instruments	25,413	(26,182)	0	0
Gross dividend income from a subsidiary	0	0	(13,500,108)	(1,500,012)
Net unrealised foreign exchange loss	600,931	146,477	0	0
Taxation	2,656,149	1,376,291	497,390	351,630
	9,807,151	7,503,596	(244,353)	(217,543)
Net movements in working capital:				
Inventories	81,810	(1,948,115)	0	0
Property development costs	(14,062,928)	(13,168,594)	0	0
Receivables	(4,312,632)	(14,416,621)	(21,397)	119,466
Payables	5,525,497	16,113,764	(29,118)	7,237
Cash flows used in operations	(2,961,102)	(5,915,970)	(294,868)	(90,840)
Interest paid	(1,950,719)	(1,238,430)	0	(818)
Tax paid	(1,506,088)	(832,516)	(469,703)	(113,250)
Tax refund	53,319	208,005	13,856	198,522
Net operating cash flow	(6,364,590)	(7,778,911)	(750,715)	(6,386)



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(85,956)	(152,504)	0	(3,700)
Proceeds from disposals of property, plant and equipment	17,000	38,900	0	0
Interest income received	14,299	30,089	242	3
Cash repaid from subsidiaries	0	0	411,479	1,117,546
Marketable securities				
- payments for investments	(81,809)	0	(81,809)	0
- proceeds from disposals	80,708	0	80,708	0
- dividend received	15,160	18,168	15,160	18,168
Net investing cash flow	(40,598)	(65,347)	425,780	1,132,017
CASH FLOWS FROM FINANCING ACTIVITIES				
Deposits (pledged)/ released under lien for credit facilities with licensed banks	(626,240)	2,994,197	0	0
(Repayments)/Receipts of short term bank borrowings	(26,152)	714,464	0	0
Repayments of hire-purchase creditors	(240,613)	(274,847)	0	0
Advances (repaid to)/from a director	(3,789)	64,833	0	0
Repayments of term loans	(1,451,175)	(539,615)	0	(50,299)
Dividend paid	(800,000)	(800,000)	(800,000)	(800,000)
Cash advanced from/(repaid to) a subsidiary	0	0	1,125,194	(253,056)
Drawdown of term loans	7,450,000	5,200,344	0	0
Net financing cash flow	4,302,031	7,359,376	325,194	(1,103,355)
Net movement in cash and cash equivalents	(2,103,157)	(484,882)	259	22,276
Effects of exchange rate changes on cash and cash equivalents	(288,764)	0	0	0
Cash and cash equivalents at beginning of the financial year	(4,383,527)	(3,898,645)	41,621	19,345
Cash and cash equivalents at end of the financial year (Note 25)	(6,775,448)	(4,383,527)	41,880	41,621



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 20 July 2016.

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 1 April 2018. 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 Group has applied the following amendments for the first time for the 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"

The adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

(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

A number of new standards and amendments to standards and interpretations are effective for financial years beginning on or after 1 April 2016 as follows:

Financial year beginning 1 April 2016

- Amendment to FRS 11 'Joint Arrangements' requires an investor to apply the principles of FRS 3 'Business Combination' when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation results in retaining joint control.
- Amendments to FRS 116 'Property, Plant and Equipment' and FRS 138 'Intangible Assets' clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to FRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 (continued)

- Amendments to FRS 127 'Equity Method in Separate Financial Statements'. The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively.
- Amendments to FRS 101 'Disclosure Initiatives'. The amendments to FRS 101 include narrow-focus improvements in the following five areas:
 - (a) Materiality
 - (b) Disaggregation and subtotals
 - (c) Notes structure
 - (d) Disclosure of accounting policies
 - (e) Presentation of items of other comprehensive income arising from equity accounted investments
- Annual improvements to MFRSs/FRSs 2012-2014 Cycle effective 1 January 2016 covering 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'.

Financial year beginning 1 April 2017

- Amendments to FRS 107 'Statement of Cash Flows - Disclosure Initiative'. The amendments to FRS 107 introduce an additional disclosure on changes in liabilities arising from financing activities.
- Amendments to FRS 112 'Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses'. The amendments to FRS 112 clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

The amendments shall be applied retrospectively.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 2018

- FRS 9 'Financial Instruments' will replace FRS 139 "Financial Instruments: Recognition and Measurement".

FRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch. FRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 'Revenue from Contracts with Customers' replaces FRS 118 'Revenue' and FRS 111 'Construction contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Standards, amendments to published standards and interpretations to existing standards that are applicable to the

(c) Group but not yet effective (continued)

Financial year beginning 1 April 2019

- MFRS 16 'Leases' supersedes FRS 117 'Leases' and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in FRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the income statement. For lessors, MFRS 16 retains most of the requirements in FRS 117. Lessors continue to classify all leases as either operating leases or finance leases, and account for them differently. MFRS 16 is likely to have a significant impact on lessees that have significant number of off balance sheet operating leases under FRS 117.

The Group and the Company are currently still in the process of assessing the impact of the new standards upon initial application of these standards.

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 over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(i) Subsidiaries (continued)

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 and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, 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 profit or loss.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the 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 in profit or loss. 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 unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and statement of financial position respectively.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes 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.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(b) Property, plant and equipment

Property, plant and equipment are initially stated at cost, net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the property, plant and equipment. 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

Increases in the carrying amounts arising on a revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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.

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

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each 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. When revalued assets are sold, the revaluation surplus included in equity is transferred directly to retained profits when the asset is retired or disposed of.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment property

Investment property, comprising principally land and office building is 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.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Accounting by lessee

(i) Finance leases

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. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability. The finance cost is charged to profit or 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 if there is no reasonable certainty that the Group will obtain ownership at the end of 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 leases

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.

(e) Investments in subsidiaries

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

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 costs of disposal 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 which are largely independent of the cash inflows from other assets or groups of assets (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.

(g) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(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. Costs of purchased inventory are determined after deducting rebates, discounts and the amount of GST, except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of purchased inventory. 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 completed development units

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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).

(i) 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(f), 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(s).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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(s).

(j) 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) Financial assets

(i) Classification

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

Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e. are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non current assets.

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; or
- The item is a hybrid contract that contains one or more embedded derivatives.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non current assets. The Group's loans and receivables comprise 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 that are directly attributable to the acquisition of the financial asset 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default on delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

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

Assets carried at amortised cost (continued)

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

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

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

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

(v) De-recognition

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

(l) 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial liabilities (continued)

(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, where appropriate.

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.

(m) 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.

(n) 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 at the end of each reporting period.

Derivatives that do not qualify for hedged accounting, its changes in the fair value of any derivative instrument are recognised immediately in profit or loss and are included in other operating income/expenses.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. 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 and other receivables are recognised initially at fair value, with the amount of GST included. The net amount of GST recoverable from the government is included in "other receivables" in the statements of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See accounting policy Note 4(f) on impairment of non financial assets.

(p) Cash and cash equivalents

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

Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

(q) Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non current liabilities.

Trade payables are recognised initially at fair value, with the amount of GST included. The net amount of GST payable to the government, wherever applicable, is presented as "other payables" in the statements of financial position. Cash flows are included in the statements of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

Trade payables are subsequently measured at amortised cost using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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 management's best estimate 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.

(s) Borrowings and borrowing costs

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 removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss within other operating income/expenses.

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 end of the reporting period.

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment benefits

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

(u) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Distribution to holders of an equity instrument is recognised directly in equity.

(v) Current and deferred income taxes

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. 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 countries 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 provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Current and deferred income taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, 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 entirely 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.

(w) Revenue recognition

Revenue is measured at 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 GST, returns, rebates and discounts and the amounts collected on behalf of third parties 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) 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.

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

	2016 RM	2015 RM
<u>Assets:</u>		
1 US Dollar	3.85	3.67
1 Euro	4.36	3.97
<u>Liabilities:</u>		
1 US Dollar	4.00	3.76
1 Euro	4.53	4.07
100 Hong Kong Dollars	52.21	49.10
100 Chinese Renminbi	61.72	60.47

(y) 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.

(z) Contingent liabilities

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

Contingent liability is not recognised on the statements 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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

Non financial assets (including investments in subsidiaries) 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 reporting date. For construction contracts, any changes to the saleability of projects undertaken by developers where the Group acts as contractor, may affect the recoverability of progress billings made.

(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 over 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Recognition of property development profits (*continued*)

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.

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 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position

GROUP	Property development and construction	Manufacturing sales	Direct selling/retail	Investment holding	Others	Total
2016	RM	RM	RM	RM	RM	RM
<u>Revenue</u>						
Total revenue	45,276,036	71,074,081	2,068,807	13,500,108	658,874	132,577,906
Intersegment revenue	0	(942,966)	0	(13,500,108)	0	(14,443,074)
External revenue	45,276,036	70,131,115	2,068,807	0	658,874	118,134,832
<u>Results</u>						
Profit/(Loss) from operations	3,011,468	6,321,727	(1,261,626)	285,652	(316,063)	8,041,158
Finance cost	(243,315)	(250,447)	(13,205)	0	0	(506,967)
Profit/(Loss) before tax	2,768,153	6,071,280	(1,274,831)	285,652	(316,063)	7,534,191
Taxation						(2,656,149)
Net profit for the financial year						4,878,042
Segment assets	93,911,693	53,480,032	3,575,234	4,800,108	830,399	156,597,466
Unallocated corporate assets						
- Deferred tax assets						1,092,094
- Tax recoverable						13,213
						157,702,773
Segment liabilities	44,289,657	26,587,228	1,219,243	395,722	781,369	73,273,219
Unallocated corporate liabilities						
- Deferred tax liabilities						767,673
- Current tax liabilities						865,355
						74,906,247



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

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

GROUP	Property development and construction	Manufacturing sales	Direct selling/retail	Investment holding	Others	Total
2016	RM	RM	RM	RM	RM	RM
Capital expenditure	419,481	28,382	20,079	0	37,495	505,437
Included in profit/(loss) from operations are:						
Interest income	(11,960)	(109,619)	(12)	(242)	0	(121,833)
Depreciation and amortisation	109,634	1,019,707	53,770	18,141	230,861	1,432,113



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

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

GROUP	Property development and construction	Manufacturing sales	Direct selling/retail	Investment holding	Others	Total
2015	RM	RM	RM	RM	RM	RM
<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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

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

GROUP	Property development and construction	Manufacturing sales	Direct selling/retail	Investment holding	Others	Total
2015	RM	RM	RM	RM	RM	RM
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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 SEGMENT REPORTING (CONTINUED)

(b) Analysis of revenue by countries

Although all the business segments are located in Malaysia, the manufacturing sales 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	
	2016 RM	2015 RM
Malaysia	50,173,727	46,287,642
United States of America	21,052,873	14,990,753
Canada	17,533,511	13,547,511
Germany	20,037,511	13,433,278
France	2,125,906	359,943
Hong Kong	4,916,187	1,263,351
Japan	175,354	743,568
Netherlands	1,116,542	945,496
Mexico	905,920	405,806
Singapore	52,806	205,036
South Korea	0	1,081,756
Sweden	34,889	462,204
Vietnam	9,606	397,251
Other countries	0	372,596
	118,134,832	94,496,191

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 2016 and the statement of financial position as at 31 March 2016. 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	
	2016 RM	2015 RM	2016 RM	2015 RM
Direct sales and retail	2,068,807	4,886,903	0	0
Sales of finished goods	70,131,115	48,301,860	0	0
Contract revenue	32,741,859	21,525,885	0	0
Property development revenue	12,534,177	19,071,017	0	0
Golfing fees and others club revenue	658,874	710,526	0	0
Gross dividend income from unquoted subsidiary	0	0	13,500,108	1,500,012
	118,134,832	94,496,191	13,500,108	1,500,012



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

8 COST OF SALES

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cost of inventories recognised as an expense	57,853,520	43,593,860	0	0
Contract costs recognised as an expense	28,985,939	17,852,548	0	0
Property development costs recognised as an expense	10,216,548	16,115,739	0	0
	97,056,007	77,562,147	0	0

9 PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit from operations is stated after charging/(crediting):				
Auditors' remuneration				
- statutory audit	250,900	239,000	67,700	64,500
- other services	51,500	48,600	8,500	7,500
Employee benefit expense (including directors' remuneration)	19,016,255	17,594,927	219,200	219,500
Inventories				
- allowance/(write back) for slow moving inventories	633,992	(2,570,293)	0	0
- write down	0	46,360	0	0
Allowance for doubtful debts	189,950	0	0	0
Property, plant and equipment				
- depreciation	1,432,113	1,658,451	18,141	24,429
- gains on disposal	(38,663)	(38,900)	0	0
- write off	11,073	55,055	0	0
- clawback of revaluation deficit previously charged out to profit or loss	(25,365)	0	0	0
Rental expenses of premises	78,778	66,600	0	0
Sub-contract wages	6,088,889	4,312,740	0	0
Provision for liquidated damages	430,000	504,361	0	0



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

9 PROFIT FROM OPERATIONS (CONTINUED)

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit from operations is stated after charging/(crediting):				
Significant amounts included in other operating expenses are:				
- allowance for doubtful debts due from a subsidiary	0	0	100,000	169,368
Significant amounts included in other operating income are:				
- reversal of impairment loss on investment in a subsidiary	0	0	0	(77,978)
- interest income	(121,833)	(131,916)	(1,943,457)	(1,880,120)
- net realised foreign exchange gains	(1,394,150)	(794,551)	(263)	(2,519)
- net unrealised foreign exchange losses	600,931	146,477	0	0
- rental income of premises	(307,314)	(322,219)	(115,095)	(94,600)
- fair value losses on marketable securities	106,069	71,651	106,069	71,651
- fair value losses/(gains) on derivative financial instruments	25,413	(26,182)	0	0
- fair value gain on revaluation of investment property (Note 15)	(800,000)	0	(800,000)	0
- gains on disposal of marketable securities	(6,812)	0	(6,812)	0
- gross dividend income from marketable securities	(15,160)	(18,168)	(15,160)	(18,168)
- insurance claim received	0	(520,396)	0	(130,099)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

9 PROFIT FROM OPERATIONS (CONTINUED)

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Employee benefit expense (including directors' remuneration)				
Executive directors:				
- fees	135,000	135,000	109,000	109,000
- allowances	3,700	4,000	3,700	4,000
- salaries and bonus	677,180	677,180	0	0
- defined contribution plan	109,881	109,881	0	0
	925,761	926,061	112,700	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	1,032,261	1,032,561	219,200	219,500
Other staff costs:				
- salaries, wages and bonus	16,092,582	14,860,561	0	0
- defined contribution plan	793,744	760,498	0	0
- other short term employee benefits	1,097,668	941,307	0	0
Total other staff costs	17,983,994	16,562,366	0	0
Total employee benefit expense	19,016,255	17,594,927	219,200	219,500
Monetary value of benefits-in-kind given to certain directors	18,600	18,600	0	0



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

10 FINANCE COST

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Term loan interests	908,665	559,610	0	818
Overdraft interests	885,707	594,510	0	0
Interests on other borrowings	156,347	110,552	1,016,403	1,434,232
	1,950,719	1,264,672	1,016,403	1,435,050
Less: Amount capitalised in				
- Development costs (Note 20)	(1,169,516)	(715,194)	0	0
- Construction contracts (Note 37)	(293,010)	(270,681)	0	0
	(1,462,526)	(985,875)	0	0
Net interest expense	488,193	278,797	1,016,403	1,435,050
Commitment fees	18,774	103,554	0	0
	506,967	382,351	1,016,403	1,435,050

The average capitalisation rate for borrowing costs of the Group is 7.70% (2015: 7.77%) per annum.

11 TAXATION

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Malaysian taxation:				
Income tax charge	2,112,072	586,343	502,700	297,000
Deferred tax charge/(credit)				
- origination and reversal of temporary differences (Note 18)	497,001	692,860	(3,513)	(4,350)
	2,609,073	1,279,203	499,187	292,650
In respect of previous financial years:				
- under/(over) provision of income tax	47,076	97,088	(1,797)	58,980
Tax charge	2,656,149	1,376,291	497,390	351,630



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

11 TAXATION (CONTINUED)

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before taxation	7,534,191	5,013,687	14,780,571	1,558,237
Tax calculated at the Malaysian income tax rate 24% (2015: 25%)	1,808,206	1,253,422	3,547,337	389,559
Tax effects of:				
- expenses not deductible for tax purposes	691,424	535,693	384,418	316,782
- expenses eligible for double deduction /tax incentives	(83,004)	(78,245)	0	0
- income not subject to tax	(241,249)	(552,944)	(3,432,568)	(412,070)
- change in tax rate	(15,939)	69,932	0	(1,621)
- reversal of previously recognised deferred tax assets	203,800	72,327	0	0
- current year tax loss / deductible temporary differences not recognised	70,431	6,496	0	0
- over recognition of deferred tax assets relating to unused tax losses in the previous financial year	175,404	0	0	0
- under/(over) provision of income tax in respect of previous financial years	47,076	69,610	(1,797)	58,980
Tax charge	2,656,149	1,376,291	497,390	351,630

The Group has unused tax losses which can be carried forward and utilised to set off against future taxable profits as of 31 March 2016 of RM3,057,000 (2015: RM7,883,000).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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	
	2016	2015
Net profit for the financial year attributable to owners of the Company (RM)	5,159,213	3,786,148
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic/diluted earnings per share (sen)	6.45	4.73

13 DIVIDENDS

	GROUP AND COMPANY	
	2016	2015
	RM	RM
<u>Paid</u>		
First single-tier dividend of 1 sen per share on 80,000,000 ordinary shares in respect of financial year ended 31 March 2015, paid on 15 October 2015	800,000	0
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	0	800,000

In respect of the financial year ended 31 March 2016, 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 2017.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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
Cost/Valuation								
At 1 April 2015	5,550,000	15,590,000	8,366,976	7,843,335	2,811,662	679,035	899,633	41,740,641
Reclassification	0	1,021,057	0	(1,021,057)	0	0	0	0
Elimination of accumulated depreciation on revaluation	0	(2,257,029)	0	0	0	0	0	(2,257,029)
Revaluation surplus credited								
- to profit or loss	0	25,365	0	0	0	0	0	25,365
- to other comprehensive income	2,020,000	(149,393)	0	0	0	0	0	1,870,607
Additions	0	0	1,500	51,437	60,000	33,019	0	145,956
Transfer from property development cost	0	0	0	0	0	0	359,481	359,481
Disposals	0	0	(136,501)	0	0	0	0	(136,501)
Write off	0	0	(3,980)	(348,267)	0	0	0	(352,247)
At 31 March 2016	7,570,000	14,230,000	8,227,995	6,525,448	2,871,662	712,054	1,259,114	41,396,273
Accumulated depreciation								
At 1 April 2015	0	1,329,362	7,049,686	6,231,156	2,268,792	122,832	0	17,001,828
Reclassification	0	617,642	0	(617,642)	0	0	0	0
Charge for the financial year	0	409,834	305,257	379,344	268,123	69,555	0	1,432,113
Elimination of accumulated depreciation on revaluation	0	(2,257,029)	0	0	0	0	0	(2,257,029)
Disposals	0	0	(105,824)	0	0	0	0	(105,824)
Write off	0	0	(2,167)	(339,007)	0	0	0	(341,174)
At 31 March 2016	0	99,809	7,246,952	5,653,851	2,536,915	192,387	0	15,729,914
Carrying value								
At 31 March 2016	7,570,000	14,130,191	981,043	871,597	334,747	519,667	1,259,114	25,666,359



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 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
Accumulated depreciation								
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
Carrying value								
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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Cost			Accumulated depreciation			Carrying value
	At 1 April 2015/2014	Additions	At 31 March 2016/2015	At 1 April 2015/2014	Charge for the financial year	At 31 March 2016/2015	At 31 March 2016/2015
COMPANY	RM	RM	RM	RM	RM	RM	RM
Furniture, fittings and equipment at cost							
At 31 March 2016	585,847	0	585,847	418,720	18,141	436,861	148,986
At 31 March 2015	582,147	3,700	585,847	394,291	24,429	418,720	167,127

The land and buildings of the Group were revalued on 30 November 2015 based on valuations carried out by an external independent professional valuer, Suleiman & Co. Property Consultants Sdn. Bhd. as follows:

Description	Valuation method	Valuation amount
		RM
Freehold land	Comparison method	7,570,000
Buildings	Comparison method	14,230,000
		<u>21,800,000</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	
	2016	2015
	RM	RM
Freehold land	1,019,735	1,019,735
Buildings	11,439,812	11,782,416
	<u>12,459,547</u>	<u>12,802,151</u>

Carrying value of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 29 and Note 31 to the financial statements are RM21,955,432 (2015: RM20,155,520).

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

	GROUP	
	2016	2015
	RM	RM
Motor vehicles		
- addition during the financial year, at cost	60,000	0
- carrying value at financial year end	<u>314,958</u>	<u>521,366</u>

Capital work in progress of the Group represents a hotel property under construction, with the intention to be managed by a subsidiary of the Group upon completion. The hotel property is part of the property development project of the subsidiary and the development costs incurred during the financial year are transferred from property development costs as stated in Note 20 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

15 INVESTMENT PROPERTY

	GROUP AND COMPANY	
	2016	2015
	RM	RM
At fair value		
At 1 April	3,200,000	3,200,000
Change in fair value recognised in profit or loss (Note 9)	800,000	0
At 31 March	4,000,000	3,200,000

The investment property of the Group and the Company are stated at fair value of RM4,000,000 (2015: RM3,200,000) based on valuations (using comparison valuation method) carried out by an independent professional valuer, Suleiman & Co. Property Consultants Sdn. Bhd. on 30 November 2015.

16 SUBSIDIARIES

	COMPANY	
	2016	2015
	RM	RM
Unquoted shares at cost	61,804,486	61,804,486
Accumulated impairment losses	0	0
	61,804,486	61,804,486
Accumulated impairment losses		
At 1 April	0	77,978
Impairment losses written back	0	(77,978)
At 31 March	0	0

Impairment loss written back in the previous financial year

The impairment loss written back was 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 was 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 were extrapolated using zero growth rate.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

16 SUBSIDIARIES (CONTINUED)

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

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

- (i) there would 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 was expected to grow at average rate of 5% for the 5 financial years ending 31 March 2020. Operating expenses were expected to increase at 3% per annum.
- (iii) discount rate of 12.3% was used.

The key assumptions mentioned above are based on past performance.

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
	2016 %	2015 %	
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.	51	51	Operation of a golf course and other related services and the provision of landscaping and related contract work.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

17 GOODWILL

	GROUP	
	2016	2015
	RM	RM
Goodwill		
Cost arising from acquisition of a subsidiary	357,964	357,964
Accumulated impairment losses	(357,964)	(357,964)
Carrying value	0	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.

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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deferred tax assets				
- subject to income tax	(1,092,094)	(1,795,631)	0	0
Deferred tax liabilities				
- subject to income tax	355,318	627,307	31,559	35,072
- subject to real property gains tax	412,355	311,355	94,714	94,714
	767,673	938,662	126,273	129,786
Deferred tax (assets)/liabilities (net)	(324,421)	(856,969)	126,273	129,786
Deferred tax assets				
- realised within 12 months	(1,092,094)	(1,443,404)	0	0
- realised after 12 months	0	(352,227)	0	0
	(1,092,094)	(1,795,631)	0	0
Deferred tax liabilities				
- realised within 12 months	0	5,373	0	5,373
- realised after 12 months	767,673	933,289	126,273	124,413
	767,673	938,662	126,273	129,786



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

18 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

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

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
At 1 April	(856,969)	(1,549,829)	129,786	134,136
Charged/(credited) to profit or loss (Note 11):				
- property, plant and equipment	66,797	(463,696)	(374)	(4,350)
- investment property	40,000	0	40,000	0
- unused tax losses	1,332,737	647,674	0	0
- property development cost	(450,684)	156,802	0	0
- provision and allowance	(145,500)	250,145	0	0
- other temporary differences	(346,349)	101,935	(43,139)	0
	497,001	692,860	(3,513)	(4,350)
Charged to other comprehensive income (Note 27):				
- property, plant and equipment	35,547	0	0	0
At 31 March	(324,421)	(856,969)	126,273	129,786
Subject to income tax:				
Deferred tax assets (before offsetting)				
- property, plant and equipment	0	(61,000)	0	0
- unused tax losses	(483,572)	(1,816,309)	0	0
- property development cost	(532,641)	(81,957)	0	0
- provisions and allowance	(872,631)	(727,131)	0	0
- other deductible temporary differences	(492,999)	(148,952)	(43,139)	0
Offsetting	1,289,749	1,039,718	43,139	0
Deferred tax assets (after offsetting)	(1,092,094)	(1,795,631)	0	0
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	1,596,080	1,655,736	34,698	35,072
- investment property	40,000	0	40,000	0
- other taxation temporary differences	8,987	11,289	0	0
Offsetting	(1,289,749)	(1,039,718)	(43,139)	0
Deferred tax liabilities (after offsetting)	355,318	627,307	31,559	35,072
Subject to real property gains tax:				
Deferred tax liabilities				
- property, plant and equipment	317,641	216,641	0	0
- investment property	94,714	94,714	94,714	94,714
	412,355	311,355	94,714	94,714
Total deferred tax liabilities	767,673	938,662	126,273	129,786

The 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 2016 is RM1,043,000 (2015: RM75,800).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
<u>Non current assets</u>				
Trade receivables				
- instalment scheme	0	245	0	0
Other receivables	0	340,460	0	0
Amounts owing by subsidiaries	0	0	29,460,533	28,022,317
	0	340,705	29,460,533	28,022,317
<u>Current assets</u>				
Trade receivables				
- normal trade terms	38,559,380	36,740,764	0	0
- instalment scheme	0	6,878	0	0
	38,559,380	36,747,642	0	0
Amount due from customers on contracts (Note 37)	3,471,414	3,228,209	0	0
Other receivables	3,422,631	1,111,299	1,492	0
Deposits	146,808	138,959	9,686	9,686
Prepayments	1,134,944	1,038,289	13,305	3,480
Advances to sub-contractors	2,575,134	3,044,578	0	0
Amounts owing by subsidiaries	0	0	6,000,000	6,000,000
	10,750,931	8,561,334	6,024,483	6,013,166
Total current assets	49,310,311	45,308,976	6,024,483	6,013,166
The currency profile of trade and other receivables is as follows:				
- Ringgit Malaysia	35,274,621	33,458,534	35,462,025	34,022,317
- US Dollar	3,943,894	3,363,990	0	0
- Euro	2,763,496	1,377,122	0	0
Total trade and other receivables	41,982,011	38,199,646	35,462,025	34,022,317

Credit terms of trade receivables of the Group are cash on delivery to 75 days (2015: Cash on delivery to 75 days).

There is no new instalment scheme for sale of goods under direct selling introduced during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Included in other receivables of the Group as at 31 March 2016 are advances given in relation to various construction projects amounting to RM1,050,726 (2015: Current assets of RM188,843 and non current assets of RM340,460).

Amounts owing by subsidiaries are non trade in nature. They are unsecured, carry market floating interest rate of 5.57% (2015: 5.59%) 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	
	2016	2015
	RM	RM
Property development costs comprise the following:		
At 1 April		
- Leasehold land, at cost	5,647,841	5,713,982
- Development costs	46,549,514	17,383,479
	52,197,355	23,097,461
Add/(Less): Movements in land		
- Additions	7,143,573	
- Transfer to property, plant and equipment under capital work in progress(Note 14)	0	0
	7,143,573	(66,141)
Add/(Less): Movements in development costs		
- Additions	19,342,429	29,999,527
- Transfer to property, plant and equipment under capital work in progress (Note 14)	(359,481)	(833,492)
	18,982,948	29,166,035
Less: Accumulated costs charged to profit or loss		
- At 1 April	(17,226,847)	(1,111,108)
- Movements in current financial year	(10,216,548)	(16,115,739)
	(27,443,395)	(17,226,847)
At 31 March	50,880,481	34,970,508
Property development costs are analysed as follows:		
Leasehold land, at cost	12,791,414	5,647,841
Development costs	65,532,462	46,549,514
Accumulated costs recognised in profit or loss	(27,443,395)	(17,226,847)
At 31 March	50,880,481	34,970,508
Leasehold land at cost pledged for credit facilities of the Company	5,647,841	5,647,841



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

20 PROPERTY DEVELOPMENT COSTS (CONTINUED)

Included in development costs is interest capitalised during the financial year amounting to RM1,169,516 (2015: RM715,194) (Note 10).

A total of 88 sub-divided titles to the property development leasehold land of a subsidiary have yet to be registered in the name of the subsidiary as the titles have yet to be issued by the relevant authority as of 31 March 2016. The rest of the sub-divided titles which have been previously issued to the subsidiary have been pledged as securities for credit facilities granted to the subsidiary for bank overdrafts (Note 31) and bridging loan (Note 29).

Included in leasehold land as at 31 March 2016 is a piece of land purchased from an abandoned project which the subsidiary is in the midst of fulfilling the terms and conditions to claim the master title of the property from a financing company.

21 INVENTORIES

	GROUP	
	2016	2015
	RM	RM
<u>At cost</u>		
Raw materials	5,963,429	7,439,865
Work in progress	2,144,544	1,024,039
Finished goods	6,115,278	5,977,942
Operating supplies and beverages	7,567	15,279
	14,230,818	14,457,125
<u>At net realisable value</u>		
Finished goods	1,012,714	868,217
	15,243,532	15,325,342

22 MARKETABLE SECURITIES

	GROUP AND COMPANY	
	2016	2015
	RM	RM
<u>Held for trading</u>		
Shares in corporations and unit trusts		
- quoted in Malaysia	162,644	197,773
- quoted outside Malaysia	422,115	485,142
	584,759	682,915

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

23 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP	
	2016	2015
	RM	RM
Derivative financial instruments		
Assets	0	33,834
Liabilities	0	8,421

The Group has entered into foreign currency forward exchange/option contracts which were economic hedges but did not satisfy the requirements for hedge accounting.

The notional principal amounts of the outstanding derivative financial instruments as at 31 March 2015 was RM1,541,950. There are no outstanding derivative financial instruments as at 31 March 2016.

24 DEPOSITS WITH LICENSED BANKS

	GROUP	
	2016	2015
	RM	RM
Deposits with licensed banks	4,357,070	3,623,296
Deposits pledged for credit facilities with a licensed bank	(3,730,830)	(3,623,296)
Deposits under lien for credit facilities with a licensed bank	(626,240)	0
Deposits with licensed banks (unencumbered)	0	0
Weighted average effective interest rates per annum	3.03%	3.00%
Weighted average maturity period (days)	130	90

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

25 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash balances	11,134	10,115	0	0
Bank balances	6,121,444	1,441,396	41,880	41,621
Bank balances held under Housing Development Accounts	422,376	425,718	0	0
	6,554,954	1,877,229	41,880	41,621
Bank overdrafts (Note 31)	(13,330,402)	(6,260,756)	0	0
	(6,775,448)	(4,383,527)	41,880	41,621
The currency profile of bank and cash balances is as follows:				
- Ringgit Malaysia	645,972	959,068	8,486	23,528
- US Dollar	5,873,397	896,912	0	0
- Hong Kong Dollar	28,592	15,797	28,592	15,797
- Euro	2,191	3,156	0	0
- Singapore Dollar	4,802	2,296	4,802	2,296
	6,554,954	1,877,229	41,880	41,621

Bank balances of the Group and the Company are deposits placed in current accounts with various licensed banks in Malaysia which do not earn any interest except for bank balances held in USD call accounts of the Group of RM8,778 (2015: RM45,805) which carry weighted average effective interest rate of 0.05% (2015: 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 2.20% (2015: 2.00%) per annum.

26 SHARE CAPITAL

	GROUP		COMPANY	
	2016 No. of shares	2015 No. of shares	2016 RM	2015 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

27 OTHER RESERVES

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 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	10,220,071	8,385,011	1,851,511	1,851,511
	19,719,775	17,884,715	11,270,871	11,270,871

The revaluation surplus represents surplus from the revaluation of the Group's land and buildings.

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
At 1 April	8,385,011	8,385,011	1,851,511	1,851,511
Revaluation surplus - gross	1,870,607	0	0	0
Deferred tax (Note 18)	(35,547)	0	0	0
Revaluation surplus, net of tax	1,835,060	0	0	0
At 31 March	10,220,071	8,385,011	1,851,511	1,851,511

GROUP
2016
RM

Analysis of deferred tax on revaluation surplus

Deferred tax charge/(credit) on current year revaluation surplus on	
- freehold land	101,000
- buildings	(35,853)
Change in tax rate from 25% to 24% relating to revaluation surplus brought forward from prior years	(29,600)
Total	35,547



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

28 HIRE-PURCHASE CREDITORS

	GROUP	
	2016	2015
	RM	RM
Future minimum hire-purchase payments:		
- within one year	128,195	241,034
- later than one year but not later than two years	87,888	105,899
- later than two years but not later than five years	57,091	120,181
	273,174	467,114
Less: Finance charges	(16,869)	(30,196)
Present value of hire-purchase liabilities	256,305	436,918
Analysis of present value of hire-purchase liabilities:		
Current		
Repayable within one year	118,053	223,759
Non current		
Repayable later than one year but not later than two years	82,859	98,217
Repayable later than two years but not later than five years	55,393	114,942
	138,252	213,159
	256,305	436,918

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% (2015: 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.

29 TERM LOANS

	GROUP	
	2016	2015
	RM	RM
<u>Secured</u>		
Current liabilities	4,146,869	4,311,145
Non current liabilities	11,628,849	5,465,748
	15,775,718	9,776,893



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

29 TERM LOANS (CONTINUED)

GROUP	Total carrying amount	Note	Repayment period			Effective interest rate as at year end
			Within 1 year	2 – 5 years	> 5 years	
2016	RM		RM	RM	RM	% p.a.
Term loan 1	3,897,545	(a)	432,054	2,082,199	1,383,292	7.35
Term loan 2	220,517	(b)	82,661	137,856	0	7.85
Term loan 3	1,350,326	(c)	115,795	521,693	712,838	7.35
Term loan 4	2,408,242	(d)	185,053	892,011	1,331,178	7.35
Term loan 5	2,287,199	(e)	164,797	794,373	1,328,029	7.35
Term loan 6	2,635,252	(f)	189,872	915,240	1,530,140	7.35
Bridging loan	2,976,637	(g)	2,976,637	0	0	8.35
	15,775,718		4,146,869	5,343,372	6,285,477	
2015						
Term loan 1	4,295,851	(a)	400,792	1,935,484	1,959,575	7.35
Term loan 2	296,771	(b)	76,408	220,363	0	7.85
Term loan 3	1,457,685	(c)	107,359	518,560	831,766	7.35
Bridging loan	3,726,586	(g)	3,726,586	0	0	8.35
	9,776,893		4,311,145	2,674,407	2,791,341	

Principal features of secured term loans

- (a) Term loan 1 of RM4,140,000 (2015: RM5,000,000) is repayable by 120 monthly instalments of RM58,313 commencing April 2013.
- (b) Term loan 2 of RM400,000 (2015: RM400,000) is repayable by 60 monthly instalments of RM8,035 commencing October 2013. It is secured by way of:
- a facility agreement for the sum of RM400,000; and
 - a specific debenture over a unit of machinery of a subsidiary.
- (c) Term loan 3 of RM1,500,000 (2015: RM1,500,000) is repayable by 120 monthly instalments of RM17,494 commencing September 2014. It is secured by way of:
- a facility agreement for the sum of RM3,000,000;
 - fixed charges on the land and buildings of certain subsidiaries; and
 - a deed of negative pledge.
- (d) Term loan 4 of RM2,500,000 (2015: N/A) is repayable by 120 monthly instalments of RM29,481 commencing September 2015.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

29 TERM LOANS (CONTINUED)

Principal features of secured term loans (continued)

- (e) Term loan 5 of RM2,300,000 (2015: N/A) is repayable by 120 monthly instalments of RM27,122 commencing February 2016.
- (f) Term loan 6 of RM2,650,000 (2015: N/A) is repayable by 120 monthly instalments of RM31,249 commencing February 2016.
- (g) As at 31 March 2016, out of the Bridging loan facility of RM7,000,000 (2015: RM7,000,000), the Group has drawn down RM3,700,344 (2015: RM3,700,344). The outstanding balance needs to be settled by 31 March 2017. The bridging loan is secured by way of:
 - (i) a facility agreement for the sum of RM7,000,000; and
 - (ii) a first party legal charge over a piece of development land of a subsidiary;
- (h) Term loans 1, 4, 5 and 6 are secured by way of:
 - (i) a facilities agreement for the sum of RM17,390,000, covering a bank overdraft facility of a subsidiary of RM5,800,000;
 - (ii) fixed charges on the land and buildings of certain subsidiaries; and
 - (iii) a deed of negative pledge.
- (i) All the above term loans are also guaranteed by the Company.

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

All the term loans are denominated in Ringgit Malaysia.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

30 PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
<u>Non current liabilities</u>				
Amount owing to a subsidiary	0	0	8,196,498	8,196,498
<u>Current liabilities</u>				
Trade payables	24,113,284	25,204,846	0	0
Progress billings for property development	5,889,957	4,780,386	0	0
Other payables	7,141,571	1,989,408	126,022	158,340
Accruals	2,070,842	1,793,626	269,700	266,500
Amount owing to a subsidiary	0	0	6,561,062	17,923,173
Amount owing to a director	459,463	463,252	0	0
	39,675,117	34,231,518	6,956,784	18,348,013
Total payables and accruals	39,675,117	34,231,518	15,153,282	26,544,511
The currency profile of trade and other payables and accruals is as follows:				
- Ringgit Malaysia	37,968,314	32,249,160	15,153,282	26,544,511
- US Dollar	1,049,750	844,294	0	0
- Chinese Renminbi	586,136	1,120,129	0	0
- Others	70,917	17,935	0	0
Total payables and accruals	39,675,117	34,231,518	15,153,282	26,544,511

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2015: Cash on delivery to 90 days).

Non trade amounts owing to a subsidiary of the Company are unsecured, carry market floating interest rate of 5.57% (2015: 5.59%) 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

31 SHORT TERM BANK BORROWINGS

	GROUP	
	2016	2015
	RM	RM
<u>Secured</u>		
Bank overdrafts	11,336,556	4,424,634
Foreign currency revolving credit	1,718,280	2,049,473
	13,054,836	6,474,107
<u>Unsecured</u>		
Bank overdrafts	1,993,846	1,836,122
Trade finance liabilities	839,036	661,060
	2,832,882	2,497,182
<u>Total</u>		
Bank overdrafts	13,330,402	6,260,756
Foreign currency revolving credit and trade finance liabilities	2,557,316	2,710,533
	15,887,718	8,971,289

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

- facilities agreements for a total sum of RM33,069,000 (including a facilities agreement as stated in Note 29(h)(i) to the financial statements) of certain subsidiaries;
- fixed charges on the land and buildings of certain subsidiaries;
- deposits pledged with a licensed bank of a subsidiary of RM3,730,830 (2015: RM3,623,296) and a facility agreement for the sum of RM3,298,000;
- first party legal charge over certain of the sub-divided titles of the property development leasehold land of a subsidiary (Note 20); and
- sinking fund build up with retention of 2.5% on each contract proceeds and to be placed in Fixed Deposits Receipt under lien of a subsidiary;
- deeds of negative pledge of certain subsidiaries; and
- deed of assignment of contract proceeds of a subsidiary.

Short term bank borrowings of the Group are also guaranteed by the Company.

	GROUP	
	2016	2015
	RM	RM
The currency profile of short term bank borrowings is as follows:		
- Ringgit Malaysia	14,169,438	6,921,816
- US Dollar	1,718,280	2,049,473
	15,887,718	8,971,289



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

31 SHORT TERM BANK BORROWINGS (CONTINUED)

	GROUP	
	2016	2015
	%	%
Weighted average effective interest rates per annum:		
- bank overdrafts	8.05	8.03
- foreign currency revolving credit	3.40	2.90
- trade finance facilities	6.62	5.64

	GROUP	
	2016	2015
	Days	Days
The ranges of credit periods of these short term borrowings are as follows:		
Foreign currency revolving credit	180	89 - 181
Trade finance liabilities	143 - 149	144 - 147

32 PROVISIONS

	GROUP	
	2016	2015
	RM	RM
<u>Provision for liquidated damages</u>		
At 1 April	504,361	0
Charged to profit or loss (Note 9)	430,000	504,361
At 31 March (a)	934,361	504,361
<u>Provision for compensation claims</u>		
At 1 April	0	0
Current year provision debited to property development cost (Note 20) (b)	744,000	0
At 31 March	744,000	0
Total provisions	1,678,361	504,361

(a) The provision for liquidated damages relates to an on-going development project undertaken by the Group and is recognised for expected claims arising from the delay in delivery of houses based on the terms stated in the sale and purchase agreements.

(b) The provision for compensation claims relates to a formerly abandoned project currently undertaken by the Group where the provision is recognised for expected claims from previous home buyers who had acquired the properties from the previous developer.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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	
	2016	2015	2016	2015
	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	(1,016,403)	(1,434,232)
Interest income received/ receivable from subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	1,724,936	1,666,417
- Marywah Industries (M) Sdn. Bhd.	0	0	210,937	206,914
- Caely Development Sdn. Bhd.	0	0	7,342	6,786
Advances repaid from/(to) subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	286,000	1,182,712
- Marywah Industries (M) Sdn. Bhd.	0	0	215,000	0
- Omni Green Sdn. Bhd.	0	0	(100,000)	(169,368)
- Caely Development Sdn. Bhd.	0	0	(4,000)	0
Advances from/(repaid to) a subsidiary				
- Classita (M) Sdn. Bhd.	0	0	1,235,000	(260,000)
Payments on behalf by/(of) the subsidiaries				
- Caely (M) Sdn. Bhd.	0	0	147,640	41,467
- Classita (M) Sdn. Bhd.	0	0	(109,806)	6,944
- Marywah Industries (M) Sdn. Bhd.	0	0	0	100,627
Payments on behalf for a subsidiary				
- Caely (M) Sdn. Bhd.	0	0	(133,161)	(37,893)
Advances (repaid to)/from a Director				
- Dato' Chuah Chin Lai	(3,789)	64,833	0	0



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Salaries and other short term employee benefits (including monetary value of benefits-in-kind)	1,043,980	1,044,280	219,200	219,500
Post employment benefits	122,241	122,241	0	0
	1,166,221	1,166,521	219,200	219,500

34 NON CASH TRANSACTIONS

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

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Purchase of property, plant and equipment by means of hire-purchase financing	60,000	0	0	0
Interest received added on directly to fixed deposits pledged as security with a licensed bank	107,534	101,827	0	0
Contra of amount owing by a subsidiary against the amount owing to another subsidiary	0	0	0	(472,876)
Cost transferred from property development costs to capital work in progress	359,481	899,633	0	0
Contra of other payable balance against amount owing by a subsidiary	0	0	0	(190,560)
Proceed from disposal of property, plant and equipment contra against balance with the supplier	27,000	0	0	0
Dividends paid by way of set-off against amount owing to a subsidiary	0	0	13,500,108	1,500,012

35 CAPITAL COMMITMENT

	GROUP	
	2016	2015
	RM	RM
Approved and contracted capital commitment not provided for in the financial statements:		
- Investment in a foreign entity	550,500	550,500



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

36 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Financial assets				
Financial asset measured at fair value through profit or loss:				
- Marketable securities	584,759	682,915	584,759	682,915
- Derivative financial assets	0	33,834	0	0
	584,759	716,749	584,759	682,915
Loans and receivables at amortised cost:				
- Trade and other receivables and deposits excluding prepayments, amounts due from customers on contracts, accrued billings, advances to sub-contractors and input tax receivables	41,848,166	38,338,605	9,725	9,686
- Amounts owing by subsidiaries	0	0	35,460,533	34,022,317
- Deposits with licensed banks	4,357,070	3,623,296	0	0
- Bank and cash balances	6,554,954	1,877,229	41,880	41,621
	52,760,190	43,839,130	35,512,138	34,073,624
Total	53,344,949	44,555,879	36,096,897	34,756,539
Financial liabilities				
Financial liabilities measured at fair value through profit or loss:				
- Derivative financial liabilities	0	8,421	0	0
Other financial liabilities at amortised cost:				
- Hire-purchase creditors	256,305	436,918	0	0
- Term loans	15,775,718	9,776,893	0	0
- Short term bank borrowings	15,887,718	8,971,289	0	0
- Payables and accruals excluding statutory liabilities	39,652,156	33,711,159	395,722	424,840
- Amounts owing to subsidiaries	0	0	14,757,560	26,119,671
	71,571,897	52,896,259	15,153,282	26,544,511
Total	71,571,897	52,904,680	15,153,282	26,544,511



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

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

(i) Market risk

(a) Foreign currency exchange risk

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

The Group's sales are mostly denominated in US Dollar and Ringgit Malaysia 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 to hedge certain of the export proceeds and import purchases, whenever considered necessary.

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 30 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	
	2016 %	2015 %	2016 RM	2015 RM
Foreign currency strengthens against RM				
- US Dollar	5	14	+136,000	+358,000
- Euro	10	10	+271,000	+143,000
- Chinese Renminbi	2	14	-10,000	-160,000

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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% (2015: 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:

Group	Impact on profit or loss	
	2016 RM	2015 RM
Increase in interest rate:		
- bank borrowings	-158,000	-94,000
- deposits with licensed banks	+19,000	+23,000

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.

(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% (2015: 5%) higher/lower, with all other variables held constant, the Group's and the Company's net profit would have been RM29,238 (2015: RM34,146) higher/lower, as a result of an increase/decrease in the fair value of these quoted shares and unit trusts.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(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 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 measurement 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).

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
<u>At 31 March 2016</u>				
<u>Group</u>				
<u>Assets</u>				
Property, plant and equipment	0	0	21,700,191	21,700,191
Investment property	0	4,000,000	0	4,000,000
Marketable securities	584,759	0	0	584,759
<u>At 31 March 2015</u>				
<u>Group</u>				
<u>Assets</u>				
Property, plant and equipment	0	0	19,810,638	19,810,638
Investment property	0	3,200,000	0	3,200,000
Marketable securities	682,915	0	0	682,915
Derivative financial instruments	0	33,834	0	33,834
<u>Liabilities</u>				
Derivative financial instruments	0	8,421	0	8,421



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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
<u>At 31 March 2016</u>				
<u>Company</u>				
<u>Assets</u>				
Investment property	0	4,000,000	0	4,000,000
Marketable securities	584,759	0	0	584,759
<u>At 31 March 2015</u>				
<u>Company</u>				
<u>Assets</u>				
Investment property	0	3,200,000	0	3,200,000
Marketable securities	682,915	0	0	682,915

There are no derivative financial instruments outstanding as at 31 March 2016 for the Group and the Company.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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, 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.

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 Group's management reporting procedures.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Credit risk (continued)

Credit risk arising from construction activities

The Group has significant concentration of credit risk in the form of outstanding balance due from 2 customers (2015: 2 customers) representing 61% (2015: 51%) of the total trade receivables. The Group considers the risk of default by the trade receivables relating to its construction activity to be low as the major contract is under a government agency. 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. 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 Group'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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Neither past due nor impaired:				
Derivative financial assets	0	33,834	0	0
Trade receivables	24,908,030	29,596,084	0	0
Other receivables and deposits	3,288,786	1,590,718	9,725	9,686
Amounts owing by subsidiaries	0	0	35,460,533	34,022,317
Deposits with licensed banks	4,357,070	3,623,296	0	0
Bank and cash balances	6,554,954	1,877,229	41,880	41,621
	39,108,840	36,721,161	35,512,138	34,073,624
Past due but not impaired:				
Trade receivables				
1 to 60 days	5,347,164	2,394,514	0	0
61 to 120 days	679,183	81,205	0	0
More than 121 days	7,625,003	4,676,084	0	0
	13,651,350	7,151,803	0	0
	52,760,190	43,872,964	35,512,138	34,073,624
Impaired:				
Trade receivables	2,331,266	2,144,265	0	0
Amount owing by a subsidiary	0	0	1,050,483	950,483
Total	55,091,456	46,017,229	36,562,621	35,024,107



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 2016, the Group has trade receivables of RM13,651,350 (2015: RM7,151,803) 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	
	2016 RM	2015 RM	2016 RM	2015 RM
<u>Trade receivables / Amount owing by a subsidiary</u>				
Nominal amount of individually impaired debt	2,331,266	2,144,265	1,050,483	950,483
Allowance for doubtful debts	(2,331,266)	(2,144,265)	(1,050,483)	(950,483)
	0	0	0	0
 Movements in allowance accounts:				
At 1 April	2,144,265	2,153,982	950,483	781,115
Charge for the financial year	189,950	0	100,000	169,368
Write back	(2,949)	(9,717)	0	0
At 31 March	2,331,266	2,144,265	1,050,483	950,483



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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 and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintain sufficient cash and ensure 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.

	2016			Total RM
	Within one year RM	Two to five years RM	More than five years RM	
<u>Group</u>				
Non derivative financial liabilities:				
Trade and other payables	39,652,156	0	0	39,652,156
Hire-purchase creditors	128,195	144,979	0	273,174
Term loans	5,296,857	8,001,171	7,193,095	20,491,123
Short term bank borrowings	17,030,443	0	0	17,030,443
Total undiscounted financial obligations	62,107,651	8,146,150	7,193,095	77,446,896



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(v) Liquidity risk (continued)

	2015			Total RM
	Within one year RM	Two to five years RM	More than five years RM	
<u>Group</u>				
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)

	2016			Total RM
	On demand* or within one year RM	Two to five years RM	More than five years RM	
<u>Company</u>				
Non derivative financial liabilities:				
Trade and other payables	395,722	0	0	395,722
Amount owing to a subsidiary	6,932,538	10,216,466	0	17,149,004
Financial guarantee liabilities*	22,349,268	8,001,171	7,191,010	37,541,449
Total undiscounted financial obligations	29,677,528	18,217,637	7,191,010	55,086,175



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(v) Liquidity risk (continued)

	2015			Total RM
	On demand* or within one year RM	Two to five years RM	More than five years RM	
<u>Company</u>				
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

There are no derivative financial liabilities as at 31 March 2016 for the Group and the Company.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of credit facilities granted to certain wholly-owned subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. As at 31 March 2016, there was no indication that the subsidiaries would default on repayment.

Financial guarantee liabilities have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

(vi) Capital risk

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company'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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONTINUED)

37 CONSTRUCTION CONTRACTS

	GROUP	
	2016	2015
	RM	RM
At cost,		
Aggregate costs incurred to date	44,735,286	20,139,461
Attributable profit less recognised losses	6,407,320	3,645,269
	51,142,606	23,784,730
Progress billings	(47,671,192)	(20,556,521)
	3,471,414	3,228,209
Represented by:		
Amount due from customers on contracts (Note 19)	3,471,414	3,228,209
Retention on contracts included in:		
- Trade receivables	8,345,655	5,135,691
Interest capitalised (Note 10)	293,010	270,681



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Retained profits:				
- realised	79,039,897	74,560,225	34,625,774	22,017,757
- unrealised	(410,871)	160,662	673,727	(201,437)
	78,629,026	74,720,887	35,299,501	21,816,320
Less: Consolidation adjustments	(55,004,578)	(55,455,652)	0	0
Total retained profits as at 31 March	23,624,448	19,265,235	35,299,501	21,816,320

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 2016

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	31.12.2015	2,800,000
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building (4 storey shophouse)	Leasehold 11 years	05.04.2078	9,060	31.12.2015	1,200,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	45,466	30.11.2015	1,100,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	2-storey hostel	Freehold 20 years	-	15,250	30.11.2015	403,917
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 18 years	-	11,100	30.11.2015	366,362
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 16 years	-	28,140	30.11.2015	1,488,722
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	274,972	30.11.2015	6,400,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 19 years	-	69,928	30.11.2015	4,760,331



LANDED PROPERTIES

AS AT 31 MARCH 2016

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	3-storey factory building	Freehold 12 years	-	76,800	30.11.2015	5,864,010
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½-storey Factory Building	Freehold 9 years	-	8,400	30.11.2015	447,446
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Hostel	Freehold 9 years	-	7,200	30.11.2015	271,451
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Surau	Freehold 9 years	-	625	30.11.2015	19,887
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey Factory Building	Freehold 9 years	-	1,980	30.11.2015	64,631
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	30.11.2015	70,000 94,392
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 8 year	-	7,200	30.11.2015	349,043
Tapah Road, Plot 31, 32 and 39, Mukim of Batang Padang, District of Batang Padang	Residential and commercial land – Development in progress	Leasehold	15-02-2112	52.79 acres	27.06.2011	5,713,982



ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016

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	: 2,302

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2016

Size of shareholding	No. of shareholders	% of shareholders	No. of Shares	% of Shares
Less than 100	172	7.47	2,970	0
100 – 1,000	549	23.85	379,961	0.48
1,001 – 10,000	1,099	47.74	5,734,400	7.17
10,001 – 100,000	425	18.47	13,820,169	17.27
100,001 – 3,9999,999	53	2.30	28,513,700	35.64
4,000,000 and above	4	0.17	31,548,800	39.44
	2,302	100.00	80,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDER AS AT 30 JUNE 2016

	— Direct Interest —		— Deemed Interest —	
	No. of Shares	%	No. of Shares	%
Datin Fong Nyok Yoon	13,630,000	17.04	12,732,000 (a)	15.92
Dato' Chuah Chin Lai	12,732,000	15.92	13,630,000 (b)	17.04
Koh Kok Hooi	5,805,600	7.26		

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 30 JUNE 2016

	— Direct Interest —		— Deemed Interest —	
	No. of Shares	%	No. of Shares	%
Datin Fong Nyok Yoon	13,630,000	17.04	12,732,000 (a)	15.92
Dato' Chuah Chin Lai	12,732,000	15.92 (b)	13,630,000 (c)	17.04
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 30 JUNE 2016

	Name of Shareholder	No. Shares Held	%
1	DATIN FONG NYOK YOON	13,630,000	17.04
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	5,266,800	6.58
5	FONG YOKE MOOI	3,257,300	4.07
6	CHONG JONG SIEW	2,914,300	3.64
7	JELAPANG JASA SDN BHD	2,880,000	3.60
8	FONG CHONG SENG	2,039,400	2.55
9	TAN YENG FATT	2,008,100	2.51
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KOOI PHING (6000914)	1,988,800	2.49
11	TEO KWEE HOCK	1,515,900	1.89
12	SIM WEE CHEN	818,000	1.02
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KOOI PHING (474509)	805,000	1.01
14	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	798,400	1.00
15	TEE AH SWEE	735,000	0.92
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YUN WAH	673,000	0.84
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KOK HOOI (474004)	538,800	0.67
18	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUEK SIEW CHYI (CCTS)	454,000	0.57



ANALYSIS OF SHAREHOLDINGS (CONTINUED)

THIRTY LARGEST SHAREHOLDERS AS PER THE REGISTER OF MEMBERS AS AT 30 JUNE 2016

	Name of Shareholder	No. Shares Held	%
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	418,000	0.52
20	LEONG NAM SOON	374,400	0.47
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AOW YONG HUI CHIN	346,800	0.43
22	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES FOR TAN CHEOW HIAN @ TAN LEK KEAH	333,300	0.42
23	MAH WEE HIAN @ MAH SIEW KUNG	279,800	0.35
24	TEE AH SWEE	253,900	0.32
25	OW TIEW SEE	213,600	0.27
26	PATRICK SOH KONG HUI	200,000	0.25
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LIANG KANG @ SIM LEONG KENG (E-SS2)	200,000	0.25
28	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILIP SECURITIES PTE LTD (CLIENTS)	199,700	0.25
29	FAZILAH BINTI DAWAN	190,000	0.24
30	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YOONG SIN KUEN (MY1568)	190,000	0.24



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

No. of ordinary shares held

PROXY FORM

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 Twentieth Annual General Meeting of the Company, to be held at Pearl International Hotel, Batu 5, Jalan Klang Lama, Taman Hock Ann, 58100 Kuala Lumpur on Friday, 23 September 2016 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 tax exempt final dividend of 1 sen per share for the financial year ended 31 March 2016.	☐	☐
Resolution 2	To approve the payment of Directors' fees of RM235,000.00 for the financial year ended 31 March 2016.	☐	☐
Resolution 3	To re-elect Dato' Chua Chin Lai 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

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	☐	☐
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 _____ 2016.

*Strike out whichever is not desired.

Signature: _____

NOTES:

- Only depositors whose names appear in the Record of Depositors as at 19 September 2016 ("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 Companies Act, 1965 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.

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Affix
Stamp

CAELY HOLDINGS BHD.
(408376-U)

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

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