



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

S t e p p i n g F o r w a r d

2019
ANNUAL REPORT

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PROXY FORM



BOARD OF DIRECTORS

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

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

Ng Boon Kang
Independent
Non-Executive Director

Tan Loon Cheang
Independent
Non-Executive Director

**Hem Kan
@ Chan Hong Kee**
Independent
Non-Executive Director

Lai Kian Huat
Non-Independent
Non-Executive Director

RISK MANAGEMENT AND AUDIT COMMITTEE

Chairman
Ng Boon Kang

Members
Tan Loon Cheang
**Hem Kan
@ Chan Hong Kee**

REMUNERATION COMMITTEE

Chairman
Tan Loon Cheang

Members
Datin Fong Nyok Yoon
Ng Boon Kang

NOMINATION COMMITTEE

Chairman
Hem Kan @ Chan Hong Kee

Members
Ng Boon Kang
Tan Loon Cheang

COMPANY SECRETARIES

Chan Sau Leng
(MAICSA 7012211)
Ruzeti Emar Binti Mohd Rosli
(LS 0010372)

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name: CAELY
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

PKF
(AF 0911)
Chartered Accountants
No. 416
Jalan Dato Keramat
10460 Georgetown
Penang
Tel : 04 - 218 9653
Fax: 04 - 218 9653

SHARE REGISTRAR

Mega Corporate
Services Sdn Bhd
(187984-H)
Level 15-2,
Bangunan Faber
Imperial Court
Jalan Sultan Ismail
50250 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
CIMB Bank Berhad



NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("AGM") of Caely Holdings Bhd. will be convened and held at Lower Perak Club, Jalan Denai Intan, Bandar Baru, 36000 Teluk Intan, Perak Darul Ridzuan on Wednesday, 18 September 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

A G E N D A

ORDINARY BUSINESS

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2019 together with the Directors' and Auditors' Reports thereon. (Please refer to Explanatory Note I)
2. To approve the payment of Directors' fees amounting to RM275,736.00 for the financial year ended 31 March 2019. (Ordinary Resolution 1)
3. To approve the payment of Directors' fees and benefits up to an amount of RM450,000.00 to the Directors with effect from 19 September 2019 until the next AGM. (Ordinary Resolution 2)
4. To approve the re-election of Mr Hem Kan @ Chan Hong Kee as Director who retires pursuant to Article No. 124 of the Constitution of the Company and being eligible, has offered himself for re-election. (Ordinary Resolution 3)
5. To approve the re-election of the following Directors who retire pursuant to Article No. 129 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
 - i. Mr Ng Boon Kang; and (Ordinary Resolution 4)
 - ii. Mr Tan Loon Cheang. (Ordinary Resolution 5)
6. To re-appoint Messrs. PKF as Auditors of the Company for the financial year ending 31 March 2020 and to authorise the Directors to determine their remuneration. (Ordinary Resolution 6)

SPECIAL BUSINESS

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

7. **Approval to Continue in Office as an Independent Non-Executive Director** (Ordinary Resolution 7)

"THAT approval be and is hereby given to Mr Hem Kan @ Chan Hong Kee, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017."



NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(CONTINUED)

8. **Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

(Ordinary
Resolution 8)

"THAT subject always to the Companies Act, 2016 ("the Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and the approval of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the 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 number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. **Proposed Adoption of New Constitution of the Company**

(Special
Resolution)

"THAT approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, to adopt the proposed new Constitution of the Company as set out in the Circular to Shareholders dated 31 July 2019 ("**Proposed New Constitution.** ")

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed New Constitution with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities."

10. To transact any other business of the Company which due notices shall be given in accordance with the Companies Act, 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHAN SAU LENG (MAICSA 7012211)
RUZETI EMAR BINTI MOHD ROSLI (LS 0010372)
Joint Secretaries
Selangor Darul Ehsan

31 July 2019



NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(CONTINUED)

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at **10 September 2019** ("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.
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 not less than twenty-four (24) hours before the time appointed for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of General Meeting to be put to vote by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(CONTINUED)

EXPLANATORY NOTES:

1. **Statutory Financial Statements for the financial year ended 31 March 2019**

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act requires the Statutory Financial Statements to be laid at the AGM. As such, this agenda item does not require shareholders' approval and hence, is not put forward for voting.

2. **Ordinary Resolution No. 2 – Directors' Fees and Benefits**

Ordinary Resolution No. 2 relates to the proposed payment of Directors' fees and benefits to the Directors from 19 September 2019 until the next AGM of the Company, which comprise the following:-

	Board Chairman	Executive Directors	Non-Executive Directors
Directors' Fees	RM62,675.00	RM62,675.00	RM150,385.00
Meeting Allowance for attendance of Board and Board Committee Meetings	RM500.00 per meeting	RM300.00 per meeting	RM300.00 to RM500.00 per meeting
Other Benefits	Company car	Company car	-

3. **Ordinary Resolutions No. 7 – Approval to Continue in Office as an Independent Non-Executive Director**

As recommended by the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), the Board of Directors has recommended Mr Hem Kan @ Chan Hong Kee who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 5 June 2003 to continue to act as Independent Non-Executive Directors subject to the shareholders' approval through a two-tier voting process at the Twenty-Third AGM.

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Mr Hem Kan @ Chan Hong Kee who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, and hereby recommends him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- (i) He has fulfilled the criteria under the definition on Independent Director as stated in the Bursa Securities Main Market Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;
- (ii) He has been with the Company for more than twelve (12) years and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at the Meetings;
- (iii) He has contributed sufficient time and efforts and attended all the Meetings for informed and balanced decision making; and
- (iv) He has exercised due care and diligence during his tenure as Independent Non-Executive Director of the Company and carried out his fiduciary duty in the interest of the Company and shareholders without being subject to influence of management.



NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(CONTINUED)

EXPLANATORY NOTES: (continued)

4. Ordinary Resolution No. 8 – Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Resolution 8, 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 aggregate amount not exceeding 10% of the total number of issued shares 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 of the Company.

The Mandate is for renewal of the Mandate granted by the members at the last AGM held on 20 September 2018. The Mandate granted at the last AGM was utilised by the Company arising from the Exercise of Warrants 2018/2021 and the Bonus Issue.

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

5. Ordinary Resolution No. 9 – Proposed Adoption of New Constitution of the Company

In view of the substantial amount of proposed amendments to the existing Memorandum and Articles of Association, the Board proposed to revoke the existing Memorandum and Articles of Association in its entirety and in place thereof, to adopt a new Constitution as set out in the Circular to Shareholders dated 31 July 2019 ("Proposed New Constitution").

This Resolution, if passed, will streamline the Company's Constitution with the new provisions of the Act and the amendments made to the Main Market Listing Requirements of Bursa Securities, as well as to enhance administrative efficiency.

The Proposed New Constitution shall take effect once it has been passed by a majority of not less than 75% of such members of the Company who are entitled to attend and vote, and do vote in person or by proxy at this AGM.

Please refer to the Circular to Shareholders dated 31 July 2019 for further information.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING **NAMES OF DIRECTORS STANDING FOR RE-ELECTION**

1. Ordinary Resolutions 3,4 and 5 – Re-election of Directors

a. Director who is retiring pursuant to Article No.124 of the Constitution of the company and seeking for re-election at the forthcoming Twenty-Third AGM are as follows:-

- i. Mr Hem Kan @ Chan Hong Kee, being the Director who is retiring pursuant to Article No.124 of the Constitution of the company and seeking for re-election at the forthcoming Twenty-Third AGM.

b. Directors who are retiring pursuant to Article No. 129 of the Constitution of the Company and seeking for re-election at the forthcoming Twenty-Third AGM are as follows:-

- i. Mr Ng Boon Kang ; and
- ii. Mr Tan Loon Cheang.

Details of above Directors are set out in the Directors' Profiles section appearing on pages 15 to 18 of the Company's Annual Report.



CAELY HOLDINGS BHD.
(408376-U) | Annual Report 2019

GROUP STRUCTURE



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



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

100%



(Co. No. 189994-T)

100%



MARYWAH INDUSTRIES
(M) SDN. BHD.

(Co. No. 212866-H)

100%



CAELY DEVELOPMENT
SDN BHD

(Co. No. 183149-V)

100%

OMNI
GREEN SDN BHD

(Co. No. 772912-K)

51%



FINANCIAL HIGHLIGHTS

5 Years Financial Highlights of the Group

Key Operation Results

	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Revenue	85,503	97,946	119,130	118,135	94,496
Profit before taxation ("PBT")	2,589	2,211	7,182	7,534	5,014
Taxation	(1,133)	(948)	(2,080)	(2,656)	(1,376)
Profit after taxation ("PAT")	1,456	1,263	5,102	4,878	3,637
Non-controlling interest ("NCI")	52	65	413	281	149
Profit for the financial year attributable to owners of the Company	1,508	1,327	5,515	5,159	3,786

Other Key Data

Total assets	151,468	141,917	148,822	157,703	131,924
Shareholders' equity	88,356	86,565	86,102	82,797	76,883
Dividends Per Share (sen)	-	1	1	1	1
PBT Margin (%)	3.03	2.26	6.03	6.38	5.31
PAT after NCI Margin (%)	1.76	1.36	4.63	4.37	4.01
Return on total assets (%)	1%	1%	4%	3%	3%
Return on equity (%)	2%	2%	6%	6%	5%

GEARING

Borrowings	28,601	23,089	23,613	31,920	19,185
Gearing (times)	0.32	0.27	0.27	0.39	0.25



FINANCIAL HIGHLIGHTS

(CONTINUED)

5 Years Financial Highlights of the Group (continued)

2019

2018

2017

2016

2015

SHARE PERFORMANCE

The Group is continually endeavoured to enhance shareholders' value by improving its market capitalization. The below illustration sets out the five (5) years highest and lowest transacted prices of the Shares on the Bursa Securities

Year high (RM)	1.279	1.37	0.565	0.66	0.59
Year low (RM)	0.734	0.38	0.465	0.455	0.35
Year Close (RM)	1.05	0.94	0.495	0.52	0.475
Market capitalization (as at the financial year end) (RM ' 000,000)	85.40	75.20	39.60	41.60	38.00



PROFILE OF DIRECTORS

DATIN FONG NYOK YOON

Aged 57, Malaysian, Female

Executive Chairperson

Non-Independent Executive Director

Datin Fong Nyok Yoon was appointed to the Board on 2nd October 2002. She is 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 and Mr. Chuah Lim Tai is her son whom is the General Manager of Direct Sales and Trading Sales segment. Other than Caely Holdings Bhd (CHB), she does not hold any other directorship in any other public companies or listed issuer in Malaysia. 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 has any conflict of interest with CHB. She has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor any sanctions and/or penalties imposed on her by any relevant regulatory bodies during the financial year. She attended all eight (8) Board meetings of CHB held during the financial year ended 31st March 2019.

DATO' CHUAH CHIN LAI

Aged 59, Malaysian, Male

Managing Director

Non-Independent Executive Director

Dato' Chuah Chin Lai was appointed to the Board on 2nd October 2002. As Managing Director, he is responsible for strategic management of the Group.

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 and Mr. Chuah Lim Tai is his son whom is the General Manager of Direct Sales and Trading Sales segments. He heads the direct selling division and is actively involved in the Group's Property and Construction and OEM export businesses.

Except for Caely Holdings Bhd, he does not hold any external directorships or listed issuer in Malaysia. Currently, he holds directorship in the subsidiaries of CHB.

Saved as disclosed above, he 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 does not have any convictions for any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2019. Dato' Chuah attended all eight (8) Board Meetings of CHB held during the financial year ended 31st March 2019.



PROFILE OF DIRECTORS

(CONTINUED)

HEM KAN @ CHAN HONG KEE

Aged 79, Malaysian, Male

Independent Non-Executive Director

Hem Kan @ Chan Hong Kee is an Independent Non-Executive Director and was appointed to the Board on 5th 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.

He does not hold any other directorship in any other public companies or listed issuer in Malaysia, and has no family relationship with any Directors and major shareholders of the Company.

Mr. Chan has no conflict of interest with CHB and does not have any convictions for any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2019. During the financial year, he attended six (6) Board Meetings.

NG BOON KANG

Aged 48, Malaysian, Male

Independent Non-Executive Director

Ng Boon Kang, is an Independent Non-Executive Director and was appointed to the Board on 15th October 2018. He is the Chairman of the Risk Management and Audit Committee, and a member of Nomination Committee and the Remuneration Committee.

Mr. Ng graduated with a Bachelor of Accountancy from University of Malaysia in 1996. He is a member of the Malaysia Institute of Accountants, a Certified Financial Planner of the Financial Planning Association of Malaysia and a Registered Financial Planner of Malaysian Financial Planning Council. He has also obtained a tax agent license from the Ministry of Finance Malaysia in 2010.

Mr. Ng started his career with Chuah & Associates as an Audit Assistant in 1996 and was promoted to Audit Senior in 1997. In 1998, he left Chuah & Associates and joined KH Chew & Co as an Audit Manager. In 2004, he left KH Chew & Co. and set up Crest Consulting, which provided business consulting, business planning and restricting services. Crest Consulting ceased its operations on 21 January 2006. Where upon he subsequently joined BK Ng & Associates and TTP & Associates as a Tax Managing Partner and Audit Principal respectively. Previously, he was also an Independent Non-Executive Director of Heng Huat Resources Berhad where he resigned on 2 August 2016.

Mr. Ng has no family relationship with the other Directors and Major Shareholders of the CHB. He has no conflict of interest with CHB and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2019. During the financial year, he attended five (5) Board Meetings.



PROFILE OF DIRECTORS

(CONTINUED)

LAI KIAN HUAT

Aged 53, Malaysian, Male

Non-Independent Non-Executive Director

Lai Kian Huat is a Non-Independent Non-Executive Director and was appointed to the Board on 16th April 2018.

Mr. Lai is a fellow Member of the Association of International Accountants in United Kingdom and Certified Financial Planner of the Financial Planning Association of Malaysia. He has over 26 years of experience in accounting, audit, taxation and management matters as well as corporate exercise, treasury and cash management, investigation audit and due diligence assignments.

He had previously held various senior positions in several public and private companies, notably as Independent Non-Executive Director of Ta Win Holdings Berahd., Independent Non-Executive Director and Chairman of Audit Committee of Ideal Jacobs (Malaysia) Corporation Berhad., Executive Director and Chief Financial Controller of SMTrack Berhad., Senior Finance Manager of Perwaja Steel Sdn. Bhd. (Subsidiary of Perwaja Holdings Berhad) and Senior Finance Manager of Megasteel Sdn. Bhd. (a subsidiary of Lion Corporation Berhad.).

Mr. Lai has no family relationship with the other Director and major shareholders of CHB. He has no conflict of interest with CHB and has not been convicted for any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2019. During the financial year, Mr. Lai attended six (6) Board Meetings.

TAN LOON CHEANG

Aged 49, Malaysian, Male

Independent Non-Executive Director

Tan Loon Cheang is an Independent Non-Executive Director and was appointed to the Board on 1st October 2018. 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. Tan holds an LLB degree from the University of London and was admitted to the Malaysia Bar on 10th February 2001 as an Advocate and Solicitor of the High Court of Malaya. He is a partner in a legal firm dealing in a broad range of the law covering areas such as conveyancing, corporate, civil litigation and family matters.

Mr. Tan has no family relationship with the other Directors and Major Shareholders of the CHB. He has no conflict of interest with CHB and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2019. During the financial year, he attended five (5) Board Meetings.



PROFILE OF KEY SENIOR MANAGEMENT

CHUAH LIM TAI

Aged 34, Malaysian, Male
General Manager

Mr. Chuah Lim Tai was appointed as a General Manager of Direct Sales and Trading Sales segment on 1st April 2011. He holds a Bachelor of International Trade and Marketing from the University of Victoria, Australia.

Mr. Chuah began his career with Caely (M) Sdn. Bhd. as a Sales and Training Executive on 3rd September 2007 and was promoted to Marketing Manager on 1st May 2009. He was then promoted as a Deputy General Manager on 1st May 2010 and finally to his current position on 1st April 2011. He has twelve years (12) years of experience in heading the direct sales and retail business in the Group.

Mr. Chuah is the son of Dato' Chuah Chin Lai and Datin Fong Nyok Yoon, the Managing Director and Executive Chairperson of the Group respectively.

Save as disclosed above, Mr. Chuah does not has any family relationship with any Director and/or major shareholders of the Company and does not has any conflict of interest with CHB. He has not convicted of any offences (other than traffic offence, if any) within the past five (5) years. He has not been imposed of any sanctions and/or penalties by any relevant regulatory bodies during the financial year.

GOK CHING HEE

Aged 48, Malaysian, Male
Chief Financial Officer

Mr. Gok was appointed as a Chief Financial Officer on 11th April 2019. He holds a Bachelor Degree in Accounting (Hons) from Universiti Utara Malaysia in 1996.

Mr. Gok has extensive experience in external and internal auditing, accounting, management consultation and costing is his expertise. Formerly, he was the Chief Executive Officer cum Chief Financial Officer of GTM Group of Companies overseeing the operations of the Group's core business involving in Construction, Property Development, Hospitality and Manufacturing business.

He does not hold any other directorship in any other public companies or listed issuer in Malaysia, and has no family relationship with any Directors and major shareholders of the Company.

Mr. Gok has no conflict of interest with CHB and does not have any convictions for any offences (other than traffic offences, if any) within the past five (5) years.



ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1.1 AUDIT AND NON-AUDIT FEE

A breakdown of fees for audit and non-audit services incurred by the Company and its subsidiary companies for the financial year ended 31 March 2019 is tabulated below:-

	Group (RM'000)	Company (RM'000)
Audit Fees	167	65
Non-audit Fees	15	6
Total	182	71

1.2 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.

1.3 PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not make any release on the profit estimate, forecast or projection during the financial year ended 31 March 2019.

1.4 PROFIT GUARANTEE

The Company did not make any arrangement which require profit guarantee during the financial year ended 31 March 2019.

1.5 REVALUATION POLICY ON LANDED PROPERTIES

The Group applied revaluation model under Malaysia Financial Reporting Standards ("MFRS") 116 Property, Plant and Equipment, to measure the landed properties.

The Group's landed properties, comprising freehold and leasehold land, factory buildings and residential properties were last revalued on 31 March 2019. Valuations are performed at an interval of every five (5) years or at a shorter period to ensure that the fair value of a revalued asset does not differ materially from its carrying value.



MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MDA") enlightens the shareholders with an overview and better understanding of the key business strategies, risks and future prospects of the Group. The MDA should be read in conjunction with the accompanying financial statements for the financial year ended 31 March 2019.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

31 July 2003 was a remarkable day for Caely Holdings Bhd. when it was listed on the Main Market of Bursa Malaysia Securities Berhad. The Manufacturing, Direct Selling and retails segments remain the principle contributor of the group's revenue and earnings.

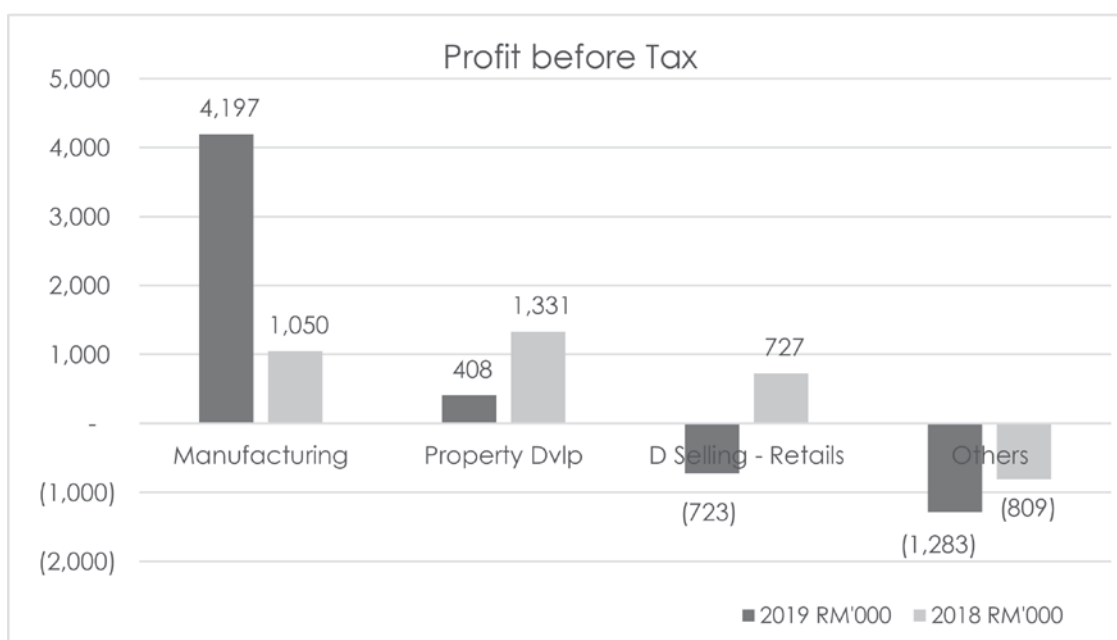
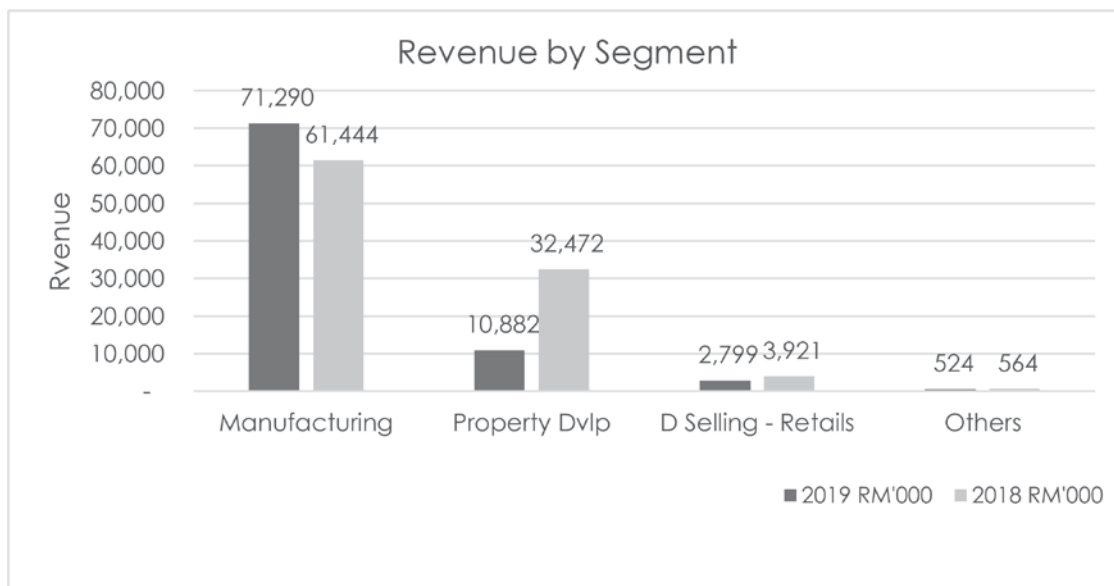
Caely Holdings Bhd. is an investment holding company with its subsidiaries principally involve in Manufacturing and Sales of Undergarments, Direct Selling and Retails business. In 2013, the Group ventured into Property Development and Construction. In the same year, the Group has also decided to footprint into recreational and hospitality business, of which it acquired a 51% equity interest in Omni Green Sdn Bhd.

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 March 2019 under review, our Group recorded a revenue of RM85.5 million, declined by 13.1% from RM97.9 million generated last year. The lower revenue was primarily due to the major construction contracts that were completed in year 2018 and the subdued consumer demand in the local property market. On the other hand, the strong demand in manufacturing of lingerie, OEM segment has substituted the revenue shortfall from construction and property development. During the year, the majority orders increased were from Germany, United States of America (USA), and Hong Kong.

Our Group posted profit after tax of RM1.4 million as compared to RM1.3 million in the previous financial year. The increase in PAT was mainly attributable to the increase in export market sales and cost control effect in the operation.

The following table is the summary of revenue comparison for financial years 2019 and 2018 of the Group's business segments.





BUSINESS SEGMENTS

1) Manufacturing segment

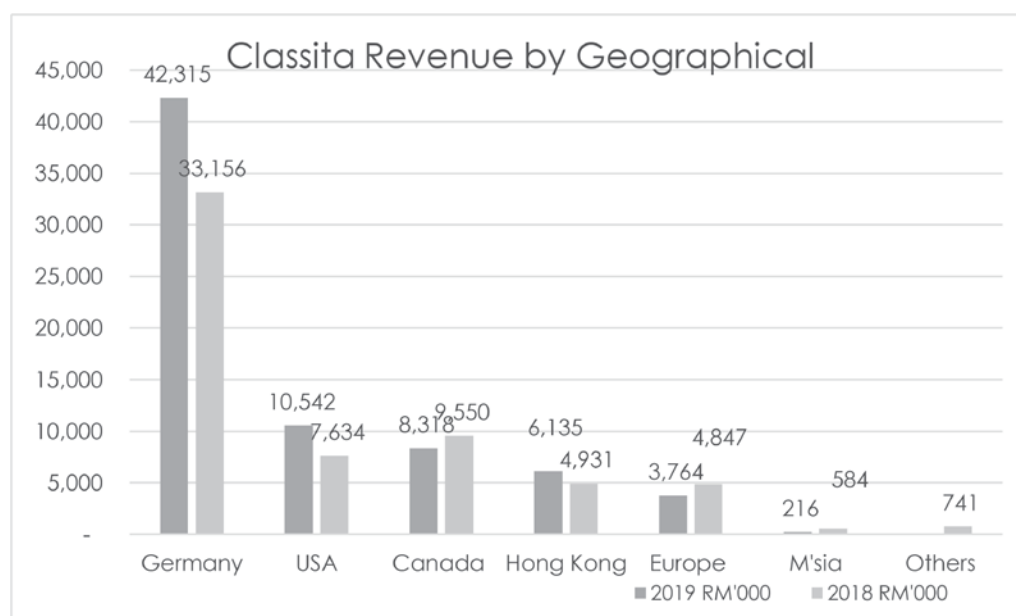
The manufacturing and sales of lingerie is OEM dominant which the customers has its own design and requirement. Majority volume in this segment is for export market, local market has the minimum percentage in terms of sales quantum.

During the financial year, the Company benefited from the competitive and technical edge over our competitors which have enables us to draw in more business during the financial year, resulting a RM9.9 million sales increase compared to the corresponding preceding year. Sales has increased from RM61.4 million in FY2018 to RM71.3 million in FY2019.

From the sales orders received thus far, the Company foresees that this segment remains the key contributor to our Group's performance in term of revenue and profit from operations. In the local front, our products are primarily market under our own brands of Caely and Lunavie; whilst for the export market our products are completely manufactured under foreign OEM brands, such as LC Waikiki, Viania, After Eden, Elbrina, Bon Prix, Voglo and etc.

The export market contributed 83.4% (2018: 62.4%) revenue to the Group in the current financial year. Our Group remains the dominant Malaysian manufacturer of ladies undergarments in the export markets.

The breakdown of manufacturing revenue generated by geographical segment is presented as follows:





In view of the escalating operational costs and the proposed changes in Government policies for local labour market, i.e. foreign workers' levy to be borne by employers and minimum wages increment; our Group has in its effort of mitigating the higher operational cost burden, continually engaged subcontractors in foreign countries such as Myanmar and Bangladesh, to take advantage of the availability of cheaper labour costs and the import duty exemption incentive granted by the importing countries. The manufacturing facility in Malaysia will continue to focus on high margin orders as well as research and development activities to come up with new designs and fittings.

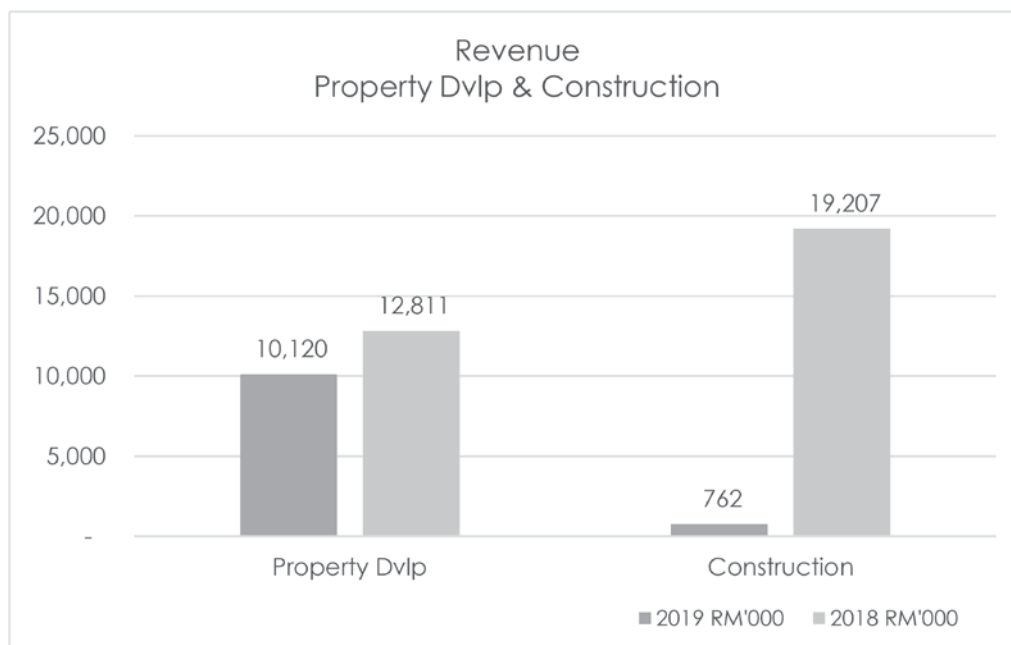
2) **Property Development and Construction segment**

The Group started its Construction in 2013 and the Property Development in the following year. With the diversification and expansion into Property Development and Construction segment, the Management is of the view that it can bring in more sales volume as well as profit to the Group. This segment contributed RM10.9 million (2018: RM32.5 million) of our Group's revenue.

In 2014, the Group started its maiden mixed development project at Taman Universiti Wallagonia, Tapah Road, Perak. This development project is adjoining the Universiti Teknologi Mara ("UiTM"), Tapah campus. Our Group had completed the first phase of this mixed development project with Certificate of Completion and Compliance ("CCC") obtained in September 2017. Currently, our Management is preparing to launch the next phase of this mixed development project albeit at a slower pace due to weak sentiment in the current property market and Bank Negara's tight credit policy.

Presently, the only other ongoing development project is in the Ulu Kelang area in Selangor. This is an affordable high rise condominium project consisting of 126 units. This project was once abandoned which our Group is now reviving. As at year end, the project has achieved approximately 85% physical completion and is expected to be fully completed in the financial year ending 31 March 2019. A vacant lot measuring approximately 2 acres adjacent to the current condominium project is next in line awaiting future development.

The breakdown of Property Development and Construction revenue generated by category is presented as follows:

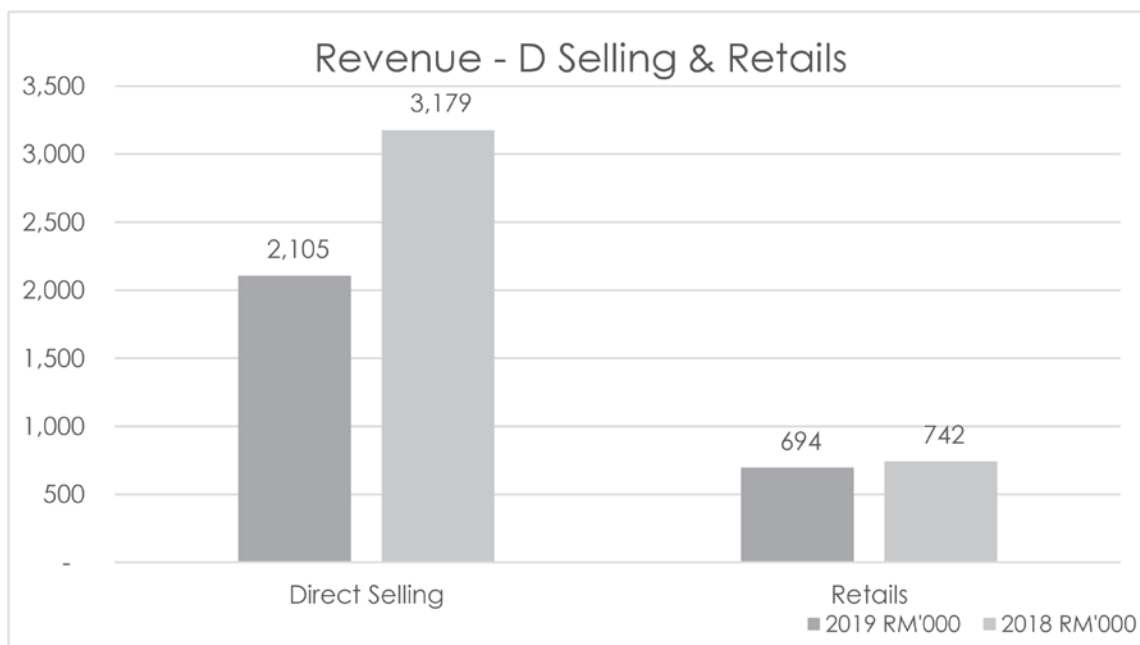


Revenue from Property Development and Construction decreased by RM21.1 million or 65.9% from RM32 million in 2018 to RM10.9 million in 2019. The decrease was mainly due to the tail end effect of its major construction contracts and subdued consumer demand in the local property market. As a result, the segmental profit before tax deteriorated by RM0.9 million to RM0.4 million in 2019 as compared to RM1.2 million in 2018.

3) Direct Selling and Retail segment

The Direct Selling and Retail segment involves the marketing of our house brands of ladies undergarment, childcare and maternity products and other consumer products via direct sales as well as in the retail markets locally. This segment started out initially as multi-level direct selling. In line with the changes of times, our marketing approach has been realigned to suit current consumers' tastes, preference and spending behavior. In 2015, our Group introduced e-commerce marketing platform at www.lunavie.com, to penetrate into the younger generation market segment. In addition, our venture into the retail markets created yet another avenue to increase our customer base as well as to promote our house brands to the local market.

The breakdown of Direct Selling and Retail revenue generated by segment is presented as follows:



The revenue for the Direct Selling and Retail segment decreased by RM1.1 million or 28.2% in 2019 from RM3.9 million to RM2.8 million as compared to the previous financial year, the decrease was mainly due to lack of demand of the Company's products by consumers.

In line with the decrease in revenue, this division reported a loss before tax of RM0.7 million down from RM0.7 million profit before tax generated from the same period last year. The Company has provided a RM0.6 million additional stale stock in this corresponding period.

4) Recreational and Hospitality segment

This segment involves the operation of an 18 holes golf course situated at Lower Perak region. In 2013, our Group acquired a 51% equity interest in Omni Green Sdn. Bhd., which holds a long term management lease for operation of the golf course for a period of 20 years with an option to renew for another 10 years, subject to further terms and conditions to be agreed by both parties.

During the financial year under review, this segment contributed a total revenue of RM0.5 million (2018: RM0.6 million), representing 0.6% (2018: 0.6%) of the Group's revenue. As compared to previous financial year, high operating expenses and depreciation charges, loss before taxation has widen to RM0.4 million in 2019 from RM0.1 million loss in 2018.



LIQUIDITY AND CAPITAL RESOURCES

The Group maintains a prudent approach towards managing its capitals resources and enhancing efficiencies throughout its operations. As at the current financial year end, our Group recorded an increase in net current assets to RM71.5 million, from RM66.6 million reported as at the previous financial year end.

The Group's total borrowings increased to RM28.6 million in 2019 from RM23.1 million in 2018. The increase was due to more working capital requirement from the manufacturing segment to accommodate with the higher sales orders received from customers.

During the financial year, the Property Development has borrowed RM5.0 million additional term loan from CIMB Bank Berhad to facilitate daily operation expenses. As a result, the Group's gearing ratio has increased to 0.32 times in 2019 as compared to 0.26 times in 2018. Further details of our Group's financial position are listed on the financial highlights on page 8(a) to 8(b) of the Annual Report.

Our Group's trade and other receivables as at 31 March 2019 was RM56.2 million, an increase of RM18.8 million as compared to RM37.4 million in 2018. The increase was mainly due to RM6.0 million higher manufacturing export sales in Q4 2019 compared to Q4 2018 together with sales of property stocks during the period pending for payment.

As at 31 March 2019, our Group's trade and other payables increased by RM2.5 million to RM31.6 million from RM29.7 million. This increase was mainly due to more raw materials purchased corresponding to higher sales orders from trade creditors but not yet due for payment when we closed our book by end of the year.

POTENTIAL RISKS

As our Group is principally involved in the manufacturing and trading of ladies undergarments products and property development and construction, our Group is subject to certain risks inherent in the nature of these businesses. The recent change in the Malaysian Government coupled with the anticipated global trade war have intensified the potential business risks.

These risks, inter-alia, include:

- (i) pressure on cost of labour and raw materials;
- (ii) constraints in the supply of labour and raw materials;
- (iii) changes in consumers' preferences and tastes;
- (iv) competition from overseas players;
- (v) changes in the regulatory, economic and business conditions; and
- (vi) financial risks such as credit, foreign currency volatility, interest rate and liquidity.

Our Group strives to manage these risks through, amongst others, continuous review and evaluation of our operations and strategies and prudent business policies. Operational efficiency and effectiveness are key areas in which our Group emphasises to improve its financial performance.



FORWARD-LOOKING STATEMENT

For labour-intensive Manufacturing segment, our Group will strive to improve our manufacturing capacity and remains competitive by engaging more overseas sub-contractors particularly in Myanmar and Bangladesh, in an effort to mitigate the increasing labour cost and also taking advantage of export incentives granted by importing countries. On the other hand, our Group will continue to look for new buyers overseas to expand our revenue base by promoting our latest designs and quality of our ladies' undergarments products.

In the midst of uncertainties, the Property Development and Construction segment is expected to remain sluggish on the back of a slowing economy and tightening credit and financing conditions. However, this slowdown is still manageable as Malaysian economic fundamentals are relatively strong and stable. In order to maintain the performance of this segment and also taking into consideration the financial impact of each development project, our Management targets to launch a new development project in the near future through a joint-venture arrangement with the land owner concentrating on affordable and low price projects consisting of residential and commercial buildings. We believe the affordable prices for our residential and commercial units are still attractive despite the slowdown in property sector.

For the Direct Selling and Retail segment, the revenue contribution remains resilient as the Management intends to enter into Myanmar's retail market and will continue to focus on improving trading revenue. We will be upgrading and improving our retail outlets and product assortments so as to attract more customers while building on our own brands. The direct selling and retail markets remains challenging as the domestic economic conditions remain uncertain with inflationary pressures affecting consumers' spending patterns. As the World Bank has raised its forecast for Malaysian's 2019 economic growth to 5.0% from 4.5% as projected previously, we expects the direct selling and retailing business to improve further in the years to come.

For the Recreational and Hospitality segment, our Management has put in extra efforts to achieve breakeven in the near future, as prolonged losses had dragged down our Group's profitability. Sustainable cost control steps and measures are being implemented and this has contributed to the overall improvement in this segment. In addition, the **on-going** construction of West Coast Expressway which will connect Taiping in Perak to Banting in Selangor will further improve the overall accessibility to our golf course.

DIVIDEND

Our Board did not recommend dividend for the financial year ended 31 March 2019.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Caely Holdings Bhd. ("the Company") is pleased to provide an overview of the Company's corporate governance practices during the financial year ended 31 March 2019.

This Corporate Governance Overview Statement is guided by the principles and the Malaysian Code on Corporate Governance ("MCCG") issued by Securities Commission on 26 April 2017, in accordance to paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to implement its governance system and the compliance.

The overview of the Corporate Governance Statement with reference to the three (3) key Principles as set out in the Malaysian Code on Corporate Governance 2017 ("the Code"). The Company's application of each Practice set out in MCCG 2017 during the financial year 2019, are as follows:

- (a) Principle A : Board Leadership and Effectiveness
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board remains committed to high standards of corporate governance driven by the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Company and its subsidiaries ("the Group"). The Company's Corporate Governance Report ("CG Report") which is available on the Company's website at www.caelyholdings.com as well as via the Company's announcement made to Bursa Malaysia Securities Berhad ("Bursa Securities").

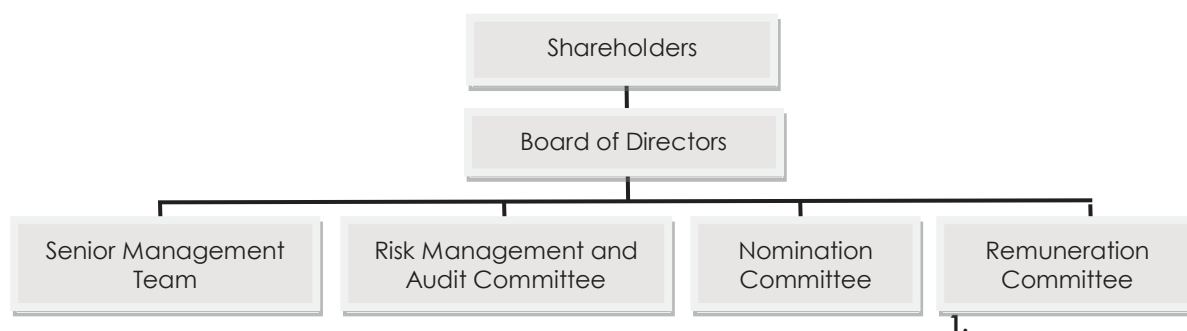
The Board recognises the importance of corporate governance and is committed to maintain high standard of corporate governance throughout the Group as a fundamental role in discharging its responsibilities towards achieving the optimal governance framework. The Board evaluates and continues to reinforce the existing corporate governance practices in order to remain relevant with the developments in market practice and regulations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Roles and Responsibilities of the Board

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.



1.



1. Board Responsibilities *(continued)*

Roles and Responsibilities of the Board *(continued)*

The Non-Executive Directors are independent of management and free from any business relationship which could interfere with the exercise of their independent judgement. 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.

The Board assumes the following duties 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.

To facilitate the discharge of the Board's responsibilities and duties, The Board is assisted by various Board Committees namely Risk Management and Audit Committee, Nomination Committee and Remuneration Committee, which have been established under their respective terms of reference as approved by the Board. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairman of the Board Committees and the tabling of minutes of the Board Committee meeting at Board meetings. The ultimate responsibility for decision-making, however, lies with the Board.

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.

Role of Executive Chairperson, Managing Director and Independent Directors

The positions of Executive Chairperson and Managing Director are held by two (2) different individuals with clear separation of duties defined in the Board Charter to ensure balance of power and authority. Presently, the Company does not have a Chief Executive Officer.

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.



1. Board Responsibilities *(continued)*

Role of Executive Chairperson, Managing Director and Independent Directors *(continued)*

The Independent Non-Executive Directors are person of high calibre and credibility. They provide professional and independent views, expertise and judgement in exercising their duties and responsibilities. This provides as a check-and-balance mechanism in the execution of the Board's functions, as all the Board's decisions are made on consensus.

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 at least half (1/2) of the Board. This provides assurance of proper balance of power and authority in the governance of the Board and the Company.

Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries from Boardroom Corporate Services Sdn. Bhd. (formerly known as Boardroom Corporate Services (K.L.) Sdn. Bhd.), the Board has unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries have attended all Board meetings as well as Board Committee meetings for FYE 31 March 2019 and ensured that accurate and proper records of the proceedings of such meetings are kept. The Company Secretaries play 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 Secretaries in discharging their duties.

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's 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 fiduciary duties to make enquiries, if any, in discharging their duties. The Directors can also have access to the advice and services of the Company Secretaries and independent professional advisers whenever deemed necessary at the Company's expense.

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

1. Board Responsibilities *(continued)*

During the financial year ended 31 March 2019 (1-4-2018 – 31-3-2019), the number of Board meeting held and attendance of each Director are as follows:

<u>Directors</u>	<u>Number of Meetings Attended</u>
Datin Fong Nyok Yoon (Non-Independent Executive Chairperson)	8/8
Dato' Chuah Chin Lai (Non-Independent Executive Director)	8/8
Lai Kian Huat  (Non-Independent Non-Executive Director) (Appointed on 16-4-2018)	6/7
Hem Kan @ Chan Hong Kee (Independent Non-Executive Director)	6/8
Ng Boon Kang  (Independent Non-Executive Director) (Appointed on 15-10-2018)	4/4
Tan Loon Cheang  (Independent Non-Executive Director) (Appointed on 01-10-2018)	4/4
Siow Hock Lee  (Independent Non-Executive Director) (Resigned on 19-9-2018)	4/4
Ooi Say Teik  (Independent Non-Executive Director) (Resigned on 19-9-2018)	3/4
Dr. Khoo Yek San   (Non-Independent Executive Director) (Appointed on 18-10-2018) (Resigned on 31-3-2019)	4/4

 - Resigned
 - Appointed



1. Board Responsibilities *(continued)*

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 details of the Board Charter are available for reference on the Company's website at www.caelyholdings.com.

Formalised Ethical Standards through Code of Conduct and Whistleblowing Policy

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.

2. Composition of the Board

Composition and Independence of the Board

Presently, the Board consists of two (2) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfils under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), which requires at least two (2) Directors or one-third ($\frac{1}{3}$) of the Board, whichever is higher, must be independent. It also further complies with the Code that at least half of the Board are independent. In addition, the Company shall fill the vacancy of directors within three (3) months in the event of any vacancy in the Board of Directors, resulting in non-compliance with the MMLR of Bursa Securities.

Collectively, the Directors have a good combination of experience as well as skills and knowledge in Manufacturing, Sales and Retail, Property Development and Construction industry operations, accounting, finance, legal and general management. Their profiles can be found in the Annual Report.

In addition, All Directors shall seek for re-election at the Annual General Meeting ("AGM") under the following requirements:-

Constitution of the Company, where one-third ($\frac{1}{3}$) of the Directors is to retire;

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.

Pursuant to Article 129 of the Constitution of Company, those directors who were appointed in the 1st year, shall retire at the forthcoming AGM.



2. Composition of the Board *(continued)*

Annual Assessment of Independence

The Board, through its Nomination Committee, assesses the independence of the Independent Directors annually. Such assessment is to ensure that the Independent Directors would bring independent and objective judgement 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 2019, the Nomination Committee held five (5) 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 MMLR.

Tenure of Independent Directors

In regards to the recommendation of the Code, 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, Mr. Hem Kan @ Chan Hong Kee was appointed as the Independent Non-Executive Directors on 5 June 2003 and have served the Board for more than twelve (12) years. Annual shareholders' approval were obtained for him to continue to act as the Independent Non-Executive Directors of the Company since 2013.

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. Based on the justifications outlined above, the Company will seek shareholders' approval at the forthcoming AGM for all of them to continue as Independent Directors of the Company.

Pursuant to Practice 4.2 of the Code, the Board shall annually seek shareholders' approval through two-tier voting process if the Board continues to retain the Independent Directors after the twelfth (12th) year at the forthcoming AGM.

Recruitment and Appointment of Directors

The Nomination Committee ("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 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.



2. Composition of the Board *(continued)*

Recruitment and Appointment of Directors *(continued)*

Currently, 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.

The Board is also supportive of gender diversity in the boardroom as the Government's initiatives to increase women representatives in the corporate world. The Board will endeavor to ensure greater diversity will be taken into consideration in nominating and appointing new directors to the Board. Currently, the Chairperson remains the sole female representative in the Board.

Nominating Committee

The Nomination Committee ("NC") of the Company comprises exclusively of Independent Directors. The members of the NC are as follows (1-4-2018 – 31-3-2019):

Name of NC Members	Number of Meetings Attended
Hem Kan @ Chan Hong Kee (Chairman)	5/5
Ng Boon Kang 	2/2
(Appointed on 15-10-2018)	
Tan Loon Cheang 	2/2
(Appointed on 01-10-2018)	
Siow Hock Lee 	3/3
(Resigned on 19-9-2018)	
Ooi Say Teik 	2/3
(Resigned on 19-9-2018)	

 – Appointed

 - Resigned

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



2. Composition of the Board *(continued)*

Annual Assessment of Directors

The Nomination Committee ("NC") reviews annually the required mix of skills and experience of Directors, including core competencies which the Directors should bring to the Board. 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 summary of assessment and comments by each individual Director are tabled to the NC and reported 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 roles.

Directors' Training

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. Education/training programmes are 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 parties.

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.



2. Composition of the Board *(continued)*

Directors' Training *(continued)*

During the financial year ended 31 March 2019, all Directors have attended training programmes as summarised below:

Directors	Seminar/Training Programmes Attended
Datin Fong Nyok Yoon	- Supervisory Development Programme - Labour law Guide for Supervisors/Executives - Disciplinary and Performance Guide for Supervisors/Executives
Dato' Chuah Chin Lai	- Supervisory Development Programme - Labour law Guide for Supervisors/Executives - Disciplinary and Performance Guide for Supervisors/Executives
Ng Boon Kang	- Seminar Percukaian kebangsaan 2018 - GST to SST – The New SST Mechanism and Transitional Issues - PCB Compliance & Tax Audits - National Tax Conference 2018 - GST after 1 June 2018 : Transitional Issues and What You need to Do
Tan Loon Cheang	- Mandatory Accreditation Programme for Directors of Public Listed Companies
Hem Kan @ Chan Hong Kee	- Supervisory Development Programme - Labour law Guide for Supervisors/Executives - Disciplinary and Performance Guide for Supervisors/Executives
Dr. Khoo Yek San (Resigned on 31-3-2019)	- Mandatory Accreditation Programme for Directors of Public Listed Companies

Throughout the financial year, the Board of Directors also received regular updates and briefings provided by the Company Secretaries, Internal and External Auditors, particularly on information pertaining to significant changes in regulatory framework, legal, accounting and governance practices and activities.



3. Remuneration Policies and Remuneration of Directors and Senior Management Remuneration

The Remuneration Committee ("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 members of the RC are as follows:

Name of RC Members	Number of Meetings Attended
Tan Loon Cheang (Chairman)  (Appointed on 01-10-2018)	1/1
Datin Fong Nyok Yoon	3/3
Ng Boon Kang  (Appointed on 15-10-2018)	1/1
Ooi Say Teik (Chairman)  (Resigned on 19-9-2018)	2/2
Siow Hock Lee  (Resigned on 19-9-2018)	2/2

 – Appointed

 - Resigned

The Remuneration Policy is based on the needs 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 Executive Directors are based on various performance measures of the Group, together with an assessment of each individual's performance during the year. Other customary benefits-in-kind, such as cars are made available as appropriate. Contributions are also made to the Employees Provident Fund where applicable.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Remuneration Policies and Remuneration of Directors and Senior Management (continued)

Remuneration (continued)

Details of the Directors and Senior Management's Remuneration for the financial year ended 31 March 2019 are as follows:-

	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
The Company					
Director					
Datin Fong Nyok Yoon	62,675	-	5,500	-	68,175
Dato' Chuah Chin Lai	62,675	-	3,300	-	65,975
Hem Kan	28,750	-	3,000	-	31,750
@ Chan Hong Kee					
Lai Kian Huat	28,750	-	3,300	-	32,050
Ng Boon Kang	16,500	-	2,100	-	18,600
Tan Loon Cheang	14,375	-	2,400	-	16,775
Siow Hock Lee	26,674	-	1,500	-	28,174
(Resigned on 19-9-2018)					
Ooi Say Teik	13,337	-	1,000	-	14,337
(Resigned on 19-9-2018)					
Dr. Khoo Yek San	22,000	-	1,800	-	23,800
(Resigned on 31-3-2019)					
Total	275,736	-	23,900	-	299,636

	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
The Group					
Directors					
Datin Fong Nyok Yoon	62,675	506,782	5,500	18,000	592,957
Dato' Chuah Chin Lai	62,675	405,162	3,300	23,950	495,087
Hem Kan	28,750	-	3,000	-	31,750
@ Chan Hong Kee					
Lai Kian Huat	28,750	-	3,300	-	32,050
Ng Boon Kang	16,500	-	2,100	-	18,600
Tan loon Cheang	14,375	-	2,400	-	16,775
Siow Hock Lee	26,674	-	1,500	-	28,174
(Resigned on 19-9-2018)					
Ooi Say Teik	13,337	-	1,000	-	14,337
(Resigned on 19-9-2018)					
Dr. Khoo Yek San	22,000	129,343	1,800	-	153,143
(Resigned on 31-3-2019)					
Senior Management					
Chuah Lim Tai	-	128,346	-	-	126,846
Total	275,736	1,168,133	23,900	41,950	1,509,719

* Inclusive of defined contribution plan



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Risk Management and Audit Committee

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 assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial reports and Annual Financial Statements for consistency and appropriateness of the applicable accounting standards and requirements of Companies Act 2016 and for reasonableness and prudence in making estimates, statements and explanations, prior to recommending the same for approval by the Board and issuance to shareholders.

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

The Risk Management and Audit Committee Report is set out on pages 37 to 42 of this Annual Report.

2. Functions and Roles of the Risk Management and Audit Committee

A. Overseeing Financial Reporting

- i. Review the unaudited quarterly reports and the consolidated results, any change in accounting policies, significant matters highlighted the going concern assumption, and compliance with accounting standards and regulatory requirements prior to their recommendation to the Board of Directors for approval;
- ii. Review the consolidated audited financial statements of the Company and the Group for the financial year ended 31 March 2019 ensuring that the statements comply with the Malaysia Financial Reporting Standards ("MFRS"), for recommendation to the Board for approval;
- iii. Review the significant matters highlighted by the auditors in the financial statements and significant judgements made by the Management; and
- iv. Review the adequacy of the processes and controls in place for effective and efficient financial reporting and disclosures under the MFRS and the Main MMLR of Bursa Securities



2. Functions and Roles of the Risk Management and Audit Committee *(continued)*

B. External Audit

- i. Review with the External Auditors, Messrs. PKF ("PKF"), the Audit Status Update Memorandum on the audit of the financial statements for the financial year ended 31 March 2019 setting out their comments and conclusions on the significant auditing and accounting issues highlighted;
- ii. Review with PKF the audit plan for the financial year ended 31 March 2019 outlining scope of work, areas of audit emphasis, and development in laws and regulations affecting financial reporting and the responsibilities of directors and managements and auditors; and
- iii. Evaluate the performance of PKF for the financial year ended 31 March 2019 covering areas such as calibre, quality processes, audit team, audit governance, and independence of PKF.

C. Internal Audit

- i. Review with the Internal Auditors, Messrs. RSM Corporate Consulting (Malaysia) Sdn Bhd ("RSM") the internal audit reports (including follow-up review reports) on the audit findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by the Management.

D. Others

- i. Review on a quarterly basis, the Recurrent Related Party Transactions ("RRPT") entered into by the Company and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPT are adhered to, and disclosure requirements of the MMLR are observed; and
- ii. Review the Audit Committee Report and Statement on Risk Management and Internal Control before recommending the same for Board's approval for inclusion in the Annual Report.

3. Risk Management and Internal Control Framework

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.

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.



3. Risk Management and Internal Control Framework *(continued)*

For the financial year ended 31 March 2019, the Company has outsourced its internal audit functions to 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.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

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.

2. 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 Securities such as the quarterly interim financial results, annual reports and, if appropriate, circulars and press releases.

Besides the mandatory announcements to Bursa Securities, 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.

3. Conduct of General Meetings

The 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 response to shareholders' queries.

4. Encourage Poll Voting

Pursuant to Paragraph 8.29(A) of the Bursa Securities MMLR, the Company will comply that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. An independent scrutineer will be appointed to validate the votes cast at the general meetings.



PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (continued)

5. 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.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, the Board will accordingly continue to implement improvement measures in the area of corporate governance. More specifically, the Board has identified the following forward-looking agenda items to propel the Group forward in its corporate governance objectives.

1. To focus on major strategic issues to ensure sustainability and growth;
2. To leverage on its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. The Group will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting;
3. To continue monitoring succession planning for the senior leadership team, to ensure a healthy pipeline of talent is emerging for future senior executive management; and
4. To ensure that the Company's website is updated with the latest developments on the Group and users are able to easily navigate through the website. The Company will endeavor to harness technological advancements to improve the efficiency at which the general meetings are run and to pave the way for remote shareholders' participation.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

In compliance with the Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2017 ("the Code"), the Board of Directors is pleased to present the Audit and Risk Management Committee Report which lays out the activities held for the financial year ended 31 March 2018.

The Board is satisfied that the RMAC members have discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the RMAC, thereby supporting the Board in ensuring appropriate Corporate Governance standards with the Group.

The Terms of Reference of the RMAC is available on the Company's corporate website at www.caelyholdings.com

MEMBERS OF THE RISK MANAGEMENT AND AUDIT COMMITTEE

Composition of members

The RMAC comprises three (3) Directors, all of whom are Independent Non-Executive Directors.

The members are as follows:

<u>Members</u>	<u>Designation</u>
Ng Boon Kang (Chairman)	Independent Non-Executive Director
Tan Loon Cheang	Independent Non-Executive Director
Hem Kan @ Chan Hong Kee	Independent Non-Executive Director

TERMS OF REFERENCE

1. Objectives

The principle objective of the RMAC is to assist the Board in fulfilling the following key responsibilities:

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

2. Composition

- 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.
- 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.
- At least one (1) member of the Committee must be qualified under paragraph 15.09(1)(c) of the MMLR.
- 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.

The vacancy of the RMAC Chairman must be filled within three (3) months.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

(CONTINUED)

3. Quorum and Frequency of meetings

- i) A quorum shall be the majority of Independent Non-Executive Directors;
- ii) Meeting shall be held at least four (4) 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 Chief Financial Officer 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. Secretary

The Company Secretary (or any one or more of, if more than one (1) Company Secretary) or such other approved person shall be the secretary of the Committee (the "Committee Secretary"). The Secretary shall provide assistance to the members of the Committee, including but not limited to assist the Committee Chairman in planning the work of the Committee, formulating meeting agendas, maintenance of Committee minutes, collation and distribution of information required by the Committee and provide practical support, as and when needed.

5. Attendance at meetings

During the financial year ended 31 March 2019, the RMAC held eight (8) meetings in the presence of the Company Secretary. The Executive Directors and Internal Auditors were invited to the meetings to response to queries and to provide detailed information and explanations requested. At times, other persons were also invited to assist in the deliberations. The External Auditors, Messrs. PKF ("PKF") attended two (2) of the meetings held during the financial year. The RMAC met up with PKF without the presence of Management once in those meetings.

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

<u>Name of RMAC members</u>	<u>Number of Meetings Attended</u>
Hem Kan @ Chan Hong Kee	5/7
Ng Boon Kang (Appointed on 15-10-2018)	4/4
Tan Loon Cheang (Appointed on 01-10-2018)	4/4
Siow Hock Lee (Resigned on 19-09-2018)	3/3
Ooi Say Teik (Resigned on 19-09-2018)	2/3



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

(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:
 - Significant matters highlighted including the financial reporting issues, significant judgments made by management, significant and unusual events or transactions or exceptional activities and how these matters are addressed;
 - Any changes in or implementation of accounting policies and practices;
 - Significant or material adjustments with financial impact arising from the audit;
 - 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 Code, other applicable laws, rules, directives and guidelines.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

(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;
- iv) Review and discuss issues arising from external auditors' interim and final letters of recommendation to Management, including Management's 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); and
- v) Review whether there is reason (supported by grounds) to believe that the external auditors is not suitable for re-appointment.

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 programs;
- 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 assessment of the 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.



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

(CONTINUED)

Duties and responsibilities (continued)

f. Other Matters

- i) To report to Bursa Securities, if the Committee views that a matter resulting in a breach of the MMLR reported by the Committee to the Board has not been satisfactorily resolved by the Board.
- ii) To highlight such matters as the Committee considers appropriate or as defined by the Board from time to time.
- iii) To announce to Bursa Securities, if there is any related party transactions which exceed the Existing Shareholders' Mandate and provide full reason and detailed explanations.
- iv) To review arrangements by which employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action to be taken. This would include any whistle blowing complaints and investigative reports relating to the senior management of the Group.
- vi) Review and verify on allocation of share options to ensure compliance with the criteria for allocation of share options (if any).
- vii) To undertake such other functions as may be agreed to by the Committee and the Board.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The summary of the activities carried out by the RMAC in the discharge of its duties and responsibilities during the financial year included, among others, the following:-

- Reviewed the external auditors' scope of work and audit plans for the year;
- Reviewed with the external auditors the results of the audit, the audit report and the management letter, including Management's response;
- Reviewed and recommended to the Board the re-appointment of external auditors and their audit fees;
- Reviewed the statement to Shareholders in relation to the Proposed Share Buy-Back Authority for the Company to purchase its own ordinary shares;
- Undertook an evaluation of the independence of external auditors;
- Reviewed the quarterly and annual financial results, reports and announcements for the Board's consideration and approval;
- Revised and recommended to the Board on the Terms of Reference of RMAC;
- Discussed and recommended the proposed acquisition of a parcel of development land located at Bukit Mertajam, Pulau Pinang to the Board for consideration;
- Considered and recommended the proposed acquisition by Caely Development Sdn Bhd, a wholly-owned subsidiary of Caely, of 3 parcels of freehold land identified as Lots 677, 679 and 681 held under Geran 11567, 26180 and 26181, Seksyen 3, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang from GTM Property Management Sdn Bhd for a cash consideration of RM30,934,352;
- Considered and recommended the Proposed Bonus Issue of up to 120,000,000 new Ordinary Shares in Caely ("Bonus Share") on the basis of 1 Bonus Share for every 1 existing Caely Share;
- 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 program 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 Code;



RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

(CONTINUED)

- Reviewed all related party transactions entered by the Group and the Company to ensure that such transactions are on normal commercial terms which are not detrimental to the interests of the minority shareholders;
- Reported to the Board major events covered by the RMAC and make recommendations to the Board and Management concerning these matters.

INTERNAL AUDIT FUNCTIONS

The Group has outsourced its internal audit function to a professional services firm, RSM Corporate Consulting (Malaysia) Sdn Bhd ("RSM"), to assist the RMAC in ensuring the adequacy and effectiveness of the internal control systems.

The activities of the internal audit function during the financial year ended 31 March 2019 were as follows:

- Follow up audits on the adequacy and effectiveness of the system of internal control in the Sales to Receivable process of Classita (M) Sdn Bhd.;
- Follow up audits on internal control in the Purchase to Payables of Classita (M) Sdn Bhd ;
- Follow up audits on:
 - i) Project Budget Monitoring covering review of relevant policies and procedure, Preparation and approval of project budgets, actual and budget cost monitoring, updating and revising budget and budget reporting process;
 - ii) Project Management covering review of relevant policies and procedures, execution of contracts, project budget monitoring, project monitoring and meeting and contractors and consultants' progress claim and payments; and
 - iii) Evaluation of the effective controls in Finance Management of head office Covering review of relevant policies and procedures, execution of budget, bank Reconciliation, journal entries and adjustments, data security, month end closing Process and corporate reporting procedure.
- Audit and review on Classita (M) Sdn Bhd's Purchase to Payables
 - i) Procurement request process & authorization
 - ii) Sourcing and approval of quotations
 - iii) Payment to suppliers
 - iv) Reporting of procuments & payments in General Ledger
 - v) Review of Relevant Policies & Proceducre
- Audit and review on Classita (M) Sdn Bhd's Sales to Receivable
 - i) Review of relevant Policies and Procedures
 - ii) Issuance of Quotation
 - iii) Price Setting Mechanism
 - iv) Goods Packing and Shipment
 - v) Collection of Payments
 - vi) Customers Services/ Complaints Process

The total cost incurred for the internal audit reviews performed by RSM to the Group in respect of the financial year ended 31 March 2019 amounted to RM42,649.

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 Board is pleased to set out below the Statement on Risk Management and Internal Control which is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code of Corporate Governance 2017 ("the Code") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. THE BOARD'S 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 so as to improve the governance process of the Group.

Due to the limitations inherent in any system of risk management and internal controls, it must be noted that these systems are designed to manage rather than eliminate the risk of failure in achieving the Group's business objectives. Hence, such systems can only provide reasonable and not absolute assurance against any material loss or misstatement.

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, environment 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 FUNCTIONS

During the financial year under review, the Group has engaged an independent consultancy firm, RSM Corporate Consulting (Malaysia) Sdn Bhd to review and evaluate the internal control, provide their independent opinion on the effectiveness and efficiency of the Group's system report directly to the Risk Management and Audit Committee ("RMAC") of its internal audit findings.

The person-in-charge for providing outsourced internal audit services to the Group for the financial year ended 31 March 2019 is Mr Jaymes Foo. He has over 17 years of experience in internal audit. The outsourced internal auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

Details of the outsourced internal auditors that performed the internal audit works for the financial year ended 31 March 2019 are as follows:

Name	Qualification
Jaymes Foo (Associate Director)	Association of Chartered Certified Accountants Professional Member, Institute of Internal Auditors Malaysia
Thomas Chua (Manager)	Association of Chartered Certified Accountants Bachelor of Commerce (Hons) Accounting
Emily Ang (Consultant)	Bachelor of Arts (Hons) Accounting and Finance
Loh Yi Lin (Consultant)	Bachelor of Accounting (Hons)
Daniel Chiam (Associate Consultant)	Association of Chartered Certified Accountants
Chew Mun Nyee (Associate Consultant)	Bachelor of Finance and Economics

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 RMAC. The RMAC 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 RMAC 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 RMAC for review and deliberation.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

4. INTERNAL AUDIT FUNCTIONS *(continued)*

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. The cost of internal audit function for the financial year ended 31 March 2019 was approximately RM42,649.00 (2018: RM46,357) which included expenses.

A description of the internal audit functions and activities of the internal auditors during the financial year ended 31 March 2019 are included in RMAC Report of this Annual Report.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control system have the following key elements:-

- 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 RMAC meetings and thereafter tabled to the Board for consideration and approval.
- The RMAC and the Board are committed to identify any significant risks faced by the Group and assess the adequacy of financial and operational controls to address these risks.
- The RMAC reviews the external auditors' recommendations on internal controls arising from the statutory audit.
- The RMAC 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

6. Review by External Auditors

As required by Paragraph 15.23 of the Bursa Securities MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 43 and 46 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

AAPG3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control cover all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management.

7. Conclusion

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

This statement was made in accordance with the resolution of the Board dated 22 July 2019.



Introduction

Caely Holdings Bhd., and Group's Sustainability Statement is prepared based on the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). This sustainability practices where we highlight the economic, environmental and social ("EES") impacts of our activities and initiatives, and it has always been a part and parcel of the Group's culture as we strive to achieve continual financial performance and uninterrupted growth.

Boundaries

Our sustainability statement is aim to illustrate our strategic to covers economic, environmental and social factors. The information of this report are based on the material areas that we have identified. Our scope and boundaries cover all our subsidiaries and its operation. We believe our report will provide sufficient breadth of overall sustainability impact and performance of the Group.

Reporting Period

This Sustainability Report covers the financial year from 1 April 2018 to 31 March 2019.

Audience

This report is published for our valued stakeholders that include shareholders, Government, suppliers, customers, employees and local communities.

For the reporting year, we focused on and engaged with our internal stakeholders who were our Board of Directors, Management and Employees.

As we progress along the journey of sustainability, the Group aims to progressively improve its reporting on sustainability practices.



Sustainability Governance Structure

Board of Directors

- Review & approve the Group's strategic direction, taking into consideration the EES risks and opportunities related to our business operations.
- Establish relevant sustainability performance measures to be implemented by various departments and assume oversight responsibility in monitoring the achievements of performance measures.
- Ensure the integrity of sustainability reporting.

Managing Director (MD)

- Stewardship of the Group's direction and day to day management and implementation of the Group's sustainability relevant policies and strategies approved by the Board.
- Accountable for the Group's achievements.
- Reports the Group's achievements against the set corporate objectives on sustainability performance targets to the Board.

Sustainability Working Committee (SWC)

- The SWC consists of sustainability representatives from Group Human Resources and Group Corporate Services business units in active subsidiaries.
- Implement Sustainability Framework with strategic direction, plans and goals within the respective departments.
- Facilitate the monitoring, measuring and updating of sustainability disclosures as required by laws and regulations whilst warranting the integrity of the information, subsequently recommending it to the Board for approval.



Stakeholders Engagement

Maintaining an open and transparent relationship with our relevant stakeholders continues to be a key driver towards ensuring sustainability at the Company in the long run. As part of our commitment to cultivate continuous engagement, we disclose our stakeholders' engagement methods, topics of interest and frequency in the table below:

Stakeholder Group	Topic of Interest	Engagement Methods	Frequency of Engagement
Investors	• Transparent reporting with credible date	• Investors/analyst briefings	• Ad hoc
	• Innovative supply chain solutions	• Annual Report • Corporate website	• Annually • Per-announcement by Bursa
Customers	• Reliable service and on-time delivery	• Customer feedback and surveys	• Continuously
	• Customer convenience	• Market Research	• Continuously
	• Competitive pricing	• Operational meetings	
	• Operational efficiency		
Employees	• Competitive pay and benefits	• Training programmes and workshops	• As and when required
	• Clear communication	• Employee engagement survey	• Quarterly
	• Work life balance	• Internal audit on operations	• Annually
	• Career growth and opportunities	• Employee performance evaluation	• Annually
Regulatory Authorities and Statutory Bodies	• Regulatory compliance	• Jabatan Keselamatan dan Kesihatan Pekerja (JKKP) Inspection on Elevators and Escalators	• Annually
	• Corporate governance	• Fire safety and building inspection by BOMBA	
	• Risk management	• External Audit (DNV-GL) - Quality Management System by buyers	
		• Safety incident reporting	
Suppliers	• Timely pay-outs	• Supplier assessment forms	• During supplier screening or before registering into Group system
	• Procurement practices		
	• Supplier Code of Conduct		
Local Community	• CSR	• Donate to Old Folks, Orphanage, School, Temple and etc.	• Regularly
	• Economic opportunities	• Employment opportunities through local hiring	• Regularly



ECONOMIC

The Group is principally involved in the business of manufacturing, retail, export and direct sales of undergarments, household products and property development and construction. The Group aims to maintain a sustainable business to continue its contribution to Malaysia's economic development. Through its businesses, the Group created employment opportunities for the Malaysian people.

For the manufacturing segment, the Group is Malaysia's leading undergarments manufacturer, catering to both local and export markets under its own brand as well as other OEM brands. We are also active in the property development segment, focusing on small to mid-scale residential development, and have built residential developments for the well-beings of the local community. We also aim to create the best value for our business through delivery of quality products and services at the most competitive pricing. The Group continuously review its position to meet and manage the ever-changing market trends and consumer demands.

Key Highlights of the Group for Financial Year Ended 31 March 2019

No.		(RM'000)
1	Revenue	85,495
2	Profit Before Tax	2,598
3	Net Assets	88,336

Economic Performance

The economic performance and measures to ensure the economic sustainability of the Group are elaborated in the Management Discussion & Analysis section as set out on pages 14 to 21 of this Annual Report.

Procurement Practices

For the manufacturing segment, we are one of the largest manufacturers and exporters of lingerie in Malaysia. Commencing operations in 1988 with just a handful of skilled staff on a rented premises, we now have grown to more than 1,000 staff in our own production complex on a 7 ½ acres site, located at Teluk Intan, Perak. With our modern manufacturing facilities coupled with high creativity on designs and styling, computerised pattern and marker systems, this enables us to have competitive edge over other lingerie manufacturers.

Lingerie manufacturing calls for products with innovative designs. With this in mind, we consider sourcing of fabric materials as an important aspect of our business process. The components and fabrics are sourced from a healthy mix of local and overseas suppliers. The Group acknowledges of its local suppliers and are supportive of them. Procuring locally enables the Group to contribute to the local economy. Local suppliers which meets the required standards provides us with materials that are essential in producing high quality undergarments. Our continuous improvement on our sourcing of raw material will create more value added features to our customers.

For our property development and construction segment, in order to encourage the development of the local economy the Group's strategy is to procure materials locally. By having a majority of our suppliers being locally based, this will in turn help build the local economy.



Direct Economic Value

The demand for textile and apparel is expected to further increase, mainly driven by the increasing demand in the global market for high quality textiles and clothing from Malaysia, as well as the purchasing power in major importing countries, namely the US, the EU countries, and Canada. To cater to these demand requires manpower and staffing. Our manufacturing facility has enabled us to provide local employment opportunities in Teluk Intan, Perak.

The growth of the Group has contributed to the employment of the local communities whereby some employees has been with the Group for close to thirty (30) over years. The Group works towards instilling a culture of well-being, enabling them to grow and prosper with the Group. Our employees are offered competitive salaries and benefits coupled with a conducive working environment.

Business Development and Strategic partnerships/Collaborations

The Group continually seek business opportunities through strategic business investments and expands into new markets and new business portfolios. This allows for a greater positive direct and indirect economic impact. We value partnerships and collaborations for the development and growth of our property industries.

ENVIRONMENTAL

The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practices that are environmentally friendly, optimise the use of resources and promote energy efficiency.

Being involved in property development as well, the Group is mindful that its operations will have direct impact on the environment. As such, the Group integrates environmental concerns within its operations and practices at different levels of the organisation. The Group also ensures that there are sufficient measures at all its construction sites and workplaces to prevent any adverse impact on the environment.

Energy Management

The Group has implemented the following steps to minimise the impact of the environmental:

- Switching-off centralised air-conditioning during lunch hour for our office for energy savings.
- Encourage our employees to adopt an energy-savvy behaviour such as switching off the lights and other electrical equipment during lunch time and when they are not in the office.
- Encourage our employees to suggest energy and resource-saving initiatives.



Material and Waste Management

The Group acknowledges that the environmental impact of paper usage is significant. The Group's approach to material and waste management is to avoid unnecessary paper consumption and waste generation. The Group is always mindful to reduce the usage of paper to further reduce waste. Generally, the Group practises the following on its paper management:-

- Reducing papers – to avoid any printing and photocopying, if possible, and encourage paperless and electronic modes of usage. In the even that if the printing or photocopying is necessary, then to practise double sided printing or reduce the paper size for economic reasons.
- Recycled paper is used for photocopying, while A4 papers, envelope, letterheads, soft and hard cover files are reused and recycled.
- The usage of emails and electronic communications minimises the use of paper, thus reducing the amount of waste generated.
- Employees are encourage to re-use envelopes, papers and boxes, as much as possible.

The Group also complies strictly with the rules and directives set by the authorities with regards to environmental safety and protection. On the project site, we have extended the life-cycle of the scaffolding by reusing them in other projects. Besides installing silt traps to minimise site pollution, all unwanted wastes, materials and by-products resulting from construction sites are either recycled or disposed to designated disposal sites timely and efficiently to avoid daily disruption to the community.

SOCIAL

Occupational Safety and Health

The Group aims to provide a safe and risk-free environment to its employees, an Occupational Safety and Health (OSH) committee was established to ensure that the safety, health policies and practices are always implemented. Through the collaboration with the local fire and rescue department, fire drills are being conducted at least twice a year which include the use of fire-fighting equipment, first aid, CPR, orderly evacuation procedures and other hazard preventive measures.

The Workplace

In managing the human capital, the Group advocates a corporate philosophy in providing a healthy and safe workplace with a proper working environment for the entire workforce.

By offering convenience, the Group has provided a Surau in the factory compound, the employees need not to travel outside on Friday for prayers.

Employees' Welfare and Well-Being

The Group has actively organise activities to promote a healthy lifestyle for employees, celebrate all festivities and foster relationship during our annual dinner and families' day events.

The Company has also provide transportation to carry the workers through and from their resident area to the factory.

Minimum Wage

The Group has based on the Minimum Wages Order 2018 revised the minimum monthly basic salary from RM1,000 to RM1,100.



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements so as to give a true and fair view of the financial position and financial performance of the Group and of the Company as at 31 March 2019 in accordance with the Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the financial year ended 31 March 2019. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a "going concern" basis, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

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 requirements of the Companies Act 2016 and the applicable Malaysia Financial Reporting Standards ("MFRS") approved by the Malaysian Accounting Standard Board ("MASB") in Malaysia.

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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The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are set out in Note 12 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Financial Results

	Group	Company
	RM	RM
Profit/(Loss) for the financial year	1,456,225	(20,060,550)
Attributable to:		
Owners of the parent	1,508,003	(20,060,550)
Non-controlling interests	(51,778)	-
Profit/(Loss) for the financial year	1,456,225	(20,060,550)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year.

Dividends

On 30 July 2018, the Directors declared final single tier dividend of RM0.01 per share on 81,006,650 Ordinary Shares for the financial year ended 31 March 2018, amounting to RM810,066, which was paid on 18 October 2018.

The Directors do not recommend any final dividend for the financial year ended 31 March 2019.



Directors

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datin Fong Nyok Yoon

Dato' Chuah Chin Lai

Hem Kan @ Chan Hong Kee

Lai Kian Huat

Tan Loon Cheang

Ng Boon Kang

Dr. Khoo Yek San

- Appointed on 16 April 2018
- Appointed on 01 October 2018
- Appointed on 15 October 2018
- Appointed on 18 October 2018 and resigned on 31 March 2019
- Resigned on 19 September 2018
- Resigned on 19 September 2018

Siow Hock Lee

Ooi Say Teik

The name of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who already disclosed are:

Phang Ah Seng

Lean Ah Too



Directors' interests in shares

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 31 March 2019 as recorded in the Register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, were as follows:

	Balance as at 1.4.2018	Number of Ordinary Shares		Balance as at 31.3.2019
		Bought	Sold	
Direct interest				
Dato' Chuah Chin Lai	12,732,000	-	(3,300,000)	9,432,000
Datin Fong Nyok Yoon	13,630,000	-	-	13,630,000
Indirect interest				
Dato' Chuah Chin Lai	13,630,000	4,508,700	-	18,138,700
Datin Fong Nyok Yoon	12,732,000	4,508,700	(3,300,000)	13,940,700

	Balance as at 1.4.2018	Number of Warrants		Balance as at 31.3.2019
		Granted*	Sold	
Direct Interest				
Dato' Chuah Chin Lai	-	6,815,000	-	6,815,000
Datin Fong Nyok Yoon	-	6,366,000	-	6,366,000
Indirect Interest				
Dato' Chuah Chin Lai	-	6,366,000	-	6,366,000
Datin Fong Nyok Yoon	-	6,815,000	-	6,815,000

* The Bonus Issue of 40,000,000 free detachable Warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company had been completed following the listing of and quotation for 40,000,000 warrants on the Main Market Bursa Securities on 26 April 2018. The exercise price for the Warrants was fixed at RM0.38 for each new share and to be exercised from the date of issuance up to the maturity date. The new ordinary shares issued upon exercise of the Warrants shall rank *pari passu* in all respect with the existing shares of the Company.

By virtue of their interest in the Company, Dato' Chuah Chin Lai and Datin Fong Nyok Yoon are deemed to have interest in the shares of all the related corporations to the extent the Company has an interest.

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



Directors' benefits

Since the end of previous financial year, no director of the Group and the Company have received nor become entitled to receive any benefit (other than a benefit included in aggregate amount of emoluments received or due and receivable by directors as shown in 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 the director is a member, or with a company in which the director has a substantial financial interest except for those disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year, which had the object 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.

Directors' remuneration

Directors' remuneration of the Group and of the Company amounted to RM1,340,922 and RM299,635 respectively as disclosed in Note 6 to the financial statements.

Indemnity and insurance for directors, officers and auditors

The Company maintains a liability insurance paid amounted to RM13,075 which provide appropriate insurance cover for the directors and officers of the Company and its subsidiaries.

No other indemnities have been given or insurance premium paid by the Company and its subsidiaries, during or since the end of the financial year, for any person who is or has been director, officer and auditors of the Company and its subsidiaries.

Issue of shares and debentures

During the financial year, the Company increased its share capital from RM49,419,360 to RM49,930,688 by 1,345,600 new shares of RM0.38 each on the exercise of warrants pursuant to Deed Poll of 19 April 2018.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

Subsequent event

Details of subsequent event is disclosed in Note 38 to the financial statements.



Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of warrants described below.

Warrants

The Bonus Issue of 40,000,000 free detachable Warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company had been completed following the listing of and quotation for 40,000,000 warrants on the Main Market Bursa Securities on 26 April 2018. The exercise price for the Warrants was fixed at RM0.38 for each new share and to be exercised at any time from the date of issuance up to the maturity date. The Warrants are issued in registered form and constituted by a deed poll.

The new ordinary shares issued upon exercise of the Warrants shall rank pari passu in all respect with the existing shares of the Company. The warrant holders will not have any right in any general meeting of the Company unless the warrants are exercised.

A total of 1,345,600 Warrants had been exercised during the financial year. The total number of issued shares and total paid up capital after the exercise of warrants stood at 81,345,600 and RM49,930,688.00 respectively.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts and that provision had been made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have 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:

- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.



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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company 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 abilities of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2019 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company amounted to RM166,500 and RM65,000 respectively as disclosed in Note 5 to the financial statements.

Signed on behalf of the Directors
in accordance with a resolution of the Board,

DATO' CHUAH CHIN LAI

DATIN FONG NYOK YOON

Teluk Intan, Perak Darul Ridzuan
22 July 2019



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 13 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 March 2019 and of their financial performances and their cash flows for the financial year ended on that date.

Signed on behalf of the Directors
in accordance with a resolution of the Board,

DATO' CHUAH CHIN LAI

DATIN FONG NYOK YOON

Teluk Intan, Perak Darul Ridzuan
22 July 2019



STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, DATO' CHUAH CHIN LAI, being the director primarily responsible for the financial management of CAELY HOLDINGS BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 13 to 133 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 in Malaysia.

Subscribed and solemnly declared by the above-)
named at Teluk Intan in Perak Darul Ridzuan on 22)
July 2019.)

DATO' CHUAH CHIN LAI

Before me,

COMMISSIONER FOR OATHS



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CAELY HOLDINGS BHD., which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 69 to 192.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performances and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Revenue and cost recognition of property development

(Refer to Notes 1 (e) (ix), 2(c), 3 and 4 to the financial statements)

The Group recognises property development revenue in the statements of comprehensive income assessed as a performance obligation satisfies over time using input method. The progress towards complete satisfaction of the performance obligation is determined by the proportion of development costs incurred to date over the estimated total property development costs.

Property development accounting is inherently complex and involved assumptions, estimation from the management, and thus we considered as a matter of most significance.



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

Key Audit Matters (continued)

(i) Revenue and cost recognition of property development (continued)

Our procedures included:

- (a) Assessed the management's assumptions in determining the progress towards completion satisfaction of projects, estimations of revenue and costs, provisions for liquidated damages as well as recoverability of billed receivables;
- (b) Assessed the reasonableness of progress by comparing to certification by external parties;
- (c) Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses; and
- (d) Verified costs incurred to date to supporting documentation such as contractor's claim certificates.

(ii) Net realisable value of inventories of raw material and finished goods

(Refer to Notes 1(e)(iv), 2(j) and 15 to the financial statements)

The Group carrying amounts of raw materials and finished goods as at 31 March 2019 amounted to RM5,825,916 and RM4,570,929 respectively, which represents approximately 17% of the total inventories of the Group. In determining the net realisable value of inventories, an estimation of the recoverable amounts of inventories is based on the most reliable evidence available as of the time the estimates are made. These estimates take into consideration the best estimation of predicting the amount of future demand from customers, the fluctuations of selling price or cost of conversion that includes direct labour and a systematic allocation of fixed and variable production overheads. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Changes to the assumptions could result in a material change in the carrying amounts of inventories and the associated movements recorded in the statements of profit or loss and other comprehensive income. Based on the significance of raw materials and finished goods as part of total inventories and the uncertainty in the assumptions used in the estimation of net realisable value of inventories, thus we consider these as key audit matter to be addressed in our audit.

Our procedures included:

- (a) Performed costing verification to assess whether costing system is appropriate and accurate;
- (b) Testing the net realisable value of the inventories by referring to latest available sale;
- (c) Reviewed management assessment on the slow-moving inventories;
- (d) Observed period end physical count of inventories to test the accuracy of the quantities reported in the stock listing;



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

Key Audit Matters (continued)

(iii) Impairment of property, plant and equipment

(Refer to Notes 2(g) and 10 to the financial statements)

The Group had carried out impairment assessments on the Group's property, plant and equipment as a result of the existence of an impairment indicator as the Group's market capitalisation value is below the total carrying amount of its net assets. MFRS 136 requires impairment assessment to be carried out at the lowest level of identifiable cash generating units ("CGUs").

Each CGUs were tested for impairment and for which the recoverable amount is based on value in use using discounted cash flow model and/or engaging a firm of independent valuers to estimate the fair value less costs of disposal, which is subject to numerous underlying assumptions that are subject to significant uncertainties and therefore considered a matter of most significant.

Our procedures included:

- (a) Made enquiries with the appropriate personnel to evaluate the basis of the cash flow projections;
- (b) Challenged the reasonableness of growth rates and other key cash flow assumptions;
- (c) Evaluated the appropriateness of the methodology used in estimating value-in-use as part of our procedures;
- (d) We considered the objectivity, independence and expertise of the firm of independent valuers engaged by the Group; and
- (e) Reviewed and assessed the significant assumptions and estimates used by the valuers in determining their final numbers and found them to be reasonable, as well as tested the mathematical accuracy of all calculations included within the final valuation reports.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Management Discussion and Analysis, Corporate Governance Overview Statement, Risk Management and Audit Committee Report, Statement on Risk Management and Internal Control, Corporate Sustainability Statement, Statement of Directors' Responsibilities in Relation to the Financial Statements and Directors' Report but does not include the financial statements of the of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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

Other Matters

1. As stated in Note 1 to the financial statements, CAELY HOLDINGS BHD. adopted Malaysian Financial Reporting Standards on 1 April 2018 with a transition date of 1 April 2017. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of the financial position of the Company as at 31 March 2018 and 1 April 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial year ended 31 March 2018 and related disclosures. We were not engaged to report on the restated information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 March 2019 in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2018 do not contain misstatements that materially affect the financial position as at 31 March 2019 and the financial performance and cash flows for the financial year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.
3. The comparative figures were audited by another firm of auditors who expressed a unqualified opinion on those statements on 26 July 2018.

PKF
AF 0911
CHARTERED ACCOUNTANTS

Penang
22 July 2019

ONG PENG TENG
03228/08/2020 J
CHARTERED ACCOUNTANT



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		Company	
	Note	2019 RM	Restated 2018 RM	2019 RM	2018 RM
Revenue	3	85,503,056	97,946,149	288,000	168,000
Cost of sales	4	(70,297,396)	(82,196,548)	-	-
Gross profit		15,205,660	15,749,601	288,000	168,000
Other operating income		2,462,340	1,969,731	122,434	127,084
Selling and distribution costs		(2,466,311)	(2,609,941)	-	-
Administrative expenses		(10,680,856)	(11,298,927)	(930,417)	(641,942)
Other operating expenses		(10,207)	(18,402)	(10,207)	(155,202)
Net (loss)/gain on impairment of financial assets		(115,758)	2,479	(19,538,474)	(136,800)
Profit/(Loss) from operations	5	4,394,868	3,794,541	(20,068,664)	(638,860)
Finance cost	7	(1,805,494)	(1,583,818)	-	-
Profit/(Loss) before tax		2,589,374	2,210,723	(20,068,664)	(638,860)
Tax (expenses)/income	8	(1,133,149)	(948,093)	8,114	(61,491)
Profit/(Loss) for the financial year		1,456,225	1,262,630	(20,060,550)	-
Other comprehensive income, net of tax					
<i>Item that will not be reclassified to profit or loss</i>					
Revaluation surplus on land and buildings, net of tax		607,343	-	-	-
Total comprehensive income/(loss) for the financial year		2,063,568	1,262,630	(20,060,550)	(700,351)



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group		Company	
		2019 RM	Restated 2018 RM	2019 RM	2018 RM
Profit/(loss) attributable to:					
Owners of the parent		1,508,003	1,327,549		
Non-controlling interests	25	(51,778)	(64,919)		
		<u>1,456,225</u>	<u>1,262,630</u>		
Total comprehensive income/(loss) attributable to:					
Owners of the parent		2,115,346	1,327,549		
Non-controlling interests	25	(51,778)	(64,919)		
		<u>2,063,568</u>	<u>1,262,630</u>		
Earnings per share (sen)					
Basic/diluted	9	<u>1.87</u>	<u>1.66</u>		



STATEMENTS CONSOLIDATED

OF FINANCIAL POSITION AS AT 31 MARCH 2019

			Group	
	Note	31.3.2019 RM	Restated 31.3.2018 RM	Restated 1.4.2017 RM
ASSETS				
Non-current assets				
Property, plant and equipment	10	25,562,748	25,255,998	25,266,920
Investment properties	11	4,100,000	4,100,000	4,100,000
Goodwill	13	-	-	-
Deferred tax assets	14	1,050,395	749,368	1,092,658
		30,713,143	30,105,366	30,459,578
Current assets				
Inventories	15	59,413,663	67,024,819	70,099,004
Receivables, deposits and prepayments	16	56,183,311	37,394,760	38,722,306
Contract asset	17	-	-	3,514,909
Tax recoverable		1,177,350	2,379,626	458,601
Marketable securities	18	6,316	16,523	598,757
Derivative assets receivable	19	2,625	-	6,401
Fixed deposit with licensed banks	20	2,967,493	3,955,112	3,840,992
Cash and bank balances	21	1,004,454	1,040,341	1,121,654
		120,755,212	111,811,181	118,362,624
TOTAL ASSETS		151,468,355	141,916,547	148,822,202
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	22	49,930,688	49,419,360	49,419,360
Other reserves	23	10,822,281	10,300,415	10,300,415
Retained profits	24	28,680,184	27,870,285	27,342,736
		89,433,153	87,590,060	87,062,511
Non-controlling interests	25	(1,077,193)	(1,025,415)	(960,496)
Total equity		88,355,960	86,564,645	86,102,015



STATEMENTS CONSOLIDATED

OF FINANCIAL POSITION AS AT 31 MARCH 2019
(CONTINUED)

			Group	
	Note	31.3.2019 RM	Restated 31.3.2018 RM	Restated 1.4.2017 RM
Non-current liabilities				
Hire-purchase creditors	26	295,304	258,676	359,813
Term loans	27	12,543,186	9,027,390	10,318,750
Deferred tax liabilities	14	971,070	874,248	1,009,732
		13,809,560	10,160,314	11,688,295
Current liabilities				
Payables and accrued liabilities	28	31,611,869	29,702,791	34,266,399
Provisions	29	565,148	586,148	604,303
Contract liability	17	1,363,461	1,099,693	2,508,089
Tax payable		-	-	718,705
Hire purchase creditors	26	103,287	100,610	125,018
Term loans	27	1,452,317	1,303,516	1,289,056
Short term bank borrowings:	30			
- Bank overdrafts		9,758,446	10,163,869	8,933,781
- others		4,448,307	2,234,961	2,586,541
		49,302,835	45,191,588	51,031,892
Total liabilities		63,112,395	55,351,902	62,720,187
TOTAL EQUITY AND LIABILITIES		151,468,355	141,916,547	148,822,202



STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019
(CONTINUED)

			Company	
	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
ASSETS				
Non-current assets				
Property, plant and equipment	10	94,568	112,707	130,846
Investment properties	11	4,100,000	4,100,000	4,100,000
Investment in subsidiaries	12	42,016,012	61,554,486	61,554,486
Deferred tax assets	14	-	-	9,190
Receivables, deposits and prepayments	16	30,198,343	29,874,538	29,647,782
		76,408,923	95,641,731	95,442,304
Current assets				
Receivables, deposits and prepayments	16	6,030,590	6,028,936	6,024,703
Tax recoverable		49,208	169,419	-
Marketable securities	18	6,316	16,523	598,757
Cash and bank balances	21	46,308	8,912	221,693
		6,132,422	6,223,790	6,845,153
TOTAL ASSETS		82,541,345	101,865,521	102,287,457
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	22	49,930,688	49,419,360	49,419,360
Other reserves	23	1,851,511	1,851,511	1,851,511
Retained profits	24	16,328,074	37,198,690	38,699,041
Total equity		68,110,273	88,469,561	89,969,912
Non-current liability				
Deferred tax liabilities	14	161,618	165,465	139,714
Current liabilities				
Payables and accrued liabilities	28	14,269,454	13,230,495	12,131,076
Tax payable		-	-	46,755
		14,269,454	13,230,495	12,177,831
Total liabilities		14,431,072	13,395,960	12,317,545
TOTAL EQUITY AND LIABILITIES		82,541,345	101,865,521	102,287,457



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		←	Equity attributable to the owners of the parent			→		
	Note	Share capital RM	Reserve on consolidation RM	Revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 April 2017 (As previously reported)		49,419,360	80,344	10,220,071	28,339,482	88,059,257	(960,496)	87,098,761
Prior year adjustments		-	-	-	(996,746)	(996,746)	-	(996,746)
At 1 April 2017 (As restated)		49,419,360	80,344	10,220,071	27,342,736	87,062,511	(960,496)	86,102,015
Total comprehensive income/(loss) for the financial year (As restated)		-	-	-	1,327,549	1,327,549	(64,919)	1,262,630
Dividend	32	-	-	-	(800,000)	(800,000)	-	(800,000)
At 31 March 2018		49,419,360	80,344	10,220,071	27,870,285	87,590,060	(1,025,415)	86,564,645
Excercise of warrants	22	511,328	-	-	-	511,328	-	511,328
Profit for the financial year		-	-	-	1,508,003	1,508,003	(51,778)	1,456,225
Other comprehensive income, net of tax								
- Revaluation gain		-	-	607,343	-	607,343	-	607,343
Dividend	32	-	-	-	(810,066)	(810,066)	-	(810,066)
Transfer of reserve		-	-	(85,477)	-	(85,477)	-	(85,477)
Realisation of revaluation reserve		-	-	-	111,962	111,962	-	111,962
At 31 March 2019		49,930,688	80,344	10,741,937	28,680,184	89,433,153	(1,077,193)	88,355,960



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(CONTINUED)

	Note	Share capital RM	Non- distributable Revaluation reserve RM	Distributable Retained profits RM	Total RM
Company					
At 1 April 2017		49,419,360	1,851,511	38,699,041	89,969,912
Total comprehensive loss for the financial year		-	-	(700,351)	(700,351)
Dividend	32	-	-	(800,000)	(800,000)
At 31 March 2018		49,419,360	1,851,511	37,198,690	88,469,561
Exercise of warrants	22	511,328	-	-	511,328
Total comprehensive loss for the financial year		-	-	(20,060,550)	(20,060,550)
Dividend	32	-	-	(810,066)	(810,066)
At 31 March 2019		49,930,688	1,851,511	16,328,074	68,110,273



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Note	Group		Company	
	2019 RM	Restated 2018 RM	2019 RM	2018 RM
Cash flows from operating activities				
Profit/(Loss) before tax	2,589,374	2,210,723	(20,068,664)	(638,860)
Adjustments for:				
Property, plant and equipment				
- depreciation	957,897	1,035,598	18,139	18,139
- gain on disposal	(30,500)	(2,138)	-	-
Impairment loss on investment in subsidiaries	-	-	19,538,474	-
Allowance for expected credit loss/impairment loss				
- charge for the financial year	136,958	5,771	-	136,800
- reversal	(21,200)	(8,250)	-	-
Provision for liquidated damages	852,146	640,886	-	-
Interest expense	1,800,171	1,574,834	-	-
Interest income	(142,308)	(123,972)	-	(767)
Allowance for slow moving inventories				
- provided for	231,810	-	-	-
- reversal	-	(553,810)	-	-
Gross dividend income from marketable securities	-	(3,868)	-	(3,868)
Fair value loss/(gain) on:				
- marketable securities	10,207	18,402	10,207	18,402
- derivatives financial instruments	(2,625)	6,401	-	-
Gain on disposals of marketable securities	-	(5,481)	-	(5,481)
Net unrealised foreign exchange loss/(gain)	199,414	(51,050)	-	-



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(CONTINUED)

	Note	Group		Company	
		2019 RM	Restated 2018 RM	2019 RM	2018 RM
Operating profit/(loss) before working capital changes		6,581,344	4,744,046	(501,844)	(475,635)
Decrease in inventories		7,379,346	3,693,040	-	-
(Increase)/Decrease in receivables		(19,055,589)	4,894,889	(1,654)	(4,233)
Increase/(Decrease) in payables		2,457,205	(6,874,320)	(309,983)	(51,595)
Decrease/(Increase) in Housing Development Accounts		29,632	(8,643)	-	-
Cash (used in)/generated from operations		(2,608,062)	6,449,012	(813,481)	(531,463)
Cash flows from investing activities					
Acquisition for property, plant and equipment	(i)	(308,289)	(1,024,676)	-	-
Proceeds from disposals of property, plant and equipment		30,500	2,138	-	-
Interest income received		142,308	123,972	-	767
Advances to a subsidiary		-	-	(323,805)	(501,800)
Repayment from a subsidiary		-	-	-	138,244
Marketable securities		-	-	-	-
- proceeds from disposals		-	569,313	-	569,313
- dividend received		-	3,868	-	3,868
Net cash (used in)/from investing activities		(135,481)	(325,385)	(323,805)	210,392



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(CONTINUED)

	Note	Group		Company	
		2019 RM	Restated 2018 RM	2019 RM	2018 RM
Cash flows from financing activities					
Deposits released under lien for credit facilities with licensed banks		987,619	(114,120)	-	-
Net changes in short term bank borrowings		2,213,346	(269,450)	-	-
Repayments of term loans		(1,335,403)	(1,276,900)		
Repayments of hire-purchase creditors		(132,917)	(125,545)	-	-
(Repayments to)/Advances received from a director		(596,261)	2,350,000	-	-
Drawdown of term loan		5,000,000	-	-	-
Dividend paid		(810,066)	(800,000)	(810,066)	(800,000)
Interest paid		(974,081)	(919,535)	-	-
Exercise of warrants		511,328	-	511,328	-
Advances from a subsidiary		-	-	1,348,942	1,151,014
Net cash from/(used in) financing activities		4,863,565	(1,155,550)	1,050,204	351,014
Net increase/(decrease) in cash and cash equivalents		399,168	(1,320,044)	37,396	(212,781)
Cash and cash equivalents at 1 April 2018/2017		(9,565,548)	(8,245,966)	8,912	221,693
Effects of foreign exchange rate changes on cash and cash equivalents		-	462	-	-
Cash and cash equivalents at 31 March	(ii)	(9,166,380)	(9,565,548)	46,308	8,912



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(CONTINUED)

Notes:

(i) Assets acquired under borrowings:

During the financial year, the Group and the Company made the following cash payment to acquire:

	Note	Group		Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Property, plant and equipment acquired	10	480,511	1,024,676	-	-
Less: Hire purchase arrangement		(172,222)	-	-	-
		<u>308,289</u>	<u>1,024,676</u>	<u>-</u>	<u>-</u>

(ii) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Note	Group		Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Cash and bank balances		1,004,454	1,040,341	46,308	8,912
Less: Bank overdrafts	30	(9,758,446)	(10,163,869)	-	-
Less: Bank balances held under Housing Development Account		(412,388)	(442,020)	-	-
		<u>(9,166,380)</u>	<u>(9,565,548)</u>	<u>46,308</u>	<u>8,912</u>



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(CONTINUED)

(iii) Reconciliation of liabilities arising from financing activities:

	As at 1 April RM	Cash flows RM	As at 31 March RM
2019			
Group			
Hire-purchase creditors	359,286	39,305	398,591
Term loans	10,330,906	3,664,597	13,995,503
Short term bank borrowings (excluding bank overdrafts)	2,234,961	2,213,346	4,448,307
Amount owing to a director	2,350,000	(596,261)	1,753,739
	<u>15,275,153</u>	<u>5,320,987</u>	<u>20,596,140</u>
Company			
Amount owing to a subsidiary	<u>12,835,558</u>	<u>1,128,141</u>	<u>13,963,699</u>
2018			
Group			
Hire-purchase creditors	484,831	(125,545)	359,286
Term loans	11,607,806	(1,276,900)	10,330,906
Short term bank borrowings (excluding bank overdrafts)	2,586,541	(351,580)	2,234,961
Amount owing to a director	-	2,350,000	2,350,000
	<u>14,679,178</u>	<u>595,975</u>	<u>15,275,153</u>
Company			
Amount owing to a subsidiary	<u>11,684,544</u>	<u>1,151,014</u>	<u>12,835,558</u>



1. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. These are the Group's and the Company's first financial statements prepared in accordance with MFRS and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In previous year, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standard ("FRS"). The accounting policies set out in Note 2 to the financial statements have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2019, the comparative information presented in these financial statements for the financial year ended 31 March 2018 and in the preparation of the opening MFRS statements of financial position at 1 April 2017 (date of transition of the Company to MFRS).

The transitions to MFRS do not have financial impact to the financial statements of the Group and of the Company except as disclosed in Note 37 to the financial statements.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.



Basis of preparation (continued)

(a) Standards issued and effective

On 1 April 2018, the Group and the Company have also adopted the following new and amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2018.

Description	Effective for annual periods beginning on or after
- Annual Improvements to MFRS 2014 - 2016 cycle - Amendments to MFRS 1, First-time Adoptions of Malaysian Financial Reporting Standards - Amendments to MFRS 128, Investment in Associates and Joint Ventures - Amendments to MFRS 2, Share-based Payment: Classification and Measurements of Share-based Payment Transactions - Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts - MFRS 9, Financial Instruments - MFRS 15, Revenue from Contract with Customers - Clarifications to MFRS 15, Revenue from Contracts with Customers - Amendments to MFRS 140, Investment Property: Transfer of Investment property - IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1-Jan-18 1-Jan-18 1-Jan-18 1-Jan-18 1-Jan-18 1-Jan-18 1-Jan-18 1-Jan-18

Adoption of above amended MFRS did not have any material impact to the financial performances or positions of the Group and of the Company except for changes in accounting policies as disclosed in Note 1(c) to the Financial Statements.



1. Basis of preparation (continued)

(b) Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
- Annual improvements to MFRSs 2015 - 2017 cycle - Amendments to MFRS 3, Business Combinations - Amendments to MFRS 11, Joint Arrangements - Amendments to MFRS 112, Income Taxes - Amendments to MFRS 123, Borrowing Costs - Amendments to MFRS 119, Employee Benefits: Plan Amendment, Curtailment and Settlement - Amendments to References to the Conceptual Framework in MFRS Standards - Amendments to MFRS 2, Share-Based Payment - Amendments to MFRS 3, Business Combinations - Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources - Amendments to MFRS 14, Regulatory Deferral Accounts - Amendments to MFRS 101, Presentation of Financial Statements - Amendments to References to the Conceptual Framework in MFRS Standards (continued) - Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Amendments to MFRS 134, Interim Financial Reporting - Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Amendments to MFRS 138, Intangible Assets - Amendments to IC Interpretation 12, Service Concession Arrangements - Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments - Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine - Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration - Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs	1 January 2019 1 January 2019 1 January 2019 1 January 2019 1 January 2019 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020 1 January 2020



1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

The Group and the Company have not adopted the following standards that have been issued but not yet effective: (continued)

Description	Effective for annual periods beginning on or after
• MFRS 16, Leases	1 January 2019
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
• Amendments to MFRS 128, Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
• MFRS 17, Insurance Contracts	1 January 2021
• IC Interpretation 23, Uncertainty over Income Tax Treatments	1 January 2019
• Amendments to MFRS 3, Business Combinations: Definition of a Business	1 January 2020
• Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020

The initial application of the accounting standards, amendments or interpretations are not expected to have material impact to the financial statements of the Group and of the Company except as mentioned below:

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.



1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company have assessed that there is no financial impact that arise from the adoption of MFRS 16.

(c) Explanation on change in accounting policy

MFRS 15 Revenue from Contracts with Customers

In the current financial year, the Company have adopted MFRS 15 Revenue from Contracts with Customers ("MFRS 15") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is as of the beginning of the reporting period in which of the Company first applies MFRS 15 i.e. 1 April 2018.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of (or prevent other entities from directing the use of), and obtain substantially all of the remaining benefits (or prevent other entities from obtaining the benefits) from the goods and services.

The Group and the Company elects to apply MFRS 15 retrospectively to contracts that are not complete at the date of initial application and recognise the cumulative effect initially applying MFRS 15 as an adjustment to opening balance of retained earnings that includes the date of initial application.

The adoption of MFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to contracts with customers, which the Group and the Company have complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Group and of the Company, except for those as discussed below:

(i) *Accounting for rights for refund*

When the customer has a right to return the product within a given period, revenue was previously recognised in full. Under MFRS 15, revenue is adjusted for the expected value of returns and cost of sales is adjusted for the value of the corresponding goods expected to be returned.



1. Basis of preparation (continued)

(c) Explanation on change in accounting policy (continued)

MFRS 9 Financial Instrument

In the current financial year, the Group and the Company have adopted MFRS 9 Financial Instruments ("MFRS 9") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is the date when the Group and the Company first applies those requirements of MFRS 9 and must be the beginning of a reporting period after the issuance of MFRS 9, i.e. 1 April 2018.

- (i) Under adoption of MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if the asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasing important, so it is provided both in the profit or loss and in the statement of financial position.

- (ii) New expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, MFRS 9 requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

The adoption of the above MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's accounting policies.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.



1. Basis of preparation (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(e) **Critical accounting estimates and judgements (continued)**

(iii) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iv) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.



1. Basis of preparation (continued)

(e) Critical accounting estimates and judgements (continued)

(v) *Write-down of Inventories*

- **Property development project**
The Group writes down the inventories to their net realisable values based on the estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations net of the estimated cost necessary to complete the sale. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the selling price and the related cost to complete the sale, the estimates will, in all likelihood, differ from the actual transactions achieved in future periods and these differences may, in certain circumstances, be significant.

- **Others inventories**
Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.



1. Basis of preparation (continued)

(e) Critical accounting estimates and judgements (continued)

(vi) *Provision for Expected Credit Losses ("ECLs") of Trade Receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

(vi) *Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statements of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(vii) *Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amount of goodwill.



1. Basis of preparation (continued)

(e) Critical accounting estimates and judgements (continued)

(viii) *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 progress towards complete satisfaction of the development activity at the reporting date. The progress towards complete satisfaction 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.

Significant judgement is required in the estimation of the progress towards complete satisfaction 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.

(ix) *Recognition of Construction Contracts Profits*

The Group recognises contract profit based on the progress towards complete satisfaction. The progress towards complete satisfaction of a construction contract is measured by reference to survey of work performed.

Significant judgement is required in the estimation of progress towards complete satisfaction, 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 director's 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.



1. Basis of preparation (continued)

(e) Critical accounting estimates and judgements (continued)

(x) *Classification between Investment Properties and Owner-occupied Properties*

The Group and the Company determine whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company consider whether a property generates cash flows largely independent of the other assets held by the Group and the Company.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(xi) *Carrying Amount of Investment in Subsidiaries*

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 2(g)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying amount's may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying amount of investments in subsidiaries.



2. Summary of significant accounting policies

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Company. 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 over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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

Acquisition-related costs are recognised in the profit or loss as incurred.

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 profit or loss.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.



2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) *Business combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

(iii) *Non-controlling interests*

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

(iv) *Transactions with non-controlling interests*

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.



2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) *Loss of control*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

(i) *Functional and presentation currency*

The financial statements of the Group and the Company 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 ("RM"), which is also the Group's and the Company's functional currency.



2. Summary of significant accounting policies (continued)

(b) Foreign currencies (continued)

(ii) Foreign currencies transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and the Company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the profit and loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

	2019 RM	2018 RM
<u>Assets</u>		
1 United States Dollar	4.02	3.81
1 Euro	4.52	4.70
<u>Liabilities</u>		
1 United States Dollar	4.14	3.92
1 Euro	4.65	4.82
100 Hong Kong Dollars	53.25	50.46
100 Chinese Renminbi	<u>60.85</u>	<u>62.37</u>



2. Summary of significant accounting policies (continued)

(c) Revenue and other income

(i) *Sales of goods – Original Equipment Manufacturer ("OEM")*

The Group sells a range of undergarment under OEM and general manufacturing a range of undergarments in the export market. Revenue is recognised at the point in time when control of the asset is transferred to the customer, being when the products are delivered. The normal credit term is cash on delivery to 75 days upon delivery.

The undergarments are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 75 days.

Trade receivables are recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) *Sales of goods – direct selling and retail*

The Group sells a range of undergarments, garments, leather goods, sportswear and household products to departmental stores and licensed distributors. Revenue are recognised at a point in time when control of the asset is transferred, being when the products are delivered to the end customer. The contract price is variable for different contracts as the revenue is recognised based on the assets price, net of returns and discounts. The normal credit term is cash on delivery to 60 days upon delivery.

No element of financing is deemed present as the sales are made with a credit term of cash on delivery to 60 days, which is consistent with the market practice.

Trade receivables are recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time required before the payment is due.



2. Summary of significant accounting policies (continued)

(c) Revenue and other income (continued)

(iii) *Construction contracts*

The Group construct properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration services and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the assets is transferred over time as the Group create or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear the estimated total construction costs (an input method).

Billings are issued with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

(iv) *Property development*

(a) *Project in progress*

The Group develops and sells properties. Revenue is recognised based on the actual property development costs incurred relative to the estimated total property development costs to be incurred which excluded cost of land held for development.

The Group recognise revenue over time of unit sold using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects. Payment of transaction price is due when each stage of the developing property is certified by qualified architect.

The customer pays the amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payment received exceed the services rendered, a contract liability is recognised.

(b) *Completed development units*

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.



2. Summary of significant accounting policies (continued)

(c) Revenue and other income (continued)

(v) *Golf club activities*

Revenue from golf club activities consist of golfing, golf club membership fees, driving range, sports and other recreation facilities and golfing equipment, which are separate performance obligation. The transaction price will be allocated to each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin and net of discounts, allowance and indirect taxes.

Revenue from golf club activities except for golf club membership fees is recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Golf club membership fees is received upfront and recognised on a straight-line basis over the tenure of the membership.

(vi) *Interest income*

Interest income is recognised using the effective interest method.

(vii) *Dividend income*

Dividend income is recognised when the shareholder's right to receive payment is established.

(viii) *Rental income*

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

(ix) *Management fees*

Management fees are recognised when services are rendered.



2. Summary of significant accounting policies (continued)

(d) Employee benefits expense

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

(e) Borrowing costs

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 sales.

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

(f) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will



be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. Summary of significant accounting policies (continued)

(f) Tax expense (continued)

(ii) *Deferred tax (continued)*

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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 income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(g) Impairment

(i) *Financial assets*

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments (IFRS 9 as issued by MASB in July 2014), the Group and the Company elected not to restate the comparatives.

Current financial year

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.



2. Summary of significant accounting policies (continued)

(g) Impairment

(i) *Financial assets (continued)*

Current financial year (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the assets, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

Previous financial year

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, such as trade receivables, non-trade receivables and intercompany balances assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.



2. Summary of significant accounting policies (continued)

(g) Impairment (continued)

(i) *Financial assets (continued)*

Previous financial year (continued)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) *Non-financial assets*

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.



2. Summary of significant accounting policies (continued)

(g) Impairment (continued)

(ii) *Non-financial assets (continued)*

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income and equity. In this case the impairment is also recognised in other comprehensive income and equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) **Property, plant and equipment**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost. Costs include purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bring the asset to working condition for its intended use, and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Other than freehold land and buildings, subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent to recognition, property, plant and equipment whose fair value can be measured reliably are measured at a revalued amount, being their fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.



2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

Increases in the carrying amounts arising on revaluation of property, plant and equipment 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 the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Freehold land has an indefinite useful life and therefore is not depreciated.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets 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%

The residual values and useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



2. Summary of significant accounting policies (continued)

(i) Investment properties

Investment properties, 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.

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 reporting 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.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under current market conditions.

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 Company 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 and the Company dispose of a property at fair value in an arm's length transaction, the carrying amount 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.

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

(i) 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.



2. Summary of significant accounting policies (continued)

(i) *Inventory properties (continued)*

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Planning and design costs, costs of site preparation, professional fees for legal services, title transfer legal fee, construction overheads and other related costs; and
- Compensation claim.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sales.

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is recognised in profit or loss as and when control passes to the respective customers. Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

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

Cost of purchased inventory (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.



2. Summary of significant accounting policies (continued)

(k) Contract asset/(liability)

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

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

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. In the case of property development and construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Company has billed or has collected the payment before the goods are delivered or services are provided to the customers.

(l) Goodwill on consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

(l) Goodwill on consolidation

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(b) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Group and are recorded in RM at the rates prevailing at the date of acquisition.



2. Summary of significant accounting policies (continued)

(m) Financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9 *Financial Instruments* (IFRS 9 as issued by IASB in July 2014), the Group and the Company have elected not to restate the comparatives.

(i) Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Company becomes party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.



2. Summary of significant accounting policies (continued)

(m) Financial assets (continued)

(ii) Subsequent measurement

Current financial year

From 1 April 2018, the Group and the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

• *Amortised costs*

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

• *Fair value through other comprehensive income ("FVOCI")*

1. *Debt investments*

Debt investment, which is not designated as at fair value through profit or loss, is measured at FVOCI when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments to principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income calculated using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Impairment expenses are presented as a separate line item in the statement of profit or loss.



2. Summary of significant accounting policies (continued)

(m) Financial assets (continued)

(iii) Subsequent measurement (continued)

Current financial year (continued)

- Fair value through other comprehensive income ("FVOCI") (continued)

1. Equity investments

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's the Company's right to receive payments is established.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

2. Fair value through other comprehensive income ("FVOCI") (continued)

- Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

Previous financial year

In previous financial years, the financial assets of the Group and the Company were classified and measured under MFRS 139 *Financial Instruments: Recognition and Measurement* as follows:

- Financial assets at FVTPL

Financial assets were classified as financial assets at FVTPL if they were held for trading including derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument), contingent consideration in a business combination or financial assets that were specifically designated into this category upon initial recognition.



2. Summary of significant accounting policies (continued)

(m) Financial assets (continued)

(ii) Subsequent measurement (continued)

Previous financial year (continued)

- *Financial assets at FVTPL (continued)*

Derivatives that were linked to and must be settled by delivery of unquoted equity instruments whose fair values could not be reliably measured were measured at cost.

Other financial assets categorised at FVTPL were subsequently carried at fair value with the gain or losses recognised in profit or loss.

- *Loans and receivables*

Financial assets that were non-derivative financial assets with fixed or determinable payments (including trade and other receivables and cash and cash equivalents) that are not quoted in an active market were classified as loans and receivables.

Loans and receivables were subsequently measured at amortised cost using effective interest method.

(iii) *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits held at call with financial institutions, other short term and highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(o) Financial liabilities

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9 *Financial Instruments* (IFRS 9 as issued by IASB in July 2014), the Group and the Company have elected not to restate the comparatives.

(i) *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group and the Company becomes party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measures a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.



2. Summary of significant accounting policies (continued)

(o) Financial liabilities (continued)

(ii) Subsequent measurement

Current financial year

The categories of financial liabilities at initial recognition are as follows:

- **Amortised cost**

All financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities where it is designated as FVTPL.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

- **Fair value through profit or loss ("FVTPL")**

Financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition are measured at FVTPL.

Financial liabilities may be designated upon initial recognition at FVTPL only if the criteria in MFRS 9 *Financial Instruments* (IFRS 9 as issued by IASB in July 2014) are satisfied. The Group and the Company has not designated any financial liability as at FVTPL.

Financial liabilities categorised at FVTPL are subsequently carried at fair value with the gain or losses recognised in profit or loss.

Previous financial year

In previous financial year, financial liabilities of the Group and the Company were classified and measured under MFRS 139 *Financial Instruments: Recognition and Measurement* as follows:

- **Financial liabilities measured at amortised cost**

All financial liabilities were measured at amortised cost using the effective interest method, except for financial liabilities categorised as FVTPL.

Any gains or losses were recognised in profit or loss when the financial liability was derecognised, and through the amortisation process.

- **Financial liabilities as FVTPL**

Financial liabilities were classified as financial liabilities at FVTPL if they were held for trading including derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument), contingent consideration in a business combination or financial liabilities that were specifically designated into this category upon initial recognition.

Financial liabilities categorised as FVTPL were subsequently measured at their fair values with the gain or loss recognised in profit or loss. However, a derivative liability that is linked to and must be settled by delivery of an equity instrument that does not have a quoted price in an active market for an identical



2. Summary of significant accounting policies (continued)

(o) Financial liabilities (continued)

(ii) Subsequent measurement (continued)

Previous financial year (continued)

- *Financial liabilities as FVTPL (continued)*
instrument whose fair value cannot otherwise be reliably measured, is measured at cost.

(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 Company has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company 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 amount determined in accordance with MFRS 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.

(iv) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.



2. Summary of significant accounting policies (continued)

(p) Leases

(i) *Classification*

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property, is accounted for as if held under a finance lease as described in Note 2(i) to the financial statements; and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.



2. Summary of significant accounting policies (continued)

(p) Leases (continued)

(ii) *Finance Leases - the Group as Lessee*

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is in the statements of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amounts of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for the depreciable property, plant and equipment as described in Note 2(h) to the financial statements.

(iii) *Operating Leases - the Group as Lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings element in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iv) *Operating Leases - the Group as Lessor*

Assets leased out under operating leases are presented in the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



2. Summary of significant accounting policies (continued)

(q) Provision

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

(r) Contingencies

(i) *Contingent liabilities*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as contingent liability, unless the possibility of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the possibility outflow of economic benefits is remote.

(ii) *Contingent assets*

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(s) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(t) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.



2. Summary of significant accounting policies (continued)

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

3. Revenue

The revenue of the Group and of the Company consists of the following:

	Group		Company	
	2019 RM	2018 RM	2019 RM	Restated 2018 RM
Revenue from contract customers	85,503,056	97,946,149	288,000	168,000



3. Revenue (continued)

(a) Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major goods or services and timing of revenue recognition.

	Group		Company	
	2019 RM	2018 RM	2019 RM	Restated 2018 RM
Revenue from contract customers				
Finished goods				
- Direct sales and retail	2,799,432	3,920,614	-	-
- Manufacturing and export	71,297,690	61,443,554	-	-
Construction contract	761,855	19,207,180	-	-
Property development			-	-
- Project in progress	3,790,765	12,810,647		
- Completed development units	6,329,680	-	-	-
Leisure and hospitality				
- Golf club activities	523,634	458,239	-	-
- Others	-	105,915	-	-
Management fee charged to subsidiaries	-	-	288,000	168,000
	<u>85,503,056</u>	<u>97,946,149</u>	<u>288,000</u>	<u>168,000</u>



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

3. Revenue (continued)

(a) Disaggregation of revenue (continued)

	Group		Company	
	2019 RM	2018 RM	2019 RM	Restated 2018 RM
Geographical markets				
Malaysia	14,428,835	37,086,918	288,000	168,000
United States of America	10,541,524	7,634,274	-	-
Canada	8,318,267	9,549,657	-	-
Germany	42,314,838	33,155,577	-	-
France	781,908	1,982,549	-	-
Hong Kong	6,135,159	4,931,110	-	-
United Kingdom	1,448,206	1,805,596	-	-
Netherlands	1,514,460	1,058,698	-	-
Mexico	-	367,237	-	-
Turkey	-	374,533	-	-
Other countries	19,859	-	-	-
	85,503,056	97,946,149	288,000	168,000
Timing of revenue recognition				
At a point in time	80,950,436	65,928,322	288,000	168,000
Over time	4,552,620	32,017,827	-	-
	85,503,056	97,946,149	288,000	168,000

4. Cost of sales

	Group	
	2019 RM	2018 RM
Contract costs	418,354	16,937,260
Property development costs	7,526,628	10,534,177
Cost of finished goods sold	62,352,414	54,725,111
	70,297,396	82,196,548



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AS AT 31 MARCH 2019

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5. Profit/(Loss) from operations

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) from operations is arrived at after charging/(crediting):				
Auditors' remuneration				
- Statutory audit	166,500	293,999	65,000	81,900
- Other assurance services	-	47,000	6,000	5,000
- Other services	15,000	38,672	-	3,500
Employee benefits expense (including directors' remuneration) (Note 6)	19,897,260	19,652,980	299,635	250,850
Allowance for slow moving inventories				
- provided for	231,810	-	-	-
- reversal	-	(553,810)	-	-
Allowance for expected credit loss/impairment loss				
- charge for the financial year	136,958	5,771	-	136,800
- reversal	(21,200)	(8,250)	-	-
Impairment loss on investment in subsidiaries	-	-	19,538,474	-
Property, plant and equipment				
- depreciation	957,897	1,035,598	18,139	18,139
- gains on disposal	(30,500)	(2,138)	-	-
Rental expense of premise	101,608	88,891	-	-
Provision for liquidated damages	852,146	640,886	-	-
Fair value loss/(gain) on:				
- marketable securities	10,207	18,402	10,207	18,402
- derivative financial instruments	(2,625)	-	-	-
Interest income	(142,308)	(123,972)	-	(767)



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

5. Profit/(Loss) from operations (continued)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Foreign exchange (gain)/loss				
- realised	(1,182,937)	(1,472,448)	-	(365)
- unrealised	199,414	(51,050)	-	-
Rental income of premises	(137,233)	(276,231)	(122,434)	(116,604)
Gain on disposal of marketable securities	-	(5,481)	-	(5,481)
Gross dividend income from marketable securities	-	(3,868)	-	(3,868)



6. Employee benefits expense

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Executive directors:				
- fees	147,350	125,350	147,350	125,350
- allowances	11,200	4,000	11,200	4,000
- salaries and bonus	900,644	804,910	-	-
- defined contribution plan	140,643	129,925	-	-
	1,199,837	1,064,185	158,550	129,350
Non-executive directors:				
- fees	128,385	115,000	128,385	115,000
- allowances	12,700	6,500	12,700	6,500
	141,085	121,500	141,085	121,500
Total directors' remuneration	1,340,922	1,185,685	299,635	250,850
Other staff costs:				
- salaries, wages and bonus	16,183,242	16,496,846	-	-
- defined contribution plan	909,314	903,002	-	-
- other short term employee benefits	1,463,782	1,067,447	-	-
Total other staff costs	18,556,338	18,467,295	-	-
Total employee benefits expense	19,897,260	19,652,980	299,635	250,850
Monetary value of benefits-in-kind given to certain directors	41,950	18,600	-	-



NOTES TO THE FINANCIAL STATEMENTS

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(CONTINUED)

7. Finance cost

	Group		Company	
	2019 RM	Restated 2018 RM	2019 RM	2018 RM
Term loan interests	766,421	783,429	-	-
Overdraft interests	826,090	775,622	-	-
Interests on other borrowings	207,660	136,106	-	-
	1,800,171	1,695,157	-	-
s: Amount capitalised in construction contracts	-	(120,323)	-	-
Net interest expense	1,800,171	1,574,834	-	-
Commitment fees	5,323	8,984	-	-
	1,805,494	1,583,818	-	-

8. Tax expense/(income)

(a) Recognised in profit or loss

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current tax:				
- Current year	1,452,410	760,697	-	4,267
- Under/(Over)provision in prior years	35,252	(20,410)	(4,267)	22,283
	1,487,662	740,287	(4,267)	26,550
Deferred tax:				
- Origination and reversal of temporary differences	(25,330)	650,890	(3,955)	(3,991)
- (Over)/Underprovision in prior years	(329,183)	(443,084)	108	38,932
	(354,513)	207,806	(3,847)	34,941
	1,133,149	948,093	(8,114)	61,491



8. Tax expense/(income) (continued)

(b) Recognised in profit or loss (continued)

Reconciliation of tax expense

	Group		Company	
	2019 RM	Restated 2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax	2,589,374	2,210,723	(20,068,664)	(638,860)
Tax calculated at statutory tax rate of 24%	621,450	530,574	(4,816,479)	(153,326)
Non-deductible expenses	859,017	940,539	4,812,524	154,618
Non-taxable income	(41,297)	(1,016)	-	(1,016)
Double deduction expenses	(35,197)	(90,252)	-	-
Utilisation of deferred tax asset not recognised	23,107	31,742	-	-
	1,427,080	1,411,587	(3,955)	276
Under/(Over)provision of current tax in prior year	35,252	(20,410)	(4,267)	22,283
(Over)/Underprovision of deferred tax in prior year	(329,183)	(443,084)	108	38,932
Tax expense	1,133,149	948,093	(8,114)	61,491

The Group has unabsorbed capital allowance and unutilised tax losses amounting to approximately RM729,888 and RM1,310,563 (2018: RM622,286 and RM1,253,706) respectively for set off against future taxable profits.

(c) Recognised in other comprehensive income

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Deferred tax:				
- Revaluation surplus	176,793	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

9. Earnings per share

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

	Group	
	2019	Restated 2018
Net profit for the financial year attributable to owners of the parent (RM)	1,508,002	1,327,549
Weighted average number of ordinary shares in issue (units)	80,686,008	80,000,000
Basic/diluted earnings per share (sen)	1.87	1.66



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(CONTINUED)

10. Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Furniture, fittings, equipment and renovations	Motor vehicles	Golf course development	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
31.3.2019								
Group								
Cost/Valuation								
At 1 April 2018	7,570,000	14,230,000	8,301,671	6,642,896	2,972,288	714,854	2,584,481	43,016,190
Additions	-	-	194,986	171,149	-	114,376	-	480,511
Revaluation surplus	60,000	724,136	-	-	-	-	-	784,136
Disposals	-	-	-	-	(311,510)	-	-	(311,510)
At 31 March	7,630,000	14,954,136	8,496,657	6,814,045	2,660,778	829,230	2,584,481	43,969,327
Accumulated depreciation and impairment loss								
At 1 April 2018								
Accumulated depreciation	-	966,026	7,590,686	5,950,416	2,525,558	263,732	-	17,296,418
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	966,026	7,590,686	5,963,068	2,525,558	714,854	-	17,760,192



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

10. Property, plant and equipment (continued)

	Freehold land	Buildings	Plant and machinery	Furniture, fittings, equipment and renovations	Motor vehicles	Golf course development	Capital work in progress	Total
31.3.2019	RM	RM	RM	RM	RM	RM	RM	RM
Group								
Accumulated depreciation and impairment loss								
Charge for the financial year	-	433,110	197,943	158,757	165,228	2,859	-	957,897
Disposal	-	-	-	-	(311,510)	-	-	(311,510)
At 31 March								
Accumulated depreciation	-	1,399,136	7,788,629	6,109,173	2,379,276	266,591	-	17,942,805
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	1,399,136	7,788,629	6,121,825	2,379,276	717,713	-	18,406,579



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

10. Property, plant and equipment (continued)

	Freehold land	Buildings	Plant and machinery	Furniture, fittings, equipment and renovations	Motor vehicles	Golf course development	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
31.3.2019								
Group								
Carrying amount								
At 31 March	7,630,000	13,555,000	708,028	692,220	281,502	111,517	2,584,481	25,562,748
Representing:								
At cost	-	-	708,028	692,220	281,502	111,517	2,584,481	4,377,748
At valuation	7,630,000	13,555,000	-	-	-	-	-	21,185,000
	7,630,000	13,555,000	708,028	692,220	281,502	111,517	2,584,481	25,562,748



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

10. Property, plant and equipment (continued)

	Freehold land	Buildings	Plant and machinery	Furniture, fittings, equipment and renovations	Motor vehicles	Golf course development	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
31.3.2018								
Group								
Cost/Valuation								
At 1 April 2017	7,570,000	14,230,000	8,410,952	6,564,899	2,972,288	714,854	1,756,851	42,219,844
Additions	-	-	119,049	77,997	-	-	827,630	1,024,676
Disposals	-	-	(228,330)	-	-	-	-	(228,330)
At 31 March	7,570,000	14,230,000	8,301,671	6,642,896	2,972,288	714,854	2,584,481	43,016,190
Accumulated depreciation and impairment loss								
At 1 April 2017	-	-	-	-	-	-	-	-
Accumulated depreciation	-	532,918	7,557,909	5,811,569	2,323,022	263,732	-	16,489,150
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	532,918	7,557,909	5,824,221	2,323,022	714,854	-	16,952,924



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

10. Property, plant and equipment (continued)

	Freehold land	Buildings	Plant and machinery	Furniture, fittings, equipment and renovations	Motor vehicles	Golf course development	Capital work in progress	Total
31.3.2018	RM	RM	RM	RM	RM	RM	RM	RM
Group								
Accumulated depreciation and impairment loss								
Charge for the financial year	-	433,108	261,107	138,847	202,536	-	-	1,035,598
Disposal	-	-	(228,330)	-	-	-	-	(228,330)
At 31 March								
Accumulated depreciation	-	966,026	7,590,686	5,950,416	2,525,558	263,732	-	17,296,418
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	966,026	7,590,686	5,963,068	2,525,558	714,854	-	17,760,192



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

10. Property, plant and equipment (continued)

	Freehold land	Buildings	Plant and machinery	Furniture, fittings, equipment and renovations	Motor vehicles	Golf course development	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
31.3.2018								
Group								
Carrying amount								
At 31 March	7,570,000	13,263,974	710,985	679,828	446,730	-	2,584,481	25,255,998
Representing:								
At cost	-	-	710,985	679,828	446,730	-	2,584,481	4,422,024
At valuation	7,570,000	13,263,974	-	-	-	-	-	20,833,974
	7,570,000	13,263,974	710,985	679,828	446,730	-	2,584,481	25,255,998
31.3.2017								
Group								
Carrying amount								
At 31 March	7,570,000	13,697,082	853,043	740,678	649,266	-	1,756,851	25,266,920
Representing:								
At cost	-	-	853,043	740,678	649,266	-	1,756,851	3,999,838
At valuation	7,570,000	13,697,082	-	-	-	-	-	21,267,082
	7,570,000	13,697,082	853,043	740,678	649,266	-	1,756,851	25,266,920



10. Property, plant and equipment (continued)

	31.3.2019 RM	Company 31.3.2018 RM	1.4.2017 RM
Furniture, fittings and equipment			
Cost			
At 1 April 2018/2017/31 March	585,847	585,847	585,847
Accumulated depreciation			
At 1 April 2018/2017	473,140	455,001	436,861
Charge for the financial year	18,139	18,139	18,140
At 31 March	491,279	473,140	455,001
Carrying amount			
At 31 March	94,568	112,707	130,846

- (a) The land and buildings of the Group were last revalued on 31 March 2019 based on valuations carried out by an external independent professional valuer as follow:

Description	Valuation method	Valuation amount RM
Freehold land	Comparison method	7,630,000
Buildings	Comparison method	13,555,000
		21,185,000



10. Property, plant and equipment (continued)

- (b) The carrying amount of the 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:

	31.3.2019	Group 31.3.2018	1.4.2017
	RM	RM	RM
Freehold land	1,019,735	1,019,735	1,019,735
Buildings	10,412,002	10,754,604	11,097,208
	<u>11,431,737</u>	<u>11,774,339</u>	<u>12,116,943</u>

Carrying amount of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 27 and Note 30 to the financial statements are RM20,942,981 (2018: RM21,029,220 and 2017: RM21,467,326).

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

	31.3.2019	Group 31.3.2018	1.4.2017
	RM	RM	RM
Motor vehicles			
- Carrying amount at financial year end	269,500	446,602	630,072

- (d) Capital work in progress of the Group represents a hotel property under construction, with the intention to be managed by the Company upon completion.

11. Investment properties

	31.3.2019	Group and Company 31.3.2018	1.4.2017
	RM	RM	RM
At fair value			
At 1 April 2018/2017	4,100,000	4,100,000	4,000,000
Change in fair value recognised in profit or loss	-	-	100,000
At 31 March	<u>4,100,000</u>	<u>4,100,000</u>	<u>4,100,000</u>
Direct operating expenses relating to investment property that generate rental income	21,501	23,572	25,036

The investment properties of the Group and the Company are stated at fair value of RM4,100,000 (2018: RM4,100,000 and 2017: RM4,100,000) based on valuations (using comparison valuation method) carried out by an independent professional valuer on 31 March 2019.



12. Investment in subsidiaries

	31.3.2019 RM	Company 31.3.2018 RM	1.4.2017 RM
Unquoted shares at cost	61,804,486	61,804,486	61,804,486
Less: Impairment loss At 1 April 2018/2017	(250,000)	(250,000)	-
Addition during the financial year	(19,538,474)	-	(250,000)
At 31 March	(19,788,474)	(250,000)	(250,000)
	<u>42,016,012</u>	<u>61,554,486</u>	<u>61,554,486</u>

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

Name of subsidiaries	Percentage of equity held (%)			Principal activities
	31.3.2019 %	31.3.2018 %	1.4.2017 %	
Caely (M) Sdn. Bhd.	100	100	100	Property development and construction activities, direct sales of undergarments, garments, leather goods, sportswear and household products and retail sales of undergarments and garments
Classita (M) Sdn. Bhd.	100	100	100	Manufacture and sales of undergarments
Marywah Industries (M) Sdn. Bhd.	100	100	100	Manufacture and sales of undergarments and trading of related raw materials.
Caely Development Sdn. Bhd.	100	100	100	Dormant.
Omni Green Sdn. Bhd.	51	51	51	Operation of a golf course and other related services and the provision of landscaping and related contract work.



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(CONTINUED)

13. Goodwill

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Cost arising from acquisition of a subsidiary	357,964	357,964	357,964
Less: Impairment loss			
At 1 April 2018/2017/31 March	(357,964)	(357,964)	(357,964)
	-	-	-

The goodwill which arose from the acquisition of Omni Green Sdn. Bhd. had been fully impaired in the previous financial year ended 31 March 2014.

14. Deferred tax (assets)/liabilities

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Deferred tax assets			
- subject to income tax	(1,050,395)	(749,368)	(1,092,658)
Deferred tax liabilities			
- subject to income tax	513,715	416,893	552,377
- subject to real property gains tax	457,355	457,355	457,355
	971,070	874,248	1,009,732
Deferred tax (assets)/liabilities (net)	(79,325)	124,880	(82,926)



NOTES TO THE FINANCIAL STATEMENTS

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(CONTINUED)

14. Deferred tax (assets)/liabilities (continued)

	31.3.2019 RM	Company 31.3.2018 RM	1.4.2017 RM
Deferred tax assets			
- subject to income tax	-	-	(9,190)
Deferred tax liabilities			
- subject to income tax	21,904	25,751	-
- subject to real property gains tax	139,714	139,714	139,714
	161,618	165,465	139,714
Deferred tax liabilities (net)	161,618	165,465	130,524

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At 1 April 2018/2017	124,880	(82,926)	165,465	130,524
Recognised in other comprehensive income (Note 8)	176,793	-	-	-
Recognised in profit or loss (Note 8)	(354,513)	207,806	(3,847)	34,941
Recognised directly in equity	(26,485)	-	-	-
At 31 March	(79,325)	124,880	161,618	165,465



14. Deferred tax (assets)/liabilities (continued)

	Property, plant and equipment RM	Revaluation reserve RM	Total RM
Group			
2019			
Deferred tax liabilities			
At 1 April 2018	987,787	1,131,861	2,119,648
Recognised in other comprehensive income (Note 8)	-	176,793	176,793
Recognised in profit or loss (Note 8)	40,416	-	40,416
Recognised directly in equity	-	(26,485)	(26,485)
At 31 March 2019	1,028,203	1,282,169	2,310,372
2018			
Deferred tax liabilities			
At 1 April 2017	868,621	1,256,206	2,124,827
Recognised in profit or loss (Note 8)	119,166	(124,345)	(5,179)
At 31 March 2018	987,787	1,131,861	2,119,648



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

14. Deferred tax (assets)/liabilities (continued)

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

Group	Unabsorbed capital allowance	Unutilised tax losses	Provisions	Property, plant and equipment	Others	Total
	RM	RM	RM	RM	RM	RM
31.3.2019						
Deferred tax assets						
At 1 April 2018	(218,071)	(698,236)	(1,434,837)	364,104	(7,728)	(1,994,768)
Recognised in profit or loss (Note 8)	(256,537)	213,038	(106,049)	(300,471)	55,090	(394,929)
At 31 March 2019	(474,608)	(485,198)	(1,540,886)	63,633	47,362	(2,389,697)
31.3.2018						
Deferred tax assets						
At 1 April 2017	(399,977)	(432,072)	(1,907,668)	544,813	(12,849)	(2,207,753)
Recognised in profit or loss (Note 8)	181,906	(266,164)	472,831	(180,709)	5,121	212,985
At 31 March 2018	(218,071)	(698,236)	(1,434,837)	364,104	(7,728)	(1,994,768)



14. Deferred tax (assets)/liabilities (continued)

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

Company	Property, plant and equipment RM	Revaluation reserve RM	Total RM
2019			
Deferred tax liabilities			
At 1 April 2018	25,751	139,714	165,465
Recognised in profit or loss (Note 8)	(3,847)	-	(3,847)
At 31 March 2019	21,904	139,714	161,618
2018			
Deferred tax liabilities			
At 1 April 2017	(9,190)	139,714	130,524
Recognised in profit or loss (Note 8)	34,941	-	34,941
At 31 March 2018	25,751	139,714	165,465

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	31.3.2019 RM	31.3.2018 RM
Property, plant and equipment	(43,257)	24,922
Unutilised tax losses	1,310,563	1,253,706
Unabsorbed capital allowances	729,888	622,286
	1,997,194	1,900,914



NOTES TO THE FINANCIAL STATEMENTS

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(CONTINUED)

15. Inventories

			Group	
		31.3.2019	Restated 31.3.2018	Restated 1.4.2017
	Note	RM	RM	RM
At cost:				
Property development costs	(a)	41,080,403	41,126,484	54,991,730
Completed development units		5,627,426	10,459,540	-
Raw materials		5,825,916	7,617,150	5,018,408
Work in progress		1,373,731	940,874	1,417,563
Operating supplies		1,000	4,673	5,414
Finished goods		4,570,929	5,600,190	7,076,462
		58,479,405	65,748,911	68,509,577
At net realisable value:				
Finished goods		934,258	1,275,908	1,589,427
		59,413,663	67,024,819	70,099,004

The following inventories have been charged to banks to partially secure the borrowings referred to in Note 27 to the financial statements below:

		Group	
	31.3.2019	Restated 31.3.2018	Restated 1.4.2017
	RM	RM	RM
Leasehold land	-	-	5,647,841
Completed development units	3,333,117	-	-



15. Inventories (continued)

(a) Property development costs

	Group		
	31.3.2019 RM	Restated 31.3.2018 RM	Restated 1.4.2017 RM
At cost			
At 1 April 2018/2017			
Leasehold land	10,815,143	12,791,414	12,791,414
Development costs	53,704,160	87,375,507	65,532,462
Accumulated costs recognised in profit and loss	(23,392,819)	(45,175,191)	(27,443,395)
	41,126,484	54,991,730	50,880,481
Add:			
- Costs incurred during the financial year			
Development costs	7,480,547	7,295,945	22,340,782
Transfer to property, plant and equipment under capital work in progress (Note 10)	-	-	(497,737)
Less:			
- Complete development properties:			
Land and development costs	-	(32,368,780)	-
Accumulated costs charged in profit and loss	-	32,368,780	-
- Transfer to inventories (completed development units)	-	(10,574,783)	-
Costs recognised in profit and loss in current financial year	(7,526,628)	(10,586,408)	(17,731,796)
At 31 March	41,080,403	41,126,484	54,991,730



15. Inventories (continued)

(a) Property development costs (continued)

	Group		
	31.3.2019	Restated 31.3.2018	Restated 1.4.2017
	RM	RM	RM
Property development costs are analysed as follows:			
At cost			
Leasehold land	10,815,143	10,815,143	12,791,414
Development costs	61,184,707	53,704,160	87,375,507
Accumulated costs recognised in profit and loss	(30,919,447)	(23,392,819)	(45,175,191)
	<u>41,080,403</u>	<u>41,126,484</u>	<u>54,991,730</u>

Included in development costs is additional provision for compensation claims of RMNil (2018: RM65,045 and 2017: RM64,489) as disclosed in Note 29 to the financial statements.

A total of 88 (2018: 88 and 2017: 88) sub-divided titles to the property development leasehold land of the Company have yet to be registered in the name of the Company as the titles have yet to be issued by the relevant authority as of 31 March 2019.

Included in leasehold land as at 31 March 2019 is a piece of land purchased from an abandoned project. The Company has redeemed the master land title and is in the process of transferring the ownership back to the Company.



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16. Receivables, deposits and prepayments

		Group		
	Note	31.3.2019 RM	31.3.2018 RM	Restated 1.4.2017 RM
Current assets				
Trade receivables	(a)	49,547,106	35,396,784	36,375,474
Less: Impairment		(2,233,691)	(2,119,270)	(2,173,525)
		47,313,415	33,277,514	34,201,949
Non-trade receivables	(b)	3,554,234	2,576,422	1,575,516
Less: Impairment		(310,549)	(309,212)	(316,569)
		3,243,685	2,267,210	1,258,947
Accrued billings in respect of property development		262,640	262,640	-
Deposits		348,858	301,196	273,738
Prepayments		425,720	1,068,560	617,137
Advances to sub-contractors		4,588,993	217,640	2,370,535
		56,183,311	37,394,760	38,722,306
		Company		
	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Non-current asset				
Amounts owing by subsidiaries	(c)	31,978,139	31,654,334	31,290,778
Less: Impairment		(1,779,796)	(1,779,796)	(1,642,996)
		30,198,343	29,874,538	29,647,782
Current assets				
Non-trade receivables	(b)	1,148	4,940	253
Amounts owing by subsidiaries	(c)	6,000,000	6,000,000	6,000,000
Deposits		9,686	9,686	9,686
Prepayments		19,756	14,310	14,764
		6,030,590	6,028,936	6,024,703



16. Receivables, deposits and prepayments (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company ranged from cash on delivery to 75 days (2018: cash on delivery to 75 days and 2017: cash on delivery to 75 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movements in the loss allowance of trade receivables during the financial year are as follows:

	Group	
	31.3.2019 RM	31.3.2018 RM
Loss allowance		
At 1 April 2018/2017	2,119,270	2,173,525
Additions	135,621	5,771
Reversal of allowance for impairment	(21,200)	(893)
Write off	-	(59,133)
At 31 March	2,233,691	2,119,270

(b) Non-trade receivables

Included in non-trade receivables of the Group and of the Company as at 31 March 2019 is the net input tax receivable of RM57,785 (2018: RM480,286 and 2017: RM242,278) and RMNil (2018: RMNil and 2017: RM253) in respect of goods and service tax.

The movements in the loss allowance of non-trade receivables during the financial year are as follows:

	Group	
	31.3.2019 RM	31.3.2018 RM
Loss allowance		
At 1 April 2018/2017	309,212	319,569
Additions	1,337	-
Reversal of allowance for impairment	-	(7,357)
Write off	-	(3,000)
At 31 March	310,549	309,212



16. Receivables, deposits and prepayments (continued)

(c) Amounts owing by subsidiaries

Amounts owing by subsidiaries which are non-trade in nature, unsecured, interest free and receivable on demand.

The movements in the loss allowance of amounts owing by subsidiaries during the financial year are as follows:

	Company	
	31.3.2019 RM	31.3.2018 RM
Loss allowance		
At 1 April 2018/2017	1,779,796	1,642,996
Additions	-	136,800
At 31 March	1,779,796	1,779,796

17. Contract asset/(liability)

	Group	
	Restated 31.3.2018 RM	Restated 1.4.2017 RM
31.3.2019 RM		
Contract asset	-	3,514,909
Contract liability	(1,363,461)	(2,508,089)
	(1,363,461)	1,006,820
At 1 April 2018/2017	(1,099,693)	2,537,053
Consideration paid to customers	588,378	328,034
Revenue recognised during the financial year	-	82,650,421
Progress billings during the financial year	-	(86,165,330)
Provision relating to liquidated damages	(852,146)	(1,901,762)
At 31 March	(1,363,461)	1,006,820



18. Marketable securities

	31.3.2019 RM	Group and Company 31.3.2018 RM	1.4.2017 RM
Fair value through profit or loss			
Shares in corporations and unit trust			
- quoted in Malaysia	6,316	16,523	47,644
- quoted outside Malaysia	-	-	551,113
	<u>6,316</u>	<u>16,523</u>	<u>598,757</u>

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

19. Derivative financial instruments

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Derivative financial instruments			
Assets	<u>2,625</u>	<u>-</u>	<u>6,401</u>

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 2019 was RM411,125 (2018: RMNil and 2017: RM582,234).

20. Fixed deposit with licensed banks

As of 31 March 2019, the fixed deposits with licensed banks of the Group carry interest at rates 3.33% (2018: 3.00% and 2017: 2.75%) per annum. The fixed deposits maturity period are 90 days (2018: 90 days and 2017: 90 days).

The fixed deposits with licensed banks of the Group of RM2,967,493 (2018: RM3,955,112 and 2017: RM3,840,992) are charged as security for banking facilities granted to the Group as mentioned in Note 30 to the financial statements.



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21. Cash and bank balances

		Group		
	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Cash on hand		17,442	11,416	11,390
Cash at bank	(a)	574,624	586,905	676,887
Bank balances held under Housing Development Accounts	(b)	412,388	442,020	433,377
		<u>1,004,454</u>	<u>1,040,341</u>	<u>1,121,654</u>
		Company		
	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Cash at bank	(a)	<u>46,308</u>	<u>8,912</u>	<u>221,693</u>

(a) Cash at bank

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

(b) Bank balances held under Housing Development Accounts

Bank balances held under the Housing Development Accounts 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.



22. Share capital

Issued and fully paid:

At 1 April 2018/2017

Exercise of warrants

At 31 March

Group and Company	
31.3.2019	31.3.2018
No. of shares	No. of shares
80,000,000	80,000,000
1,345,600	-
<u>81,345,600</u>	<u>80,000,000</u>

Issued and fully paid:

At 1 April 2018/2017

Exercise of warrants

At 31 March

Group and Company	
31.3.2019	31.3.2018
RM	RM
49,419,360	49,419,360
511,328	-
<u>49,930,688</u>	<u>49,419,360</u>

- (1) During the financial year, the Company increased its issued and paid-up share capital from RM49,419,360 to RM49,930,688 by 1,345,600 new shares of RM0.38 each on the exercise of warrants pursuant to Deed Poll of 15 March 2018.
- (2) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at all shareholders' meetings of the Company. All ordinary shares rank pari-passu with regards to the residual assets of the Company.
- (3) The warrants ("Warrants") which were quoted on the Main Market of Bursa Malaysia Securities Berhad were issued during the financial year. These Warrants entitled the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company at RM0.38 during the exercise period which were expired on 22 April 2021.

The other salient features of the Warrants were as follows:

- (i) the exercise price of RM0.38 and number of Warrants were subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions of the deed poll of 15 March 2018;
- (ii) any Warrants that were not exercised during the exercise period would thereafter lapse and cease to be valid; and
- (iii) all new ordinary shares to be issued pursuant to the exercise of the Warrants shall rank pari-passu in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares concerned.

As of 31 March 2019, 38,654,400 Warrants were still unexercised.



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23. Other reserves

	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Group				
Reserve on consolidation		80,344	80,344	80,344
Revaluation reserve	(a)	10,741,937	10,220,071	10,220,071
		<u>10,822,281</u>	<u>10,300,415</u>	<u>10,300,415</u>
Company				
Revaluation reserve	(a)	<u>1,851,511</u>	<u>1,851,511</u>	<u>1,851,511</u>

(a) Revaluation reserve

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Revaluation reserve, gross	12,024,106	11,351,932	11,476,277
Deferred tax (Note 14)	(1,282,169)	(1,131,861)	(1,256,206)
Revaluation reserve, net of tax	<u>10,741,937</u>	<u>10,220,071</u>	<u>10,220,071</u>
Revaluation surplus in respect of:			
- land and buildings (under property, plant and equipment)	8,890,426	8,368,560	8,368,560
- investment property (prior to transfer of owner-occupied to investment property)	<u>1,851,511</u>	<u>1,851,511</u>	<u>1,851,511</u>
	<u>10,741,937</u>	<u>10,220,071</u>	<u>10,220,071</u>



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23. Other reserves (continued)

(a) Revaluation reserve (continued)

	31.3.2019 RM	Company 31.3.2018 RM	1.4.2017 RM
Revaluation reserve, gross	1,991,225	1,991,225	1,991,225
Deferred tax (Note 14)	(139,714)	(139,714)	(139,714)
Revaluation reserve, net of tax	1,851,511	1,851,511	1,851,511
Revaluation surplus in respect of:			
- investment property (prior to transfer of owner-occupied to investment property)	1,851,511	1,851,511	1,851,511

24. Retained profits

Under the single-tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings can be distributed to shareholders as tax-exempt dividends.



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25. Non-controlling interests

The Group's subsidiary that have material non-controlling interests ("NCI") are as follows:

	31.3.2019 RM	Omni Green Sdn. Bhd. 31.3.2018 RM	1.4.2017 RM
NCI percentage of ownership interest and voting interest	49%	49%	49%
Carrying amount of NCI	(1,077,193)	(1,025,415)	(960,496)
Profit allocated to NCI	(51,778)	(64,919)	(412,799)

Summarised financial information before intra-group elimination:

	31.3.2019 RM	Omni Green Sdn. Bhd. 31.3.2018 RM	1.4.2017 RM
Non-current assets	270,747	38,659	137,216
Current assets	33,896	101,932	39,682
Current liabilities	(2,502,994)	(2,233,273)	(2,137,092)
Net assets	(2,198,351)	(2,092,682)	(1,960,194)
Revenue	523,634	564,154	529,354
Loss for the financial year	(105,669)	(132,488)	(842,447)
Total comprehensive loss for the financial year	(105,669)	(132,488)	(842,447)
Cash flow from/(used in) operating activities	116,026	(86,601)	(123,590)
Cash flow used in investing activities	(274,370)	(1,062)	(24,338)
Cash flow from financing activities	101,639	136,800	133,050



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26. Hire purchase creditors

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Minimum finance lease payments:			
Repayable within one year	123,576	115,475	146,784
Repayable more than one year but less than five years	123,576	176,688	233,267
Repayable more than five years	196,236	112,842	171,738
	443,388	405,005	551,789
Less: Future finance charges	(44,797)	(45,719)	(66,958)
Present value of finance lease liabilities	398,591	359,286	484,831
Present value of finance lease liabilities:			
Repayable within one year	103,287	100,610	125,018
Repayable more than one year but less than five years	295,304	150,645	199,057
Repayable more than five years	-	108,031	160,756
	398,591	359,286	484,831
Representing finance lease liabilities:			
Current	103,287	100,610	125,018
Non-current	295,304	258,676	359,813
	398,591	359,286	484,831

The effective interest rates of hire-purchase creditors ranged from 4.76% to 7.18% (2018: 4.52% to 7.18% and 2017: 4.52% to 7.18%) per annum.

27. Term loans

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Secured:			
Current	1,452,317	1,303,516	1,289,056
Non-current	12,543,186	9,027,390	10,318,750
	13,995,503	10,330,906	11,607,806



27. Term loans (continued)

The maturity structure of term loans can be analysed as follows:

	31.3.2019 RM	Group 31.3.2018 RM	1.4.2017 RM
Within one year	1,452,317	1,303,516	1,289,056
More than one year but less than five years	6,345,867	6,089,480	5,792,635
More than five years	6,197,319	2,937,910	4,526,115
	<u>13,995,503</u>	<u>10,330,906</u>	<u>11,607,806</u>

Term loans facilities are repayable as follows:

	Year of maturity	Number of installment	Installment amounts RM
Term loan 1	2013 - 2023	120	58,313
Term loan 2	2013 - 2018	60	8,035
Term loan 3	2014 - 2024	120	17,494
Term loan 4	2015 - 2025	120	29,481
Term loan 5	2016 - 2026	120	27,122
Term loan 6	2016 - 2026	120	31,249
Term loan 7	2019 - 2044	300	29,522

(a) Term loan 1, 3, 4, 5 and 6

The term loans of the Group bear interest at a rate of 7.46% (2018: 7.46% and 2017: 7.10%) per annum and secured by:

- (i) a fixed charges over land and buildings of certain subsidiaries as disclosed in Note 10 to the financial statements;
- (ii) a deed of negative pledge; and
- (iii) guaranteed by the Company.

(b) Term loan 2

The term loan of the Group bear interest at a rate of NIL (2018: 8.04% and 2017: 7.70%) per annum and secured by:

- (i) a specific debenture over a unit of machinery of a subsidiary as disclosed in Note 10 to the financial statements; and
- (ii) guaranteed by the Company.

(c) Term loan 7

The term loan of the Group bear interest at a rate of 5.10% (2018: NIL) per annum and secured by:

- (i) First party open charge over completed development units of the Group as disclosed in Note 15 to the financial statements; and
- (ii) guaranteed by the Company.



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28. Payables and accrued liabilities

		Group		
	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Current liabilities				
Trade payables	(a)	17,901,496	20,100,528	26,034,500
Progress billings for property development		6,290,929	2,030,431	1,896,347
Non-trade payables	(b)	2,397,639	2,906,107	4,285,000
Accrued liabilities		3,268,066	2,315,725	2,050,552
Amount owing to a director	(c)	1,753,739	2,350,000	-
		<u>31,611,869</u>	<u>29,702,791</u>	<u>34,266,399</u>
		Company		
	Note	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Current liabilities				
Non-trade payables	(b)	166,338	67,948	135,182
Accrued liabilities		139,417	326,989	311,350
Amount owing to a subsidiary	(d)	13,963,699	12,835,558	11,684,544
		<u>14,269,454</u>	<u>13,230,495</u>	<u>12,131,076</u>

(a) Trade payables

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2018: cash on delivery to 90 days and 2017: cash on delivery to 90 days).

(b) Non-trade payables

Included in non-trade payables of the Group as at 31 March 2019 is the sales and services tax payable of RM10,165 (2018: net output tax of RM30,765 and 2017: net output tax of RM32,311) in respect of sales and services tax/goods and services tax.

(c) Amount owing to a director

The amount owing to a director is non-trade in nature, unsecured, interest free and repayable on demand.

(d) Amount owing to a subsidiary

Non-trade amount owing to a subsidiary is unsecured, interest free and repayable on demand.



29. Provision

		Group	
	31.3.2019	Restated 31.3.2018	Restated 1.4.2017
	RM	RM	RM
Provision for compensation claims			
At 1 April 2018/2017	586,148	604,303	744,000
Current year provision debited to property development cost (Note 15)	-	65,045	64,489
Compensation paid during the financial year	(21,000)	(83,200)	(204,186)
At 31 March	565,148	586,148	604,303

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.

30. Short-term bank borrowings

		Group	
	31.3.2019	31.3.2018	1.4.2017
	RM	RM	RM
<u>Secured</u>			
Bank overdrafts	9,758,446	10,163,869	8,933,781
Trade finance liabilities	2,718,847	597,091	656,271
Foreign currency revolving credit	1,729,460	1,637,870	1,930,270
	14,206,753	12,398,830	11,520,322
<u>Representing</u>			
Bank overdrafts	9,758,446	10,163,869	8,933,781
Others	4,448,307	2,234,961	2,586,541
	14,206,753	12,398,830	11,520,322

The secured short-term bank borrowings are secured by:

- fixed charges on the land and buildings of certain subsidiaries as disclosed in Note 10 to the financial statements;
- deposits pledged with a licensed bank of a subsidiary as disclosed in Note 20 to the financial statements;
- first party legal charge over certain of the sub-divided titles of the property development leasehold land of a subsidiary as disclosed in Note 15 to the financial statements;
- deed of negative pledge of certain subsidiaries; and
- deed of assignment of contract proceeds of a subsidiary.



30. Short-term bank borrowings (continued)

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

	31.3.2019	Group 31.3.2018	1.4.2017
	%	%	%
Weighted average effective interest rates per annum:			
- bank overdrafts	8.08 to 8.37	8.32	7.63
- foreign currency revolving credit	5.39	4.71	3.77
- trade finance liabilities	5.55 to 6.64	6.54	6.63

	31.3.2019	Group 31.3.2018	1.4.2017
	Days	Days	Days
The range of credit periods of these short term borrowings are as follows:			
- foreign currency revolving credit	181	181	181
- trade finance liabilities	86 - 148	147 - 149	141 - 150

31. Significant related party disclosures

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interests; and
- (iii) Key management personnel of the Group and of the Company, comprising persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.



31. Significant related party disclosures (continued)

(b) Significant related party transactions

Significant related party transactions of the Group and the Company are as follows:

	Group	
	31.3.2019	31.3.2018
	RM	RM
Transaction with directors		
- Advances from/(repaid to)	(2,350,000)	-
- Advances received	1,111,880	2,350,000
	Company	
	31.3.2019	31.3.2018
	RM	RM
Transactions with Caely (M) Sdn. Bhd.		
- management fees charged	55,200	108,000
- advances to	-	(365,000)
- advances repaid from	-	113,245
Transactions with Classita (M) Sdn. Bhd.		
- management fees charged	220,800	60,000
- repayment of advances to	(47,158)	(100,985)
- advances from	1,396,100	1,252,000
Transactions with Marywah Industries (M) Sdn. Bhd.		
- management fees charged	12,000	-
- advances repaid from	-	25,000
	Company	
	31.3.2019	31.3.2018
	RM	RM
Transactions with Omni Green Sdn. Bhd.		
- advances to	-	(136,800)

The balances outstanding with related parties in respect of the above transactions are disclosed in Notes 16 and 28 to the financial statements.

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.



31. Significant related party disclosures (continued)

(c) Key management compensation

	Group	
	31.3.2019 RM	31.3.2018 RM
Fees	275,735	240,350
Salaries and bonus	1,021,894	932,410
Define contribution plan expenses	154,239	143,965
	<u>1,451,868</u>	<u>1,316,725</u>
Monetary value of benefits-in-kind	<u>41,950</u>	<u>18,600</u>

	Company	
	31.3.2019 RM	31.3.2018 RM
Fees	275,735	240,350
Salaries and bonus	23,900	10,500
	<u>299,635</u>	<u>250,850</u>

32. Dividends

Dividends declared and paid by the Group and the Company are:

	Gross dividend per share RM	Amount of dividend (tax exempt) RM	Date of payment
Group and Company			
31.3.2019			
Final single tier dividend	0.01	810,066	18 October 2018
31.3.2018			
Final single tier dividend	0.01	800,000	26 October 2017



33. 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 and retail business.
- Direct selling and retail - involving multi-level marketing of undergarments, garments, leather good, 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.



33. Segment reporting (continued)

(a) Analysis of results and financial position

Group 31.3.2019	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
Revenue						
Total revenue	10,882,300	73,077,921	2,799,432	264,000	523,634	87,547,287
Intersegment revenue	-	(1,780,231)	-	(264,000)	-	(2,044,231)
External revenue	10,882,300	71,297,690	2,799,432	-	523,634	85,503,056
Results						
Profit/(Loss) from operations	669,959	5,119,342	(653,301)	(266,190)	(474,942)	4,394,868
Finance cost	(262,114)	(1,521,655)	(21,725)	-	-	(1,805,494)
Profit/(Loss) before tax	407,845	3,597,687	(675,026)	(266,190)	(474,942)	2,589,374
Tax expense						(1,133,149)
Profit for the financial year						1,456,225
Segment assets	95,672,340	47,676,277	1,182,957	4,277,782	431,254	149,240,610
Unallocated corporate assets						
- Deferred tax assets						1,050,395
- Current tax recoverable						1,177,350
						151,468,355
Segment liabilities	30,805,004	30,369,534	48,827	305,755	612,205	62,141,325
Unallocated corporate liabilities						
- Deferred tax liabilities						971,070
						63,112,395



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

33. Segment reporting (continued)

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

Group 31.3.2019	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
Capital expenditure	1,630	204,511	-	-	274,370	480,511
Included in profit/(loss) from operations are:						
Interest income	(5,075)	(137,233)	-	-	-	(142,308)
Depreciation and impairment loss	29,510	742,211	125,755	18,139	42,282	957,897
Allowance for slow moving inventories:						
- provided for/(reversal)	-	39,929	191,881	-	-	231,810



33. Segment reporting (continued)

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

Group 31.3.2018	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
Revenue						
Total revenue	32,017,827	62,394,857	3,920,614	-	564,154	98,897,452
Intersegment revenue	-	(951,303)	-	-	-	(951,303)
External revenue	32,017,827	61,443,554	3,920,614	-	564,154	97,946,149
Results						
Profit/(Loss) from operations	1,338,378	2,523,228	742,354	(670,060)	(139,359)	3,794,541
Finance cost	(95,268)	(1,472,924)	(15,626)	-	-	(1,583,818)
Profit/(Loss) before tax	1,243,110	1,050,304	726,728	(670,060)	(139,359)	2,210,723
Tax expense						(948,093)
Profit for the financial year						1,262,630
Segment assets	86,600,338	44,484,554	3,294,992	4,267,078	140,591	138,787,553
Unallocated corporate assets						
- Deferred tax assets						749,368
- Current tax recoverable						2,379,626
						141,916,547
Segment liabilities	24,294,834	28,024,576	1,469,621	394,937	293,686	54,477,654
Unallocated corporate liabilities						
- Deferred tax liabilities						874,248
						55,351,902



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

33. Segment reporting (continued)

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

Group 31.3.2018	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
Capital expenditure	827,630	191,667	4,317	-	1,062	1,024,676
Included in profit/(loss) from operations are:						
Interest income	(6,906)	(116,293)	(6)	(767)	-	(123,972)
Depreciation and impairment loss	148,612	735,696	33,532	18,139	99,619	1,035,598
Allowance for slow moving inventories:						
- provided for/(reversal)	-	201,276	(755,086)	-	-	(553,810)



33. 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	
	31.3.2019 RM	31.3.2018 RM
Malaysia	14,428,835	37,086,918
United States of America	10,541,524	7,634,274
United Kingdom	1,448,206	1,805,596
Canada	8,318,267	9,549,657
Germany	42,314,838	33,155,577
France	781,908	1,982,549
Hong Kong	6,135,159	4,931,110
Netherlands	1,514,460	1,058,698
Mexico	-	367,237
Sweden	-	-
Other countries	19,859	374,533
	<u>85,503,056</u>	<u>97,946,149</u>

For the financial year, the revenue of 3 (2018: 2) customers which contributed more than 10% of the total revenue of the Group are RM32,322,601 (from manufacturing segment) and RM4,096,000 (from property development and construction segment) respectively. Total revenue of these major customers is RM36,418,601 (2018: RM36,115,000).

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 are consistent with the basis used for the statements of comprehensive income of the Group for the financial year ended 31 March 2019 and the statements of financial position as at 31 March 2019. The components of the segment assets and liabilities include all classes of assets and liabilities disclosed in the consolidated statement of financial position.

34. Financial instruments

Categories of financial instruments

Current financial year

The table below provides an analysis of financial instruments categorised as follows:

- (i) financial assets and liabilities measured at amortised cost ("AC"); and
- (ii) financial assets measured at fair value through profit or loss ("FVTPL").



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019
(CONTINUED)

34. Financial instruments (continued)

Categories of financial instruments (continued)

Current financial year (continued)

Group	Carrying amount RM	AC RM	FVTPL RM
31.3.2019			
Financial assets			
Receivables and deposits (excluding prepayments, advances to sub-contractors and GST receivables)	51,110,813	51,110,813	-
Marketable securities	6,316	-	6,316
Derivative assets receivable	2,625	-	2,625
Fixed deposits with licensed banks	2,967,493	2,967,493	-
Cash and bank balances	1,004,454	1,004,454	-
	<u>55,091,701</u>	<u>55,082,760</u>	<u>8,941</u>
Financial liabilities			
Hire purchase creditors	398,591	398,591	-
Term loans	13,995,503	13,995,503	-
Short term bank borrowings	14,206,753	14,206,753	-
Payables and accrued liabilities (excluding statutory liabilities)	31,601,704	31,601,704	-
	<u>60,202,551</u>	<u>60,202,551</u>	<u>-</u>
Company			
31.3.2019			
Financial assets			
Receivables and deposits (excluding prepayments)	36,209,177	36,209,177	-
Marketable securities	6,316	-	6,316
Cash and bank balances	46,308	46,308	-
	<u>36,261,801</u>	<u>36,255,485</u>	<u>6,316</u>
Financial liability			
Payables and accrued liabilities (excluding statutory liabilities)	14,269,454	14,269,454	-



34. Financial instruments (continued)

Categories of financial instruments (continued)

Previous financial year

The table below provides an analysis of financial instruments categorised as follows:

- (a) Financial assets measured at fair value through profit or loss ("FVTPL")
- (b) Loan and receivables ("L&R"); and
- (c) Financial liabilities measured at amortised cost ("FL").

Group	Carrying amount RM	FVTPL RM	L&R RM	FL RM
31.3.2018				
Financial assets				
Receivables and deposits (excluding prepayments, advances to sub- contractors and GST receivables)	35,628,274	-	35,628,274	-
Marketable securities	16,523	16,523	-	-
Fixed deposits with licensed banks	3,955,112	-	3,955,112	-
Cash and bank balances	1,040,341	-	1,040,341	-
	<u>40,640,250</u>	<u>16,523</u>	<u>40,623,727</u>	<u>-</u>
Financial liabilities				
Hire purchase creditors	359,286	-	-	359,286
Term loans	10,330,906	-	-	10,330,906
Short term bank borrowings	12,398,830	-	-	12,398,830
Payables and accrued liabilities (excluding statutory liabilities)	29,672,026	-	-	29,672,026
	<u>52,761,048</u>	<u>-</u>	<u>-</u>	<u>52,761,048</u>



34. Financial instruments (continued)

Categories of financial instruments (continued)

Previous financial year (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of reporting period based on contractual undiscounted repayments obligations:

Group	On demand or within one year RM	Two to five years RM	More than five years RM	Total RM
31.3.2019				
Payables and accrued liabilities	31,601,704	-	-	31,601,704
Hire-purchase creditors	123,576	319,812	-	443,388
Term loans	2,318,172	9,135,662	8,450,671	19,904,505
Short term bank borrowings	14,206,753	-	-	14,206,753
	<u>48,250,205</u>	<u>9,455,474</u>	<u>8,450,671</u>	<u>66,156,350</u>
31.3.2018				
Payables and accrued liabilities	29,672,026	-	-	29,672,026
Hire-purchase creditors	115,475	176,688	112,842	405,005
Term loans	1,303,516	6,089,480	2,937,910	10,330,906
Short term bank borrowings	12,398,830	-	-	12,398,830
	<u>43,489,847</u>	<u>6,266,168</u>	<u>3,050,752</u>	<u>52,806,767</u>



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

34. Financial instruments (continued)

Categories of financial instruments (continued)

Previous financial year (continued)

Group	Carrying amount RM	FVTPL RM	L&R RM	FL RM
1.4.2017				
Financial liabilities				
Hire purchase creditors	484,831	-	-	484,831
Term loans	11,607,806	-	-	11,607,806
Short term bank borrowings	11,520,322	-	-	11,520,322
Payables and accrued liabilities excluding statutory liabilities	34,234,088	-	-	34,234,088
	<u>57,847,047</u>	<u>-</u>	<u>-</u>	<u>57,847,047</u>
Company				
1.4.2017				
Financial assets				
Receivables and deposits (excluding prepayments)	35,657,721	-	35,657,721	-
Marketable securities	598,757	598,757	-	-
Cash and bank balances	221,693	-	221,693	-
	<u>36,478,171</u>	<u>598,757</u>	<u>35,879,414</u>	<u>-</u>
Financial liability				
Payables and accrued liabilities excluding statutory liabilities	12,131,076	-	-	12,131,076



34. Financial instruments (continued)
Categories of financial instruments (continued)
Net gains/(losses) arising from financial instruments

Group	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Net gains/(losses) arising on:			
Financial assets measured at amortised cost			
Allowance for expected credit loss			
- charge for the financial year	(136,958)	-	-
- write back	21,200	-	-
Interest income	142,308	-	-
Unrealised foreign exchange loss	(151,280)	-	-
	<u>(124,730)</u>	<u>-</u>	<u>-</u>
Financial assets measured at fair value through profit or loss			
Fair value (loss)/gain on:			
- marketable securities	(10,207)	(18,402)	113,898
- derivative financial instruments	2,625	-	6,401
Gain on disposal of marketable securities	-	5,481	15,432
Gross dividend income from marketable securities	-	3,868	21,275
	<u>(7,582)</u>	<u>(9,053)</u>	<u>157,006</u>
Loan and receivables			
Allowance for impairment loss			
- charge for the financial year	-	(5,771)	(120,414)
- write back	-	8,250	157,741
Interest income	-	123,972	159,244
Unrealised foreign exchange loss	-	(70,368)	(32,318)
	<u>-</u>	<u>56,083</u>	<u>164,253</u>
Financial liabilities measured at amortised cost			
Interest expenses	(1,800,171)	(1,574,834)	(829,873)
Unrealised foreign exchange (loss)/gain	(48,134)	121,418	(67,501)
	<u>(1,848,305)</u>	<u>(1,453,416)</u>	<u>(897,374)</u>



34. Financial instruments (continued)

Categories of financial instruments (continued)

Net gains/(losses) arising from financial instruments (continued)

Company	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Net gains/(losses) arising on:			
Financial assets measured at fair value through profit or loss			
Fair value (loss)/gain on:			
- marketable securities	(10,207)	(18,402)	113,898
Loan and receivables			
Allowance for impairment losses			
- charge for the financial year	-	-	(592,513)
Interest income	-	767	1,325,194
	-	767	732,681

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its credit risk, interest rate risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

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

Trade receivables are monitored on an ongoing basis via the Group's 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 and the Company. Management will continuously monitor closely the trade receivables which are past due.



34. Financial instruments (continued)

Credit risk (continued)

Credit risk arising from OEM

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

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

Credit risk arising from construction activities

The Group has significant concentration of credit risk in the form of outstanding balance due from 3 customers (2018: 2 customers and 2017: 2 customers) representing 44% (2018: 63% and 2017: 48%) of the total trade receivables. The Group considers the risk of default by the trade receivable relating to its construction activity to be low as the major contract is under a government agency. Trade receivables from other various constructions projects are monitored on an ongoing 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 Groups' 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.



34. Financial instruments (continued)

Credit risk (continued)

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.

Financial guarantees

The fair value of financial guarantees provided by the Company to banks to secure obligations under finance lease granted to certain subsidiaries with nominal amount of RM25,483,409 (2018: RM22,729,736 and RM27,252,921) are negligible because the actual interest charged by the banks are not materially different from the borrowing costs of the subsidiaries and the outstanding borrowings are adequately secured by plant and equipment of the subsidiaries in which their market values upon realisation are expected to be higher than the outstanding borrowing amounts.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position except for financial guarantee contracts applicable to the Group and the Company.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

34. Financial instruments (continued)

Credit risk (continued)

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date is as follows:

	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
At 31 March 2019			
Not past due	15,850,447	-	15,850,447
1 to 60 days past due	4,058,257	-	4,058,257
61 to 120 days past due	1,648,375	-	1,648,375
More than 121 days past due	25,756,336	-	25,756,336
	47,313,415	-	47,313,415
Credit impaired			
Individually impaired	2,233,691	(2,233,691)	-
	49,547,106	(2,233,691)	47,313,415

Comparative information under MFRS 139, Financial instruments: Recognition and Measurement

	Gross amount RM	Individual impairment RM	Carrying amount RM
At 31 March 2018			
Not past due	22,411,168	-	22,411,168
Past due:			
- 1 to 60 days	2,315,740	-	2,315,740
- 61 to 120 days	3,181,502	-	3,181,502
- More than 121 days	7,488,374	(2,119,270)	5,369,104
	35,396,784	(2,119,270)	33,277,514

Ageing analysis (continued)

	Gross amount RM	Individual impairment RM	Carrying amount RM
At 1 April 2017			
Not past due	26,367,795	-	26,367,795
Past due:			
- 1 to 60 days	2,358,728	-	2,358,728
- 61 to 120 days	223,964	-	223,964
- More than 121 days	7,424,987	(2,173,525)	5,251,462
	36,375,474	(2,173,525)	34,201,949



34. Financial instruments (continued)

Credit risk (continued)

Ageing analysis (continued)

Receivables that are neither past due nor impaired

Bank balances are mainly deposits placed with reputable licensed banks in Malaysia. Trade and non-trade receivables that are neither past due nor impaired are due from credit-worthy debtors with a 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

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 contracts. Certain portions of these debts have been repaid subsequent to the last financial year end.

Receivables that are impaired

Trade receivables of the Group that are individually impaired at the end of the reporting period relate mainly to specific doubtful debtors in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk is minimal as the Group rarely placed any deposits with financial institutions in Malaysia. Majority of the borrowings are contracted on variable terms.



34. Financial instruments (continued) Interest rate risk (continued)

31.3.2019

Fixed rate instruments

Financial asset

Fixed deposit with licensed bank

Effective interest
rate per annum
%

Carrying
amount
RM

3.33%

2,967,493

Financial liability

Hire purchase creditors

4.76% to 7.18%

(398,591)

2,568,902

Variable rate instruments

Financial liabilities

Trade finance liabilities

5.55% to 6.64%

(2,718,847)

Foreign currency revolving credit

5.39%

(1,729,460)

Bank overdrafts

8.08% to 8.37%

(9,758,446)

Term loans

5.10% to 7.46%

(13,995,503)

(28,202,256)

(25,633,354)

31.3.2018

Fixed rate instruments

Financial asset

Fixed deposit with licensed bank

3.00%

3,955,112

Financial liability

Hire purchase creditors

4.52% to 7.18%

(359,286)

3,595,826

Variable rate instruments

Financial liabilities

Trade finance liabilities

6.54%

(597,091)

Foreign currency revolving credit

4.71%

(1,637,870)

Bank overdrafts

8.32%

(10,163,869)

Term loans

7.46% to 8.04%

(10,330,906)

(22,729,736)

(19,133,910)



34. Financial instruments (continued) Interest rate risk (continued)

1.4.2017

Fixed rate instruments

Financial asset

Fixed deposit with licensed bank

Effective interest
rate per annum
%

2.75%

Carrying
amount
RM

3,840,992

Financial liability

Hire purchase creditors

4.52% to 7.18%

(484,831)

3,356,161

Variable rate instruments

Financial liabilities

Trade finance liabilities

6.63%

(656,271)

Foreign currency revolving credit

3.77%

(1,930,270)

Bank overdrafts

7.63%

(8,933,781)

Term loans

7.10% to 7.70%

(11,607,806)

(23,128,128)

(19,771,967)

Interest rate risk sensitivity analysis

The following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's profits:

	31.3.2019 Increase/ (Decrease) RM	31.3.2018 Increase/ (Decrease) RM	1.4.2017 Increase/ (Decrease) RM
Effects on profit after taxation:			
Increase by 10 basis points	(1,948)	(1,454)	(1,503)
Decrease by 10 basis points	1,948	1,454	1,503

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company maintains sufficient cash and ensures availability of funding through an adequate but flexible amount of credit facilities obtained from financial institutions in Malaysia. Borrowings are maintained with varying maturities to ensure sufficient cash inflow from operations is available to meet all repayment requirements. The Company also obtains funding through intercompany advances for the purpose of its working capital.



34. Financial instruments (continued)

Categories of financial instruments (continued)

Previous financial year (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of reporting period based on contractual undiscounted repayments obligations:

Group	On demand or within one year RM	Two to five years RM	More than five years RM	Total RM
31.3.2019				
Payables and accrued liabilities	31,601,704	-	-	31,601,704
Hire-purchase creditors	123,576	319,812	-	443,388
Term loans	2,318,172	9,135,662	8,450,671	19,904,505
Short term bank borrowings	14,206,753	-	-	14,206,753
	<u>48,250,205</u>	<u>9,455,474</u>	<u>8,450,671</u>	<u>66,156,350</u>
31.3.2018				
Payables and accrued liabilities	29,672,026	-	-	29,672,026
Hire-purchase creditors	115,475	176,688	112,842	405,005
Term loans	1,303,516	6,089,480	2,937,910	10,330,906
Short term bank borrowings	12,398,830	-	-	12,398,830
	<u>43,489,847</u>	<u>6,266,168</u>	<u>3,050,752</u>	<u>52,806,767</u>



34. Financial instruments (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group	On demand or within one year RM	Two to five years RM	More than five years RM	Total RM
1.4.2017				
Payables and accrued liabilities	34,234,088	-	-	34,234,088
Hire-purchase creditors	146,784	233,267	171,738	551,789
Term loans	2,060,328	7,904,440	5,018,794	14,983,562
Short term bank borrowings	11,520,322	-	-	11,520,322
	<u>47,961,522</u>	<u>8,137,707</u>	<u>5,190,532</u>	<u>61,289,761</u>
Company				
31.3.2019				
Payables and accrued liabilities	<u>14,269,454</u>	-	-	<u>14,269,454</u>
31.3.2018				
Payables and accrued liabilities	<u>13,230,495</u>	-	-	<u>13,230,495</u>
1.4.2017				
Payables and accrued liabilities	<u>12,131,076</u>	-	-	<u>12,131,076</u>



34. Financial instruments (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency 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 ("USD"), Chinese Renminbi ("RMB") and Ringgit Malaysia ("RM").

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.

The Group's exposure to foreign currency is as follows:

	RMB RM	USD RM	Euro RM	Total RM
Group				
31.3.2019				
Financial assets				
Receivables, deposits and prepayments	-	9,581,799	2,127,761	11,709,560
Cash and bank balances	-	131,084	362	131,446
	-	9,712,883	2,128,123	11,841,006
Financial liability				
Payables and accrued liabilities	(2,178,544)	(1,744,836)	(2,930)	(3,926,310)
Net currency exposure	(2,178,544)	7,968,047	2,125,193	7,914,696



34. Financial instruments (continued) Foreign currency risk (continued)

Group	RMB RM	USD RM	Euro RM	Total RM
31.3.2018				
Financial assets				
Receivables, deposits and prepayments	-	3,254,535	1,477,809	4,732,344
Cash and bank balances	-	14,071	238,643	252,714
	-	3,268,606	1,716,452	4,985,058
Financial liability				
Payables and accrued liabilities	(2,295,978)	(2,653,628)	-	(4,949,606)
Net currency exposure	(2,295,978)	614,978	1,716,452	35,452
1.4.2017				
Financial assets				
Receivables, deposits and prepayments	-	2,647,211	2,410,949	5,058,160
Cash and bank balances	-	3,873	247,894	251,767
	-	2,651,084	2,658,843	5,309,927
Financial liability				
Payables and accrued liabilities	(1,340,163)	(2,457,753)	-	(3,797,916)
Net currency exposure	(1,340,163)	193,331	2,658,843	1,512,011

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

Group	2019 Increase/ (Decrease) RM	2018 Increase/ (Decrease) RM	2017 Increase/ (Decrease) RM
Effects on profit after taxation:			
RMB/RM			
Strengthen by 5% (2018: 5% and 2017: 5%)	(82,785)	(87,247)	(50,926)
Weaken by 5% (2018: 5% and 2017: 5%)	82,785	87,247	50,926



34. Financial instruments (continued)

Foreign currency risk (continued)

Foreign currency risk sensitivity analysis (continued)

Group	2019 Increase/ (Decrease) RM	2018 Increase/ (Decrease) RM	2017 Increase/ (Decrease) RM
Effects on profit after taxation:			
USD/RM			
Strengthen by 5% (2018: 5% and 2017: 5%)	(302,786)	(23,369)	(7,347)
Weaken by 5% (2018: 5% and 2017: 5%)	302,786	23,369	7,347
Euro/RM			
Strengthen by 5% (2018: 5% and 2017: 5%)	(80,757)	(65,225)	(101,036)
Weaken by 5% (2018: 5% and 2017: 5%)	80,757	65,225	101,036

35. Fair values

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 (i.e. Cash and bank 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.



35. Fair values (continued)

Fair value hierarchy

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.3.2019				
Assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	4,100,000	-	4,100,000
Marketable securities	6,316	-	-	6,316
Derivative financial instruments	-	2,625	-	2,625
31.3.2018				
Assets				
Property, plant and equipment	-	-	20,833,974	20,833,974
Investment properties	-	4,100,000	-	4,100,000
Marketable securities	16,523	-	-	16,523
1.4.2017				
Assets				
Property, plant and equipment	-	-	21,267,082	21,267,082
Investment properties	-	4,100,000	-	4,100,000
Marketable securities	598,757	-	-	598,757
Derivative financial instruments	-	6,401	-	6,401
Company				
31.3.2019				
Assets				
Investment properties	-	4,100,000	-	4,100,000
Marketable securities	6,316	-	-	6,316
31.3.2018				
Assets				
Investment properties	-	4,100,000	-	4,100,000
Marketable securities	16,523	-	-	16,523



35. Fair values (continued)

Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
1.4.2017				
Assets				
Investment properties	-	4,100,000	-	4,100,000
Marketable securities	598,757	-	-	598,757

There are no derivative financial instruments outstanding as at 31 March 2018 for the Group and the Company.

The fair values of financial instruments trade 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 engaged 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 11 is classified under Level 2 as the fair value is derived using the market value of similar properties in the same locality.

The fair value of the land and buildings included in property, plant and equipment disclosed in Note 10 to the financial statements 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 for land is price per square feet which is RM23 to RM67 (2018: RM23 to RM58 and 2017: RM23 to RM58) per square feet. Buildings of the Group comprise of factory buildings, hostel and residential properties for employees. Adjustment is made for location, size, shape of lot, site facilities, time element for land and building extension and physical condition of the buildings.

Assuming all variables remain constant, a 5% (2018: 5% and 2017: 5%) increase in unobservable input in price per square feet would lead to an increase of RM381,500 (2018: RM378,500 and 2017: RM378,500) of the fair values of the freehold land of the Group and the Company. Conversely, a 5% decrease would have had equal but opposite effects.

There is no transfer between Level 1, 2 and 3 during the financial year.



36. Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parent.

The gearing ratios of the Group are as follows:

	31.3.2019 RM	31.3.2018 RM	1.4.2017 RM
Borrowings	28,600,847	23,089,022	23,612,959
Less: Cash and bank balances	(1,004,454)	(1,040,341)	(1,121,654)
Net debt	27,596,393	22,048,681	22,491,305
Total equity	88,355,960	86,564,645	86,102,015
Total capital	115,952,353	108,613,326	108,593,320
Gearing ratio	23.80%	20.30%	20.71%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 March 2019.

The Group is not subject to any other externally imposed capital requirements.



37. First-time adoption of MFRS Framework and changes in comparatives

The financial effects of the first-time adoption of the MFRS Framework as disclosed in Note 1 and changes in certain comparative amounts to conform with the current year financial statements presentation for the Group and the Company are as follows:

Statements of Profit or Loss and Other Comprehensive Income For the financial year ended 31 March 2018

	As previously stated RM	Adoption of MFRS 9 RM	Prior year adjustments RM	As restated RM
Group				
Revenue	97,946,149	-	-	97,946,149
Cost of sales	(82,196,548)	-	-	(82,196,548)
Gross profit	15,749,601	-	-	15,749,601
Other operating income	1,977,981	-	-	1,977,981
Selling and distribution costs	(2,609,941)	-	-	(2,609,941)
Administrative expenses	(11,304,698)	5,771	-	(11,298,927)
Other operating expenses	(18,402)	-	-	(18,402)
Net loss on impairment of financial assets	-	(5,771)	-	(5,771)
Profit from operations	3,794,541	-	-	3,794,541
Finance cost	(1,531,587)	-	(52,231)	(1,583,818)
Profit before tax	2,262,954	-	(52,231)	2,210,723
Tax expenses	(948,093)	-	-	(948,093)
Total comprehensive income for the financial year	1,314,861	-	(52,231)	1,262,630
Profit/(loss) attributable to:				
Owners of the parent	1,379,780	-	(52,231)	1,327,549
Non-controlling interests	(64,919)	-	-	(64,919)
	1,314,861	-	(52,231)	1,262,630
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,379,780	-	(52,231)	1,327,549
Non-controlling interests	(64,919)	-	-	(64,919)
	1,314,861	-	(52,231)	1,262,630



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

37. First-time adoption of MFRS Framework and changes in comparatives (continued)

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2018 (continued)

	As previously stated RM	Adoption of MFRS 9 RM	Comparative adjustment RM	As restated RM
Company				
Revenue	-	-	168,000	168,000
Cost of sales	-	-	-	-
Gross profit	-	-	168,000	168,000
Other operating income	295,084	-	(168,000)	127,084
Administrative expenses	(778,742)	136,800	-	(641,942)
Other operating expenses	(155,202)	-	-	(155,202)
Net loss on impairment of financial assets	-	(136,800)	-	(136,800)
Loss from operations	(638,860)	-	-	(638,860)
Finance cost	-	-	-	-
Loss before tax	(638,860)	-	-	(638,860)
Tax expenses	(61,491)	-	-	(61,491)
Total comprehensive loss for the financial year	(700,351)	-	-	(700,351)



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

37. First-time adoption of MFRS Framework and changes in comparatives (continued)

Statements of Consolidated Financial Position

As at 31 March 2018

Group	As previously stated RM	Comparative adjustments RM	Prior year adjustments RM	As restated RM
ASSETS				
Non-current assets				
Property, plant and equipment	25,255,998	-	-	25,255,998
Investment properties	4,100,000	-	-	4,100,000
Goodwill	-	-	-	-
Deferred tax assets	749,368	-	-	749,368
	30,105,366	-	-	30,105,366
Current assets				
Property development costs	42,175,461	(41,126,484)	(1,048,977)	-
Inventories	25,898,335	41,126,484	-	67,024,819
Receivables, deposits and prepayments	37,394,760	-	-	37,394,760
Contract assets	-	-	-	-
Tax recoverable	2,379,626	-	-	2,379,626
Marketable securities	16,523	-	-	16,523
Fixed deposit with licensed banks	3,955,112	-	-	3,955,112
Cash and bank balances	1,040,341	-	-	1,040,341
	112,860,158	-	(1,048,977)	111,811,181
TOTAL ASSETS	142,965,524	-	(1,048,977)	141,916,547

As at 31 March 2018

Group	As previously stated RM	Comparative adjustments RM	Prior year adjustments RM	As restated RM
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	49,419,360	-	-	49,419,360
Other reserves	10,300,415	-	-	10,300,415
Retained profits	28,919,262	-	(1,048,977)	27,870,285
	88,639,037	-	(1,048,977)	87,590,060
Non-controlling interests	(1,025,415)	-	-	(1,025,415)
Total equity	87,613,622	-	(1,048,977)	86,564,645



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

37. First-time adoption of MFRS Framework and changes in comparatives (continued)

Statements of Consolidated Financial Position

As at 31 March 2018 (continued)

	As previously stated RM	Comparative adjustments RM	Prior year adjustments RM	As restated RM
Non-current liabilities				
Hire-purchase creditors	258,676	-	-	258,676
Term loans	9,027,390	-	-	9,027,390
Deferred tax liabilities	874,248	-	-	874,248
	10,160,314	-	-	10,160,314
Current liabilities				
Payables and accrued liabilities	29,702,791	-	-	29,702,791
Provisions	1,685,841	(1,099,693)	-	586,148
Contract liability	-	1,099,693	-	1,099,693
Hire purchase creditors	100,610	-	-	100,610
Term loans	1,303,516	-	-	1,303,516
Short term bank borrowings:				
- Bank overdrafts	10,163,869	-	-	10,163,869
- others	2,234,961	-	-	2,234,961
	45,191,588	-	-	45,191,588
Total liabilities	55,351,902	-	-	55,351,902
TOTAL EQUITY AND LIABILITIES	142,965,524	-	(1,048,977)	141,916,547



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

37. First-time adoption of MFRS Framework and changes in comparatives (continued)

Statements of Consolidated Financial Position

As at 1 April 2017

Group	As previously stated RM	Comparative adjustments RM	Prior year adjustments RM	As restated RM
ASSETS				
Non-current assets				
Property, plant and equipment	25,266,920	-	-	25,266,920
Investment properties	4,100,000	-	-	4,100,000
Goodwill	-	-	-	-
Deferred tax assets	1,092,658	-	-	1,092,658
	30,459,578	-	-	30,459,578
Current assets				
Property development costs	55,988,476	(54,991,730)	(996,746)	-
Inventories	15,107,274	54,991,730	-	70,099,004
Receivables, deposits and prepayments	42,237,215	(3,514,909)	-	38,722,306
Contract assets	-	3,514,909	-	3,514,909
Tax recoverable	458,601	-	-	458,601
Marketable securities	598,757	-	-	598,757
Derivative assets receivable	6,401	-	-	6,401
Fixed deposit with licensed banks	3,840,992	-	-	3,840,992
Cash and bank balances	1,121,654	-	-	1,121,654
	119,359,370	-	(996,746)	118,362,624
TOTAL ASSETS	149,818,948	-	(996,746)	148,822,202
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	49,419,360	-	-	49,419,360
Other reserves	10,300,415	-	-	10,300,415
Retained profits	28,339,482	-	(996,746)	27,342,736
	88,059,257	-	(996,746)	87,062,511
Non-controlling interests	(960,496)	-	-	(960,496)
Total equity	87,098,761	-	(996,746)	86,102,015



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

(CONTINUED)

37. First-time adoption of MFRS Framework and changes in comparatives (continued)

Statements of Consolidated Financial Position

As at 1 April 2017 (continued)

	As previously stated RM	Comparative adjustments RM	Prior year adjustments RM	As restated RM
Non-current liabilities				
Hire-purchase creditors	359,813	-	-	359,813
Term loans	10,318,750	-	-	10,318,750
Deferred tax liabilities	1,009,732	-	-	1,009,732
	11,688,295	-	-	11,688,295
Current liabilities				
Payables and accrued liabilities	34,266,399	-	-	34,266,399
Provisions	3,112,392	(2,508,089)	-	604,303
Contract liability	-	2,508,089	-	2,508,089
Tax payable	718,705	-	-	718,705
Hire purchase creditors	125,018	-	-	125,018
Term loans	1,289,056	-	-	1,289,056
Short term bank borrowings:				
- Bank overdrafts	8,933,781	-	-	8,933,781
- others	2,586,541	-	-	2,586,541
	51,031,892	-	-	51,031,892
Total liabilities	62,720,187	-	-	62,720,187
TOTAL EQUITY AND LIABILITIES	149,818,948	-	(996,746)	148,822,202

Statements of Cash Flows

For the financial year ended 31 March 2018

	As previously stated RM	Reclassification RM	As restated RM
Group			
Net cash (used in)/generated from operating activities	(754,861)	915,752	160,891
Net cash used in investing activities	(434,645)	109,260	(325,385)
Net cash used in financing activities	(121,895)	(1,033,655)	(1,155,550)
Net decrease in cash and cash equivalents	(1,311,401)	(8,643)	(1,320,044)
Cash and cash equivalents at 1 April 2017	(7,812,589)	(433,377)	(8,245,966)
Effect of exchange rate changes	462	-	462
Cash and cash equivalents at 31 March 2018	(9,123,528)	(442,020)	(9,565,548)



38. Subsequent event

(i) Proposed Bonus issue

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

On 28 February 2019, the company issued the Circular for the Extraordinary General Meeting ("EGM") to be held on 20 March 2019 for the Proposed Bonus Issue and Proposed Land Acquisition accordingly.

On 25 March 2019, M&A Securities Sdn. Bhd, on behalf of the Company announced the the EGM' book closure date for the Bonus Shares on 5 April 2019.

On 25 March 2019, M&A Securities Sdn Bhd, on behalf of the Company announced the book closure date for the Bonus Shares on 5 April 2019.

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

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

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

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

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

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



38. Subsequent event (continued)

(i) Proposed Bonus issue (continued)

On 9 April 2019, M&A Securities Sdn Bhd, on behalf of the Company announced that 81,345,600 Bonus Shares have been issued arising from the Bonus Issue. Subsequent to the Bonus Issue, the existing Warrants 2018/2021 Holders shall be entitled to additional Warrants based on the ratio of 1 additional warrant for every 1 warrant held on 9 April 2019, and the exercise price will be revised from RM0.38 to RM0.19.

On 10 April 2019, M&A Securities Sdn Bhd on behalf of the Company announced the listing and quotation of 81,345,600 Bonus Bonus Shares arising from the Bonus Issue and 38,654,400 new additional Warrants 2018/2021 arising from the adjustment to the number of outstanding Warrants 2018/2021 pursuant to the Bonus Issue.

39. General information

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 principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

The principal place of business of the Company are located at Lot 2661, 3rd Mile, Jalan Maharaja Lela, 36000 Teluk Intan, Perak Darul Ridzuan.

The registered office of the Company is located at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Darul Ehsan.

The financial statements were approved and authorised for issue by the Board of Directors on 22 July 2019.



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	2,900,000
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building (4 storey shophouse)	Leasehold 14 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 23 years	-	15,250	31.03.2019	380,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 21 years	-	11,100	31.03.2019	350,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 19 years	-	28,140	31.03.2019	1,420,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	274,972	31.03.2019	6,450,000



LANDED PROPERTIES

AS AT 31 MARCH 2019

(CONTINUED)

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 22 years	-	69,928	31.03.2019	4,550,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 15 years	-	76,800	31.03.2019	5,650,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½-storey factory building	Freehold 12 years	-	8,400	31.03.2019	430,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 12 years	-	7,200	31.03.2019	260,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey surau	Freehold 12 years	-	625	31.03.2019	20,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey factory building	Freehold 12 years	-	1,980	31.03.2019	65,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1- storey hostel	Freehold 11 years		7,200	31.03.2019	340,000
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	1,200	31.03.2019	80,000



LANDED PROPERTIES

AS AT 31 MARCH 2019
(CONTINUED)

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	2-storey residential property for staff accommodation	Freehold 17 years	-	1,693	31.03.2019	90,000
Tapah Road, Plot 31, 32 and 39, Mukim of Batang Padang, District of Batang Padang (Master title has been subdivided into individual subtitles)	Residential and commercial land – Development in progress	Leasehold	15-02-2112	52.79 acres	27.06.2011	3,674,235



ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2019

Total Number of Issued Shares	:	163,633,700 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	1 vote per share
No. of Shareholders	:	1,659

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 25 JULY 2019

Size of shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	182	10.97	3,348	0.00
100 – 1,000	239	14.41	79,862	0.05
1,001 – 10,000	790	47.62	3,842,390	2.35
10,001 – 100,000	369	22.24	12,186,500	7.45
100,001 – less than 5% of issued shares	74	4.46	29,059,700	17.76
5% and above of issued shares	5	0.30	118,461,900	72.39
	1,659	100.00	163,633,700	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 25 JULY 2019

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Goh Choon Kim	51,869,200	31.70		
Datin Fong Nyok Yoon	27,260,000	16.66	25,464,000 (a)	15.56
Dato' Chuah Chin Lai	18,864,000	11.53	33,860,000 (b)	20.69
Ni Hsin Resources Berhad	14,228,700	8.70		

Notes:-

- Deemed interested in the shareholdings of her spouse, Dato' Chuah Chin Lai and by virtue of her substantial shareholdings in Island Synergy Sdn Bhd pursuant to Section 8(4)(c) of the Companies Act 2016 ("the Act").
- Deemed interested in the shareholdings of his spouse, Datin Fong Nyok Yoon and by virtue of his substantial shareholdings in Island Synergy Sdn Bhd pursuant of Section 8(4)(c) of the Act.



ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2019
(CONTINUED)

DIRECTORS' SHAREHOLDINGS AS AT 25 JULY 2019

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Datin Fong Nyok Yoon	27,260,000	16.66	25,464,000 (a)	15.56
Dato' Chuah Chin Lai	18,864,000	11.53	33,860,000 (b)	20.69

Notes:-

- (a) Deemed interested in the shareholdings of her spouse, Dato' Chuah Chin Lai and by virtue of her substantial shareholdings in Island Synergy Sdn Bhd pursuant to Section 8(4)(c) of the Act.
- (b) Deemed interested in the shareholdings of his spouse, Datin Fong Nyok Yoon and by virtue of her substantial shareholdings in Island Synergy Sdn Bhd pursuant to Section 8(4)(c) of the Act.



ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2019
(CONTINUED)

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

NO.	Name of Shareholders	No. of Shares	% of Issued Shares
1	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Goh Choon Kim</i>	51,869,200	31.70
2	FONG NYOK YOON	27,060,000	16.54
3	CHUAH CHIN LAI	18,704,000	11.43
4	NI HSIN RESOURCES BERHAD	14,228,700	8.70
5	ISLAND SYNERGY SDN BHD	6,600,000	4.03
6	LUHUR SEJAHERA SDN BHD	2,417,400	1.48
7	TRANSAKSI AZAM SDN BHD	2,093,400	1.28
8	CHUAH PEI YI	1,900,600	1.16
9	KENANGA CAPITAL SDN BHD <i>Pledged Securities Account for Khoo Chee Kong</i>	1,540,000	0.94
10	MING ENGINEERING PLASTIC SDN BHD	1,104,000	0.67
11	SHEILA ANN KESSLER	1,083,400	0.66
12	ORCHARD PK FEEDS (M) SDN BHD	1,000,000	0.61
13	SYED NIZAM BIN SYED JALALUDIN	945,000	0.58
14	ONG JOO VOON	861,800	0.53
15	M & A NOMINEE (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tan Choon Hwa (M&A)</i>	800,000	0.49
16	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KIM HWA	747,000	0.46
17	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Zulkifli Bin Ismail</i>	717,000	0.44
18	LIAM HOOI LING	650,000	0.40
19	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Teo Ker-Wei (Margin)</i>	600,000	0.37
20	OTHMAN BIN MERAH	507,600	0.31
21	CHANG NYUET LIM	500,000	0.31
22	ONG AH POH	488,800	0.30
23	OW TIEW SEE	427,200	0.26
24	TA NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Aw Sen Loi</i>	390,100	0.24
25	FAZILAH BINTI DAWAN	380,000	0.23
26	TAM SENG CHOY	360,000	0.22
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Yap Chin Hock (7003122)</i>	326,000	0.20
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account For Chow Choon Futt (E-Tcs)</i>	320,000	0.20
29	GAN GEOK KIAM	300,000	0.18
30	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Yap Kim Yu</i>	300,000	0.18
TOTAL		139,221,200	85.08



ANALYSIS OF WARRANT HOLDINGS

AS AT 28 JUNE 2019

Number of Outstanding Warrants	: 76,391,300
Issue Date	: 23 April 2018
Expiry date of Warrants	: 22 April 2021
Voting Rights	: None unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrant	: RM0.19
No. of Warrant holders	: 1,389

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 28 JUNE 2019

Size of Warrant Holdings	No. of Warrant Holders / Depositors	% of Warrant Holders / Depositors	No. of Warrants Held	% of Issued Warrants
Less than 100	200	14.40	3,156	0.01
100 – 1,000	483	34.77	268,120	0.35
1,001 – 10,000	512	36.86	2,300,200	3.01
10,001 – 100,000	150	10.80	5,135,700	6.72
100,001 – less than 5% of issued warrants	40	2.88	42,322,124	55.40
5% and above of issued warrants	4	0.29	26,362,000	34.51
	1,389	100.00	76,391,300	100.00

DIRECTORS' WARRANT HOLDINGS AS PER REGISTER OF DIRECTORS' WARRANTS HOLDINGS AS AT 28 JUNE 2019

	Direct Interest		Deemed Interest	
	No. of Warrants Held	% of Issued Warrants	No. of Warrants Held	% of Issued Warrants
Datin Fong Nyok Yoon	13,630,000	17.84	12,732,000 (a)	16.67
Dato' Chuah Chin Lai	12,732,000	16.67	13,630,000 (b)	17.84

Notes:-

(a) Deemed interested in the Warrants held by her spouse, Dato' Chuah Chin Lai.

(b) Deemed interested in the Warrants held by his spouse, Datin Fong Nyok Yoon.



ANALYSIS OF WARRANT HOLDINGS

AS AT 28 JUNE 2019 (CONTINUED)

TOP 30 WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Warrant Holders	No. of Warrants	% of Issued Warrants
1	NI HSIN RESOURCES BERHAD	13,614,124	17.82
2	FONG NYOK YOON	13,530,000	17.71
3	CHUAH CHIN LAI	12,652,000	16.56
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Goh Choon Kim</i>	8,184,400	10.71
5	CHONG JONG SIEW	3,641,300	4.77
6	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Goh Choon Kim</i>	3,275,200	4.29
7	LIAM HOOI LING	2,325,800	3.04
8	MING ENGINEERING PLASTIC SDN. BHD.	1,318,800	1.73
9	JS NOMINEES (TEMPATAN) SDN BHD <i>Cimb Bank for Yoong Sin Kuen (MY1568)</i>	1,110,600	1.45
10	ONG JOO VOON	972,000	1.27
11	CHUAH PEI YI	682,600	0.89
12	TAN YENG FATT	650,000	0.85
13	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Lee Tian Fatt (Rem 878- Margin)</i>	600,000	0.79
14	HENG SOON HAU	530,000	0.69
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Liam Hoe Sean (E-BMM)</i>	333,800	0.44
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Yap Chin Hock (7003122)</i>	330,000	0.43
17	LOW KIM PENG	324,000	0.42
18	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Ang Hooi Kheng</i>	301,000	0.39
19	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Yap Kim Yu</i>	280,000	0.37
20	M & A NOMINEE (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tang Soon Chye</i>	276,000	0.36
21	NG PO YONG	260,000	0.34
22	LAU SUH GIUAN	245,000	0.32
23	CHEAH SEOW HING	234,000	0.31
24	LEE JOO ENG	220,000	0.29
25	FAZILAH BINTI DAWAN	190,000	0.25
26	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD <i>Exempt an for Phillip Capital Management Sdn Bhd (EPF)</i>	180,000	0.24
27	HLIB NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Goh Beng De @ Gho Beng De (CCTS)</i>	174,000	0.23
28	TA NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Aw Sen Loi</i>	172,000	0.23



ANALYSIS OF WARRANT HOLDINGS

AS AT 28 JUNE 2019 (CONTINUED)

TOP 30 WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS (continued)

No.	Name of Warrant Holders	No. of Warrants	% of Issued Warrants
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Ong Cheng Heang @ Ong Cheng Hean</i>	170,200	0.22
30	LAU LEA KOON @ LAN LEA KOON	165,000	0.22
TOTAL		66,941,824	87.63



By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accepts and agrees to the Personal Data Privacy terms set out in the Notice of AGM dated 30 July 2019.

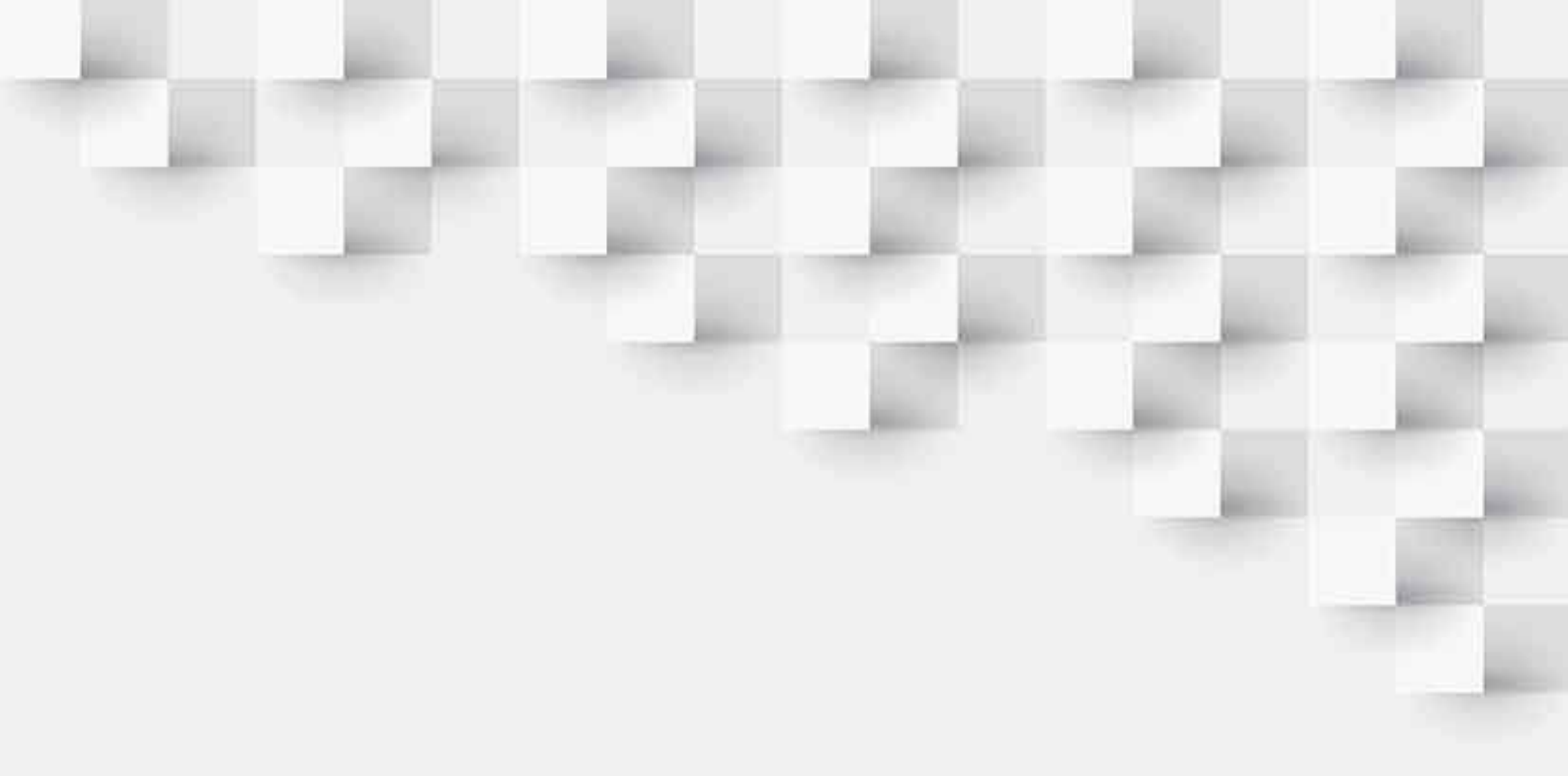
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CAELY HOLDINGS BHD.
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