Caely Holdings Bhd.

Registration No. 199601036023 (408376-U)

your greatest comfort
is our upmost contentment

ANNUAL REPORT 2022

VISION

To be No.1 International Lingerie manufacturer and leading direct selling company through multi-level marketing system in Malaysia

MISSION

- To offer latest and highest quality products for our global customers.
- To offer world-class manufacturing solution and after sale service for total customer satisfaction.
- To provide employee and business associates with growth opportunities for greater success as a team.
- To restore and protect global environment with use of technologically advanced eco-friendly materials to promote long term sustainability for present and future generations

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tuan Ng Keok Chai
Executive Chairman

Leong Seng Wui
Executive Director

Kenny Khow Chuan Wah
Executive Director

Dato' Kang Chez Chiang
Independent Non-Executive Director

Krishnan A/L Dorairaju
Independent Non-Executive Director

Dato' Pahlawan Mior Faridalathrash Bin Wahid
Independent Non-Executive Director

Chong Seng Ming
Independent Non-Executive Director

AUDIT COMMITTEE

Krishnan A/L Dorairaju *(Chairman)*
Dato' Kang Chez Chiang *(Member)*
Dato' Pahlawan Mior Faridalathrash Bin Wahid *(Member)*
Chong Seng Ming *(Member)*

RISK MANAGEMENT COMMITTEE

Chong Seng Ming *(Chairman)*
Dato' Kang Chez Chiang *(Member)*
Krishnan A/L Dorairaju *(Member)*

REMUNERATION COMMITTEE

Dato' Pahlawan Mior Faridalathrash Bin Wahid
Dato' Kang Chez Chiang *(Member)*
Krishnan A/L Dorairaju *(Member)*

NOMINATION COMMITTEE

Dato' Kang Chez Chiang *(Chairman)*
Krishnan A/L Dorairaju *(Member)*
Dato' Pahlawan Mior Faridalathrash Bin Wahid *(Member)*
Chong Seng Ming *(Member)*

COMPANY SECRETARIES

P'ng Chiew Keem
(MAICSA 7026443)
(SSM Practicing Certificate No. 201908002334)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : CAELY
Stock Code : 7154

REGISTERED OFFICE

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Malaysia
Tel : 04 – 210 8833
Fax : 04 – 210 8831

AUDITORS

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

SHARE REGISTRAR

Symphony Corporate Services Sdn Bhd
[Registration No. 201201037454 (1021936-V)]
The Gamuda Biz Suites
S-4-04 No. 12, Jalan Anggerik Vanilla 31/99
Kota Kemuning
40460 Shah Alam
Selangor
Malaysia
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
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting ("**AGM**") of the Company will be conducted fully virtual through live streaming and online participation and voting using Remote Participation and Voting ("**RPV**") facilities via the online meeting platform at https://www.symphonycorporateservices.com.my provided by Symphony Corporate Services Sdn Bhd in Malaysia (Domain registration number D1C534619) on Monday, 28 November 2022 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial period ended 30 June 2022 together with the Reports of Directors and Auditors thereon. — Please refer to Note 8

2. To re-elect Leong Seng Wui, a Director who retires pursuant with Clause 99 of the Company's Constitution and who, being eligible, offers himself for re-election. — **Ordinary Resolution 1**

3. To re-elect Kenny Khow Chuan Wah, a Director who retires pursuant with Clause 102 of the Company's Constitution and who, being eligible, offers himself for re-election. — **Ordinary Resolution 2**

4. To re-elect Dato' Pahlawan Mior Faridalathrash Bin Wahid, a Director who retires pursuant with Clause 102 of the Company's Constitution and who, being eligible, offers himself for re-election. — **Ordinary Resolution 3**

5. To re-elect Chong Seng Ming, a Director who retires pursuant with Clause 102 of the Company's Constitution and who, being eligible, offers himself for re-election. — **Ordinary Resolution 4**

6. To approve the payment of Directors' fees up to an amount not exceeding RM435,000 for the financial year ending 30 June 2023 until the conclusion of the next AGM of the Company. — **Ordinary Resolution 5**

7. To approve the payment of Directors' benefits up to an amount not exceeding RM100,000 for the financial year ending 30 June 2023 until the conclusion of the next AGM of the Company. — **Ordinary Resolution 6** *Please refer to Note 9*

8. To re-appoint Messrs. PKF PLT as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications the following ordinary resolutions:-

9. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 8
(Please refer to Note 10)

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Clause 63(1) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.

THAT the Directors of the Company be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

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."

10. **PROPOSED CHANGE OF COMPANY'S FROM "CAELY HOLDINGS BHD" TO "CLASSITA HOLDINGS BERHAD"**

Special Resolution 1
(Please refer to Note 11)

"THAT the name of the Company be and is hereby changed from "Caely Holdings Bhd" to "Classita Holdings Berhad" with effect from the date of the notice of registration of new name issued by the Companies Commission of Malaysia and that the name of the Company wherever it appears in the Company's Constitution be and is hereby amended accordingly.

AND THAT the Directors of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the change of name.

11. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board,
P'NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334

Company Secretary
Penang
Date: 31 October 2022

NOTES ON APPOINTMENT OF PROXY

(1) A member entitled to attend and vote at the 26th AGM is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.

(2) A member shall be entitled to appoint more than one person as his proxy in relation to the 26th AGM provided that he specifies the proportion of his shareholding to be represented by each proxy. Failing which, the appointment shall be invalid.

(3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said securities account.

(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. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.

(5) The instrument appointing a proxy shall be under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not less than 48 hours before the time for holding the 26th AGM or any adjournment thereof, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(7) For the purpose of determining a member who shall be entitled to attend the 26th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 22 November 2022. Only a depositor whose name appears on the Record of Depositors as at 22 November 2022 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

(8) The Audited Financial Statements will be laid to shareholders at the AGM pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.

(9) The Ordinary Resolution 6, if passed, will enable the Company to pay allowances and other benefits to directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors' benefits payable may comprised of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

NOTES ON SPECIAL BUSINESS

(10) The Ordinary Resolution 8, if passed, will enable the Directors to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

(11) The Special Resolution 1, if passed, will change the name of the Company from “Caely Holdings Bhd” to “Classita Holdings Berhad” upon issuance of Notice of Registration of new name by the Companies Commission of Malaysia. The proposed change of name is to have a new corporate identity for the Company’s existing and future undertakings.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 26th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclose of the member’s personal data by the Company for the purpose of processing and the administration by the Company (or its agents) for the 26th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th 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 the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company (or its agents) for the Purposes; and (iii) agrees that the member will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member’s breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

(1) No individuals are standing for election as Directors at the forthcoming 26th Annual General Meeting of the Company.

(2) The profiles of the Directors who are standing for re-election as in Agenda 2 to 4 of the Notice of the 26th Annual General Meeting of the Company are set out in the Directors' Profile section of this Annual Report.

(3) The details of the Directors' interests in the securities of the Company as at 05 October 2022 are set out in the Analysis of Shareholdings section of this Annual Report.

(4) The Ordinary Resolution 8 tabled under Special Business as per the Notice of 26th Annual General Meeting of the Company dated 31 October 2022 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 22 September 2021.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of notice of meeting, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.

ADMINISTRATIVE GUIDE FOR THE
26TH ANNUAL GENERAL MEETING

Dear valued shareholders,

We wish to inform shareholders that the Company's 26th Annual General Meeting ("AGM") will be held fully virtual. The details of the 26th AGM are as follows:

Date	:	Monday, 28 November 2022
Time	:	10.00 a.m.
Venue	:	Online meeting platform at www.symphonycorporateservices.com.my provided by Symphony Corporate Services Sdn Bhd ("Symphony Portal") in Malaysia (Domain registration number D1C534619)

In our efforts of going green and in preserving the environment, the following documents are available for download at the Company's website at http://www.caelyholdings.com:

1. Annual Report 2022
2. Corporate Governance Report 2022
3. Notice of AGM dated 31 October 2022
4. Proxy Form

Shareholders who wish to receive a printed Annual Report 2022 may make your request through telephone call or vide email. Kindly refer to the Enquiries section for contact details.

A printed copy of the Annual Report 2022 will be sent to shareholder as soon as possible by ordinary post from the date of receipt of the request.

ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY

All shareholders of the Company, whether individual shareholders, corporate shareholders, proxy holders, authorised nominees or exempt authorised nominees whose names appear on the Record of Depositors of the Company as at **22 November 2022** that wish to attend the 26th AGM will have to register to attend remotely by using the Remote Participation and Voting ("RPV") Facilities, the details of which is set out below.

Please note that the quality of the live streaming and online voting is highly dependent on the bandwidth and stability of the internet connection of the attendees (shareholders and proxies). Hence, you are to ensure your internet connectivity throughout the duration of the meeting is maintained.

For shareholders who are unable to participate in the 26th AGM, you may appoint proxy or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 26th AGM. The duly completed Proxy Form must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not less than 48 hours before the time for holding the meeting or adjournment thereof.

ADMINISTRATIVE GUIDE TO PARTICIPATE IN RPV FACILITIES

The procedures to participate in RPV Facilities are as follows:

Procedures	Action
BEFORE THE DAY OF THE 26TH AGM	
(i) Register as a User	• Access the Symphony Portal at **www.symphonycorporateservices.com.my** • Click <<Login/Register>> followed by <<Register New User>> to register as a new user. • Complete the registration by filling up the information required and upload a clear copy of your MyKAD (both front and back page) or Passport. • Read and agree to the terms & conditions and thereafter, submit your registration. • Please enter a valid email address in order for you to receive the verification email from the Symphony Portal. • Your registration will be verified and approved by the Symphony Portal. Once approved, an email notification will be sent to you. • If you are already a user with the Symphony Portal, you are not required to register again.
(ii) Submit your Question	• You may pre-submit your questions using the Symphony Portal from 10.00 am on 01 November 2022 up to 10.00 am on 23 November 2022.
ON THE DAY OF THE 26TH AGM	
(iii) Login to Symphony Portal at **www.symphonycorporateservices.com.my**	• Login with your user ID and password for remote participation at the 26th AGM at any time from 9.30 am, i.e. 30 minutes before the commencement of the 26th AGM. • If you have forgotten your password, you can reset it by clicking on "Forgot Password".
(iv) Participate through Live Streaming	• Select <<Virtual Meeting>> under Main Menu. • Click <<Join Meeting>> located next to the event. • Please click on the video link and key in the password provided to you in the email notification from the Symphony Portal in order to join the live streaming of the 26th AGM. • If you have any question(s) during the 26th AGM, you may use the Q&A platform in Zoom Cloud Meetings App to submit your question(s). • If you are using a smartphone to participate in the 26th AGM, please download Zoom Cloud Meetings App from the Google Play Store or App Store before the 26th AGM.
(v) Online Remote Voting	• Please select the <<Voting>> option located next to <<Join Meeting>> to indicate your votes for the resolutions that are tabled for voting. • Voting session will commence upon commencement of the meeting. • The voting session will end upon declaration by the Chairman. • Please cast your vote on all resolutions as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.
(vi) End of the RPV Facility	• The RPV Facility will end and the Q&A platform will be disabled the moment the Chairman announces the closure of the 26th AGM.

ADMINISTRATIVE GUIDE FOR 26TH ANNUAL GENERAL MEETING
(CONTINUED)

ADMINISTRATIVE GUIDE TO PARTICIPATE IN RPV FACILITIES (CONTINUED)

Notes to users of the RPV Facility:

(a) Should your registration to join the 26th AGM is approved; we will make available to you the rights to join the live streaming 26th AGM and to vote remotely using the RPV Facility. Your login to the Symphony Portal on the day of the 26th AGM will indicate your presence at the 26th AGM.

(b) If you encounter any issue with your online registration at the Symphony Portal, please call +6016-439 7718/+6010-526 5490 or e-mail to symphonycorporateservices@gmail.com for assistance.

POLL VOTING

The voting at the 26th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Symphony Corporate Services Sdn Bhd as Poll Administrator to conduct the poll by way of electronic means and Propoll Solutions Sdn Bhd as Independent Scrutineers to verify the poll results.

NO DOOR GIFT OR E-VOUCHER OR FOOD VOUCHER

There will be no door gift or e-voucher or food voucher given at this AGM.

ENQUIRIES

For enquiries regarding the 26th AGM, please contact the following person during office hours on Monday to Friday from 9.00 am to 6.00 pm (except on public holidays):

Name	:	Mr. Eric Tan
Tel No.	:	+6016-439 7718 +6010-526 5490
Email	:	symphonycorporateservices@gmail.com

Thank you.

Yours faithfully,
CAELY HOLDINGS BHD

NG KEOK CHAI
Executive Chairman

CORPORATE **STRUCTURE**

Caely Holdings Bhd.
Registration No. 199601036023 (408376-U)

Caely (M) Sdn. Bhd.
Registration No. 198601008796
(157988-V)
100%

Marywah Industries (M) Sdn. Bhd.
Registration No. 199101002555
(212866-H)
100%

Caely Development Sdn. Bhd.
Registration No. 198901005844
(183149-V)
100%

Caely Ecommerce Sdn. Bhd.
Registration No. 202101001397
(1401695-U)
100%

Classita (M) Sdn. Bhd.
Registration No. 198901012685
(189994-T)
100%

5 YEARS' FINANCIAL HIGHLIGHTS

	Financial Period Ended 30.06.2022 RM'000	Financial Year Ended (Restated) 31.03.2021 RM'000	Financial Year Ended 31.03.2020 RM'000	Financial Year Ended 31.03.2019 RM'000	Financial Year Ended 31.03.2018 RM'000
FINANCIAL PERFORMANCE					
Revenue	75,827	57,486	69,456	85,503	97,946
Profit/(loss) before tax	(1,758)	(13,701)	(8,637)	2,589	2,211
Profit/(loss) AFTER tax	(7,202)	(13,328)	(7,542)	1,456	1,263
Profit/(loss) attributable to equity holders of the Company	(7,202)	(14,278)	(7,450)	1,508	1,328
FINANCIAL POSITION ASSETS					
Total Assets	120,792	107,732	126,474	151,468	141,917
Total assets less current liabilities	88,706	86,656	93,771	102,166	96,725
FD, Bank & Cash Balances	25,312	5,931	5,184	3,972	4,995
LIABILITIES AND SHAREHOLDERS FUNDS					
Borrowings	16,911	16,557	25,553	28,601	23,089
Equity attributable to owners of the Company	78,814	74,865	81,150	88,356	86,565
Gearing (times)	0.21	0.21	0.31	0.32	0.27
Interest cover (times)	2.11	3.39	0.52	1.36	1.29
FINANCIAL RATIOS					
PBT/(LBT) Margin	(2.32)	(23.83)	(12.44)	3.03	2.26
PAT/(LAT) after NCI Margin	(9.50)	(24.84)	(10.73)	(1.76)	(1.36)
Net EPS/(LPS) (sen)	(3.54)	(7.70)	(4.53)	1.85	1.66
Return on total assets	(5.96)%	(13.25)%	(5.89)%	1.00%	0.94%
Return on equity	(9.14)%	(19.07)%	(9.18)%	1.71%	1.53%

PROFILE OF DIRECTORS

NG KEOK CHAI Executive Chairman	Age	Gender	Nationality
	63	Male	Malaysian

Mr Ng Keok Chai was appointed to the Board on 15 June 2022 as a Director and subsequently designated as the Executive Chairman of the Company on 29 August 2022.

Mr. Ng holds a degree in Bachelor of Laws (Hons.) from University of Wolverhampton, London in year 1996 while he was still in service with the Sarawak Police Contingent, Royal Malaysia Police. In year 1998, he obtained his Certificate in Legal Practice issued by the Legal Profession Qualifying Board.

His early career started when he was recruited as a Police Inspector with the Royal Malaysia Police in year 1982. He was then posted to serve in Sarawak and was promoted to Assistant Superintendent of Police before he was transferred from Sarawak after serving for twenty (20) years. During his posting in Sarawak, he served in the Criminal Investigation Department ("CID"), General Duty and Police Field Force.

In 2003, Mr. Ng was transferred to Selangor Police Contingent Headquarters. He was promoted to Deputy Superintendent of Police in year 2005 and served in the Commercial Crimes Investigation Department of Selangor Police Contingent Headquarters. He was then promoted to Superintendent of Police and was later transferred to Johor Police Contingent Headquarters as Deputy Head of Commercial Crimes Investigation Department in year 2014. Later in the same year, he was posted to the Commercial Crimes Investigation Department, Royal Malaysia Police Bukit Aman as an Assistant Director in the Forensic Accounting Investigation Division.

He was promoted to Assistant Commissioner of Police in year 2016 and his last held post was Principal Assistant Director in Forensic Accounting Investigation Division, Commercial Crimes Investigation Department, Royal Malaysia Police, Bukit Aman.

Throughout his thirty-six (36) years' service in Royal Malaysia Police, Mr. Ng was very much involved in police investigations due to his legal background. He specializes in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

Mr. Ng's other directorships as an Independent Non-Executive Director of public companies include CSH Alliance Bhd, Green Packet Bhd, Ingenieur Gudang Bhd and Hong Seng Consolidated Bhd.

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 the Company. He 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 him by any relevant regulatory bodies during the financial period.

PROFILE OF DIRECTORS
(CONTINUED)

LEONG SENG WUI Executive Director	Age 42	Gender Male	Nationality Malaysian

Mr. Leong Seng Wui was appointed to the Board on 15 June 2022 as a Director and was designated as the Executive Director on 29 August 2022.

Mr. Leong has been an entrepreneur in the ICT industry for over 23 years. He started off in the ICT retail sector after he graduated in IT studies from Binary Business School. He was on of the pioneer technopreneur in Malaysia starting out on his own.

In his own setup, he was focusing on the telco and mobile retailing industry. A driven individual, he was instrumental in driving his company to be awarded the prestigious Golden Bull award (Top 100 SME) by Alliance Bank and Nanyang Siang Pau, the notable PIKOM ICT Retailer of the year award, Dopod Retailer of the year, O2 Retailer of the year, Dopod Top 10 Retailer of Asia Pacific under his leadership.

In 2011, he joined the 1 Utopia Berhad Group as Marketing Manager in ICT Utopia Sdn. Bhd. to grow the brand as well as to assist with the creative aspect in the event and retail management. At the same time, due to his vast experience in the ICT product market and channel aspect, he advises and assists in the ICT products segment of the 1 Utopia Berhad Group.

On 12 September 2012, Mr Leong was appointed as Group Chief Operating Officer, tasked with heading and growing the entire operations of the 1 Utopia Group. He was formerly an Executive Director of Macpie Bhd.

Mr. Leong's, other directorships of public companies include Green Packet Berhad.

He does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He 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 him by any relevant regulatory bodies during the financial period.

KENNY KHOW CHUAN WAH Executive Director	Age 47	Gender Male	Nationality Malaysian

Mr. Kenny Khow Chuan Wah was appointed to the Board on 27 September 2022 as an Executive Director.

Mr. Kenny graduated with a degree in Accounting and Finance (Distriction) from University of Technology, Sydney, Australia. He is also a member of the Malaysia Institute of Accountants (MIA) and Certified Public Accountants (CPA), Australia.

Mr Kenny, has more than 13 years as an auditor with PricewaterhouseCoopers Malaysia, including 2 years secondment to PricewaterhouseCoopers London. He has extensive experience in the area of corporate exercise covering initial public offering, demerger of a listed entity, management and integration of two major listed entity, rights issue, issuance of dent securities, as well as the sale and leaseback of key assets.

His other work experience includes financial due diligent, advisory, and numerous cross-border securities offering.

He also sits on the Board of Directors as an Executive Director for Green Packet Berhad, Mmag Holdings Berhad and CSH Alliance Bhd. As the Executive Directors of these companies, in addition to overseeing the groups' financial affairs including accounting, finance, tax and treasury, he also oversees human resources-related matters and other administrative duties.

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 the Company. He 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 him by any relevant regulatory bodies during the financial period.

DATO' KANG CHEZ CHIANG Independent and Non-Executive Director	Age 64	Gender Male	Nationality Malaysian

Dato' Kang Chez Chiang was appointed to the Board on 15 June 2022 as a Director and was designated as an Independent and Non-Executive Director on 29 August 2022. He is the Chairman of the Nomination Committee and, a member of Audit Committee, Remuneration Committee and Risk Management Committee.

Dato' Kang holds a Diploma in Police Science from Universiti Kebangsaan Malaysia.

Dato' Kang is a retired Deputy Commissioner of Police of the Royal Malaysia Police. He had served the Police Force for 39 years 6 months. He joined the Royal Malaysia Police in 1979. He had also served as Head of Intelligence Section, Head of Narcotics Crime Investigation Department ("NCID") Kuala Lumpur Police Contingent, Principal Assistant Director Intelligent and Operations, Deputy Director Intelligence and Operations. Dato' Kang's experience is mainly in human management and operational skills from his field work at NCID acting at an advisory level to Police Directors.

Dato' Kang's other directorship includes Advance Information Marketing Bhd. He also sits on the Board of Directors of Hong Seng Consolidated Berhad as an Independent Non-Executive Director.

He does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He 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 him by any relevant regulatory bodies during the financial period.

KRISHNAN A/L DORAIRAJU Independent and Non-Executive Director	Age 34	Gender Male	Nationality Malaysian

Mr. Krishnan A/L Dorairaju was appointed to the Board on 15 June 2022 as a Director and has designated as an Independent Non-Executive Director on 29 August 2022. He is the Chairman of the Audit Committee and a member of Risk Committee and Nomination Committee and Remuneration Committee.

Mr. Krishnan obtained his Master in Business Administration from Cardiff Metropolitan University in 2015. He is also a licence tax agent approved yby the Ministry of Finance and is a Member of Malaysian Institute of Accountants (MIA), Chartered Tax Institute by Malaysia (CTIM) and Association of Chartered Certified Accountatns (ACCA).

Mr. Krishnan, has more than 13 years in the financial industry and a qualified Chartered Accountant, he is currently a Partner in a boutique professional firm that provides numerous services including corporate advisory, accounting, human resource management, secretarial, taxation, information technology and capital management. In addition, he is also serving two other group of companies as their Executive Director where he leads and advises the companies on the strategic business and operational development aspects which includes day-to-day operations, tax relayed matters, client management, human resource planning and etc.

Krishnan is also part of the Management Team in Living Minds Sdn Bhd and Iron Foot Sdn Bhd, a unique marketing solution services provider in Malaysia which is primarily involved in sports marketing.

Prior to venturing into the business arena, Krishnan worked in various accounting firms in Malaysia including PWC, Tax and Malaysia and Morison AAC. He specialises in providing business and tax advisory services to clients across a range of industries such as property development, construction, manufacturing, plantation and trading. Krishnan also represents clients in discussion and negotiations with various government agencies in relation to appeals, incentives, grants, licenses etc.

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 the Company. He 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 him by any relevant regulatory bodies during the financial period.

PROFILE OF DIRECTORS
(CONTINUED)

DATO' PAHLAWAN MIOR FARIDALATHRASH BIN WAHID Independent and Non-Executive Director	Age	Gender	Nationality
	60	Male	Malaysian

Dato' Pahlawan Mior Faridalathrash Bin Wahid was appointed to the Board on 27 September 2022 as an Independent and Non-Executive Director. He is the Chairman of the Remuneration Committee and is a member of the Nomination Committee and Audit Committee.

Dato' Pahlawan Mior holds a Msters in Intellectual Properties from Universiti Kebangsaan Malaysia and Bachelor of Laws (LLB) from Islamic International University.

Dato' Pahlawan Mior has more than 40 years of successful experience as a Police Officer in a variety of designations dealing with crimes and criminal justice system. He led the police district and the state police contingent in creating the best policing excellence services with dynamic and proactive problem-solving skills.

Dato' Pahlawan Mior has commendable working knowledge and experience in criminal investigation and prosecution, supply chain in crimes and criminology, permits vast knowledge sharing and contribution to continuous professional development initiatives in policing.

Dato' Pahlawan Mior also actively pursuing training and professional networking growth locally and internationally will facilitate and maintain collaboration through networking with relevant stakeholders and law players, while simultaneously boosting public confidence and investment.

Dato' Pahlawan Mior was also managing the federal (Bukit Aman), state (Perak) and several police districts will be advantageous many in terms of contemporary man management and commercial operations.

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 the Company. He 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 him by any relevant regulatory bodies during the financial period.

CHONG SENG MING Independent Non-Executive Director	Age	Gender	Nationality
	61	Male	Malaysian

Mr. Chong Seng Ming was appointed to the Board on 27 September 2022 as an Independent Non-Executive Director. He is the Chairman of the Risk Committee and is a member of the Nomination Committee and Audit Committee

Mr. Chong holds a Bachelor of Law (LLB) (Honours) from University of Wolverhampton United Kingdom. He also obtained his Certificate Legal Practice issued by the Legal Profession Qualifying Board and a Member of Malaysia Bar Council.

Mr. Chong, has more than 40 years of working experience as a Police Inspector in the Royal Malaysia Police Force and currently as a practising Advocate and Solicitor/lawyer. Since 1982 to 1996, in the Royal Malaysia Police Force, he had served in various division in Criminal Investigating Department (CID), CID Investigating Officer (I.O.), Organised Crime branch, Anti Gangsterism/Vice/Gambling branch and Federal Reserve Unit (Anti Riot Unit).

Mr. Chong started practising law as an Advocate and Solicitor since 1999. He practice law as a sole proprietor of legal firm registered as Chong Seng Ming & Co, since 2000. His firm majoring in criminal law since 2010 and mostly attending court cases and providing consultations to clients in regards to Police and/or other government enforcement agencies matters.

Mr. Chong other work experience includes giving legal advise to clients on civil and corporate matters, law of succession, and matrimonial disputes. The firm also assisted Property Developer to obtain conversion and sub division of titles.

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 the Company. He 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 him by any relevant regulatory bodies during the financial period.

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 period ended 30 June 2022 is tabulated below:-

	Group (RM'000)	Company (RM'000)
Audit Fees	248	91
Non-audit Fees	21	9
Total	**269**	**100**

1.2 MATERIAL CONTRACTS

During the financial period, 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 period ended 30 June 2022.

1.4 PROFIT GUARANTEE

The Company did not make any arrangement which require profit guarantee during the financial period ended 30 June 2022.

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 19 March 2021. Valuation 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.

GROUP EXECUTIVE CHAIRMANS' LETTER TO THE SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, I wish to present the Annual Report and Audited Consolidated Financial Statements of Caely Holdings Bhd. ("**the Company**") and its subsidiaries ("**the Group**") for the financial period ended 30 June 2022 (FPE2022").

PERFORMANCE REVIEW

The Covid-19 pandemic which began in early 2020 has continued into FPE2022. It brought numerous challenges to the Group's operations as the imposition of movement controls and the prohibition of cross-border travel required the Group to make constant adjustments to the Group's supply chain arrangements in order to limit output disruption.

The Company financial period ended 30 June 2022 (5QFY22), saw its net loss shrank to RM7.2 million from RM13.3 million due to lower provision of impairment amounting to RM12.3 million.

DISPOSED OF 51% STAKE IN OMNI GREEN SDN BHD

Caely Holdings Bhd. Has on 30 April 2021 disposed of its entire interest in the shares of Omni Green Sdn bhd ("Omni Green"), representing 51% shareholdings. Omni Green has been a non-core business and loss making company. The disposal gain as RM227,879.00 will enable the Group to be more focus on its core business and better utilization of its resources.

DIVIDEND

During FPE2022, the Group has declared and paid single tier interim dividend of RM0.005 per share amounting to RM1,287,198.02 on 257,439,604 ordinary shares for the financial period ending 30 June 2022 and was paid on 31 March 2022.

The Group will continue its commitment in delivering a returns to shareholders after taking into consideration a number of factors including amongst others, the earnings, capital commitments, general financial conditions, distributable reserve and other factors.

PROSPECTS

The manufacturing sector is expected to improve in line with the higher level of economic activities. However, moving forward with ongoing war between Russia and Ukraine coupled with geo-political tension, higher inflation and raising interest rate may substantially impact the performance of the manufacturing activity.

ACKNOWLEDGMENT

I would like to take this opportunity to express my gratitude to the Group's customers, business associates, suppliers, bankers, governmental authorities, regulatory authorities and our shareholders for their continuous support to the Group during these difficult pandemic period.

Lastly, I would also like to thank and express my appreciation to the CEO and fellow Directors of the Board, management team and all employees for their commitment, effort, sacrifice, support and contribution to the Group for the improved performance in FPE2022

Thank you.

On behalf of the Board

Mr. Ng Keok Chai
Executive Chairman
20 October 2022

MANAGEMENT DISCUSSION **AND ANALYSIS**

The following Management Discussion and Analysis ("MDA") is intended to convey the Management's perspective on the operating performance and financial review of Caely Holdings Bhd. ("CHB" or "the Group") for the financial period ended 30 June 2022. We recommend that you read the MDA in conjunction with the Financial Statements, notes thereto and other information included elsewhere in the Annual Report.

The MDA is presented in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia securities Berhad ("Bursa Securities") and the Malaysia Financial Reporting Standards ("MFRS"), and in relation to the disclosure requirements as per the Malaysia Code on Corporate Governance. Significant details on the Group's business operations, performance and strategy, as well as financial review and position, governance, risks and capital management, are covered in the MDA.

This MDA contains forward-looking statements that are provided to enable investors to gauge CHB business prospects and make informed investment decisions. However, they involve inherent risks and uncertainties and other factors that are in many cases beyond our control. The forward-looking statements include, but are not limited to, for instance, our 2023 business prospects and outlook, and their anticipated impact on the Group's business operations.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

31 July 2003 is a remarkable day for Caely Holdings Bhd., when it was listed on the Main Market of Bursa Malaysia Securities Berhad. The Manufacturing, Property Development and Construction and Direct Selling and Retail segments remains the principles contributor of Caely 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 and retail selling products of mother care, baby care and accessories, and undergarments. In 2013, Caely Group ventured into property development and construction industries. Caely Group has on 12 January 2021 incorporated a wholly owned subsidiary company, namely Caely Ecommerce Sdn. Bhd, with principles activities ecommerce and online business activities of the company in supply and selling all kinds of garments, clothes & scarf; general trading & services, pharmaceutical products, cosmetic, skincare & personal care products. The incorporation of the new subsidiary is in line with Caely Group's future business plan by enlarging its existing advantage and strength in terms of products and manufacturing skills and tapping into current business trend by boarding on e-commerce platform.

The lingerie maker's has projected and laid down for the Company's future business and steer the company out of financial distress. These proposed projects will be rewarding and are set to commence in the near future.

In early plan, the Company would like to set up a Joint Venture (JV) in Indonesia mid of 2021 to increase its production capacity to cater to the growing global demand for lingerie. However, due to the economic climate issue, the Company has decided to appoint a subcontractor instead of pursing Joint Venture.

FINANCIAL PERFORMANCE REVIEW

The FPE2022 has been a tumultuous one due to the Covid-19 pandemic. In spite of this, Caely Holdings Bhd and its subsidiaries ("the Group") achieved period-to-date turnover and Net Loss of RM75.8million and RM7.2 million respectively.

The core business segment, export market had recorded a good results and benefit from gradual opening of economy arising from post Covid-19 endemic recovery by various countries.

The Group also reduced its net loss to RM7.2 million in the current financial period, representing a significant improved of 45.96% year-on-year as compared to RM13.3 million incurred in the previous financial year. Overall, the improved performance was primarily attributed to lower provision of impairment amounting to RM12.3 million on property development cost. Loss per share shrunk to 3.54 sen from 7.70 sen. The Group's effective cost management control strengthened our market positioning and resilience against any disruptions to our operations.

Loss Attributable to Owners of The Company

Loss attributable to owners of the Company for FPE2022 decreased 45.96% year-on-year to RM7.2 million compared with RM14.3 million in the previous financial year. The Group's Loss Per Share (LPS) reduced to 3.54 sen for the current financial period ended 30 June 2022.

Liquidity and Capital Resources

The Group's cash and cash equivalents increased to RM1.64 million at the end of FPE2022, by the healthy cash flow generated from operation.

REVIEW

REVENUE
2022 : RM75,827,000
2021 : RM57,486,000

LOSS BEFORE TAXATION
2022 : RM1,758,000
2021 : RM13,701,000

SHAREHOLDERS' EQUITY
2022 : RM78,813,000
2021 : RM74,865,000

FINANCIAL PERFORMANCE REVIEW (CONTINUED)

Revenue by Segment

	FPE2022 RM'000	FYE2021 RM'000	Increase/ (Decrease) RM'000
Manufacturing	70,460	52,753	17,707
Property Development	63	(596)	659
Direct Selling - Retails	5,304	4,792	512
Others	–	537	(537)
Total	**75,827**	**57,486**	**18,341**

Profit before Tax

	FPE2022 RM'000	FYE2021 RM'000	Increase/ (Decrease) RM'000
Manufacturing	7,226	4,733	2,493
Property Development & Construction	(5,336)	(18,229)	12,893
Direct Selling - Retails	(268)	433	(701)
Others	(3,380)	(639)	(2,741)
Total	**(1,758)**	**(13,702)**	**11,944**

BUSINESS SEGMENTS

(1) Manufacturing segment

The Malaysia base top lingerie producer, manufacturing and sales of lingerie with Original Equipment Manufacturer ("OEM") dominant, with customers across the world which carries its own design and requirement. Majority volume in this segment is for export market, having while the local market contributed minimum percentage in term of sales quantum.

During the FPE2022, Manufacturing segment achieved an increased in revenue to RM70.4 million, an increased of RM17.7 million or 33.6% compared to RM52.75 million recorded in FY2021. The improvement in turnover came from face cloth cover. Demand for face cloth cover have been favorable due to public awareness for personal protection and hygiene.

Thus far, the Company foresees that manufacturing segment remains the key contributor to Caely Group's performance in term of revenue and profit from operations. In the local front, our products are primarily marketed 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 99.2% (2021: 86.6%) revenue to Caely Group in the current financial year and Caely Group remains dominant in Malaysian manufacturer of ladies undergarments in the export markets.

BUSINESS SEGMENTS (CONTINUED)

(1) Manufacturing segment (Continued)

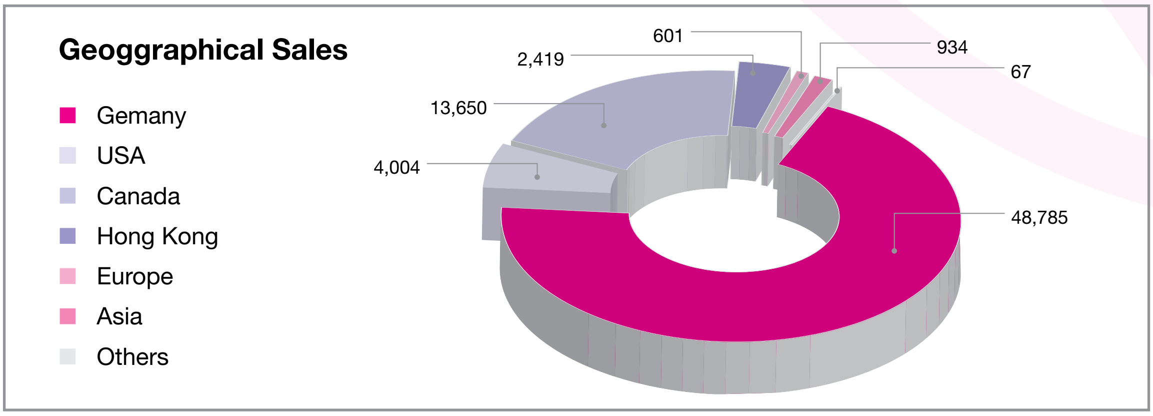
The breakdown of manufacturing revenue generated by geographical segment is presented as follows:

Revenue by Geographical	FPE2022 RM'000	FYE2021 RM'000	Increase/ (Decrease) RM'000
Germany	48,785	34,728	14,056
USA	4,004	2,854	1,150
Canada	13,650	9,646	4,005
Hong Kong	2,419	3,587	(1,168)
Europe	601	1,050	(449)
Asia	934	775	159
Others	67	112	(45)
Total	**70,460**	**52,753**	**17,708**

The lost improved compared to previous year due to previous recognition of impairment of receivables was due to better profit margin recorded from face cloth cover sales volume increased during the financial period ended 30 June 2022.

Caely Group is continuingly seeking to increase revenue in OEM manufacturing sales when it generates majority of Caely Group's revenue. Efforts have been intensified in sourcing for new customers from other countries such as Turkey, France and Australia. The Management continues to be cost conscious in its operations and in the efforts of continuing to keep the operational cost low. Continuous effort, emphasise on increasing productivity by improving production handlings and methods are among the steps we have been taken. Caely Group has continually engaged subcontractors in foreign countries such as Myanmar and Bangladesh, to take advantage of the availability of cheaper labour costs and the import duties 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.

In the effort to increase the source of revenue and the persistence high number of Covid-19 infection cases recorded in Malaysia and other countries, Caely Group is stepping up its efforts in producing more medical device products such as reusable fabric face masks and exploring more new market opportunities for the products. As we foresee the demand for such products will increase and wearing face cloth cover will become a norm in the future's society. Caely Group has successfully renewed the ISO 13485 certification recently which was obtained since 17 August 2020. Caely Group has registered with Medical Device Authority ("MDA") and has obtained the Establishment License from MDA to be qualified as the medical device product manufacturer since September 2020.



BUSINESS SEGMENTS (CONTINUED)

(2) Property Development and Construction segment

Following the Covid-19 pandemic outbreak, weak demand for the property market, strict and low valuation of property units exercised by lending banks, resulting the management decision to take cool of period in this segment. The management will resume to the property development at the right timing.

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

Revenue

Property Development & Construction	FPE2022 RM'000	FYE2021 RM'000	Increase/ (Decrease) RM'000
Property Development	63	(596)	659
Total	**63**	**(596)**	**659**

(3) Direct Selling and Retail segment

The Direct Selling and Retail segment involves the marketing of Caely Group's 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, the marketing approach has been realigned to suit current consumers' tastes, preference and spending behavior. FPE2022, Caely Group introduced e-commerce marketing platform at www.lunavie.com to penetrate into the younger generation market segment. In addition, Caely Group ventures into the retail markets created yet another avenue to increase the customer base as well as to promote the house brands to the local market.

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

Revenue

Direct Selling & Retails	FPE2022 RM'000	FYE2021 RM'000	Increase/ (Decrease) RM'000
Direct Selling	2,476	2,202	274
Retails	318	448	(131)
Trading	2,511	2,142	369
Total	**5,305**	**4,792**	**512**

The revenue for the Direct Selling and Retail segment increased by RM0.5 million or 10.7% to RM5.3 million in FPE2022 from RM4.79 million recorded in FY2021. The sales increase was attributed to the changes spending behaviour by consumers. Income of many people was badly affected with the various stages of Movement Control Order (MCO) implemented by the government in its efforts to stem the infection rate of Covid-19 pandemic.

In correspondence to the decrease in turnover, a pre-tax loss has increased by RM0.70 million to RM0.27 million for FPE2022 as compared to pre-tax profit of RM0.43 million for FY2021.

BUSINESS SEGMENTS (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

Caely Group maintains a prudent approach towards managing its capitals resources and enhancing efficiency throughout its operations. As at the end of the current financial period, Caely Group recorded a increase in net current assets to RM60.5 million from RM55.3 million reported as at the previous financial year end.

Caely Group's total borrowings stood at RM16.9 million in 2022 from RM16.6 million in 2021. The marginal increase in total borrowings was due to slower repayment of bank overdraft and term loan facilities due to the Companies bank accounts being frozen by MACC.

The increase in total borrowings of RM0.3 million during the FPE2022, has caused Caely Group's gearing ratio reduced to 0.21 times in FPE2022 from 0.22 times in FY2021. The impact of the reduction in borrowings amount was partially set off by the loss incurred by Caely Group during the financial period.

Caely Group's trade and other receivables as at 30 June 2022 was RM9.0 million, a decrease of RM4.8 million as compared to RM13.8 million in FY2021. The decrease was mainly due to repayment of debts by debtors

As at 30 June 2022, Caely Group's trade and other payables increased by RM7.0 million, from RM10.9 million to RM17.9 million. The increase was mainly due to slow repayment made to creditors.

POTENTIAL RISKS

As Caely Group is principally involved in the manufacturing and trading of ladies undergarments products and property development and construction, Caely Group is subjected to certain risk inherent in the nature of these businesses. The potential of another outbreak of Covid-19 pandemic, instability in the political arena of Malaysia coupled with the anticipated global trade war have further intensified the potential business risks.

These risks, inter-alia, include:

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

Caely Group strives to manage these risks through, amongst others, continuous review and evaluation of Caely Group's operations and strategies and prudent business policies. Operational efficiency and effectiveness are key areas which Caely Group emphasises to improve its financial performance. Caely Group is always on the lookout for additional revenue source and to optimise the utilisation of company resources.

FORWARD-LOOKING STATEMENT

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

In 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.

For the Direct Selling and Retail segment, the revenue contribution remains sluggish and will continue to focus on improving trading revenue. Caely Group will upgrade and improve the retail outlets and product assortments as to attract more customers while building on Caely Group's brands. The direct selling and retail markets remains challenging as the domestic economic conditions remain uncertain caused by, especially the potential of another outbreak of Covid-19 pandemic where economic activities have been very much negatively affected. Restriction on movement control implemented by the Government has affected the footfall in the retail outlets. Purchasing trend of consumers have reduced due to cautious spending manner adopted by consumers when facing risk of losing their employment and source of income. However, Caely Group able to react to the negative impact of pandemic outbreak by focusing on the marketing channel through on-line shopping. Caely Group has been actively improving the presentation of the e-commerce platform making it more attractive, informative and customers friendly. Caely Group is also looking for business partners in the efforts to increase the product ranges and improve market presence. Hence, attracting more consumers' attention. Caely Group strives to improve further the selling and retailing business in the years to come.

CHB is always mindful that its core business has far-reaching economic, environmental, and social impacts, leaving a footprint in the community where we operate. Thus, we are committed to conducting our business responsibly by embedding sustainability aspects in the business strategy and corporate aspirations and considering the ESG risks and opportunities to create long-term value for our stakeholders.

DIVIDEND

During FP2022, the Group has declared and paid single tier interim dividend of RM0.005 per share amounting to RM1,287,198.02 on 257,439,604 ordinary shares for the financial period ending 30 June 2022 and was paid on 31 March 2022

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("BOD") and Management of Caely Holdings Bhd. ("CHB" or "the Company") are pleased to present the Corporate Governance Overview statement ("CGOS"), which highlights key areas on how the Company complies with the principles, practices and step-ups of the revise Malaysian Code on Corporate Governance 2021 ("MCCG"), issued by the Securities Commission Malaysia ("SC") on 27 April 2021, for the financial period ended 2022 ("FP2022"). This CGOS is complemented by a Corporate Governance Report ("CG Report 2021"), prepared following the prescribed format pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and is made available on the Company's website at www.caelyholdings.com and the Bursa Securities website. The CG Report 2021 explains how the Company applied each Practice under the MCCG during the financial period ended 30 June 2022.

CORPORATE GOVERNANCE APPROACH

The Board is fully committed to discharging its duties to enhance shareholders' value in line with the broader stakeholder view of creating and delivering sustainable value for the Company's long-term success. Concurrently, the Board is committed to upholding the highest standards of Corporate Governance ("CG") by embracing good practices that ensure the business affairs of the Company are conducted with integrity, transparency and professionalism. The Board strongly advocates the importance of best practices and plays an active oversight role in the Company's governance, focusing on implementing an effective CG Framework throughout the organization.

Under the CHB, the Board is responsible for overseeing the management and business affairs of the CHB Group and makes major policy decisions for the Group. The Board has delegated certain functions to the respective Board Committees, as set out in their respective Terms of Reference, to facilitate overall Board effectiveness. In addition, the Board has delegated specific powers to the Executive Directors ("EDS") for the day-to-day management within the approved Limit of Authority ("LOA"). The LOA outlines the decision-making authority of the Board and the delegation of authority to the Management.

CORPORATE GOVERNANCE PRACTICES SUMMARY

The Corporate Governance Overview Statement demonstrates the Company's application of each Practice set out in the Code during the financial period ended 30 June 2022, which is based on the three (3) key Principles below, as set out in the Code:

(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

Principle A

Board Leadership and Effectiveness

* Board Responsibilities
* Board Composition
* Remuneration

Principle B

Effectiveness Audit and Risk Management

* Audit Committee
* Risk Management And Internal Control Framework

Principle C

Integrity in Corporate reporting and Meaningful Relationship with Stakeholders

* Communication With stakeholders
* Conduct of General meeting

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Roles and Responsibilities of the Board (Practice 1.1 of MCCG)

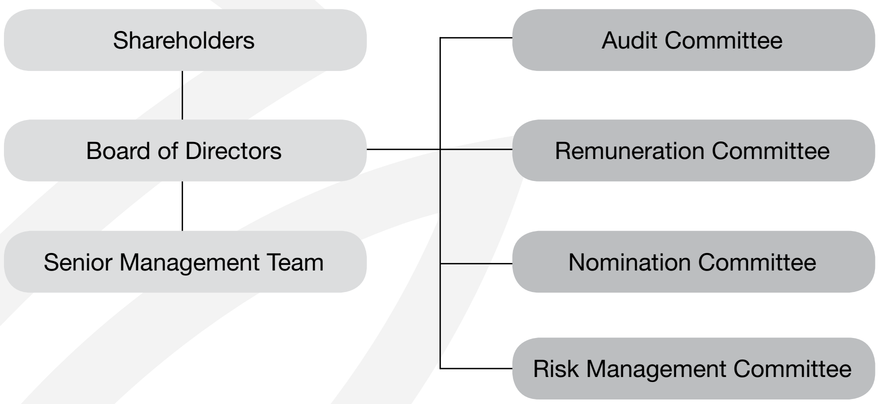
The Board of the Company takes full responsibility for the overall performance of the Group. The Board is mindful of its obligation to exercise unfettered judgement, in good faith with due care, skill and diligence as governed under Section 211 and 213 of the Companies Act 2016 ("CA2016") as follows:

Director's Core Duties

Fiduciary Duty

* Act in good faith
* Ensure integrity of financial information
* Exercise power for a proper purpose
* Avoid conflict and self-dealing
* Exercise discretion properly

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



The Independent 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 to ensure that the strategies proposed by the Management are fully deliberated and examined, taking into consideration the long-term interests of the shareholders, employees, customers, other stakeholders and the various communities in which Caely Group conducts its business.

The Board of Directors assumes the following duties and responsibilities:

- to review and adopt strategic plans for Caely Group;
- to oversee the overall conduct of Caely Group's businesses, to ensure that they are properly managed;
- to identify principal risks and ensuring that appropriate control systems are implemented to manage those risks;
- to formulate and implement policies for succession planning including recruiting, training, rewarding and, where appropriate, replacing senior management;
- to develop and implement an investor's relation program or shareholder communications policies; and
- to review the adequacy and the integrity of Caely Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Roles and Responsibilities of the Board (Continued)

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

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

Role of Executive Chairman, Chief Executive Officer and Independent Directors

During financial period ended 30 June 2022 ("FPE2022"), the positions of Executive Chairman and Chief Executive Officer were held by different individuals with clear separation of duties defined in the Board Charter to ensure balance of power and authority.

The Executive Chairman at that point in time was involved in the strategic planning and operation of Caely Group, comprising business segments of Manufacturing and Sale of Undergarments, Property and Construction, Sales and Retails, and Ecommerce. He also leads the Board of Directors in the oversight of Management. Whilst the Chief Executive Officer at that point in time focused on the overall business and day-to-day operation of all the business segments of Caely Group.

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 a check-and-balance mechanism and to ensure all the important decisions from the Board of Directors are made on consensus.

The Board of Directors, being mindful that the Executive Chairman is not a Non-Executive member as prescribed by the MCCG, is of the opinion that the element of independence is currently strong as the Independent Directors as at 30 June 2022 comprised more than half of the Board of Directors. This provides assurance of proper balance of power and authority in the governance of the Board of Directors and the Company.

The Board has unrestricted access to the advice and services of the Company Secretary. The Company Secretary had attended all Board of Directors' Meetings as well as Board Committees' meetings for FPE 2022 and ensured that accurate and proper records of the proceedings of such meetings are kept. The Company Secretary play an advisory role to the Board of Directors on matters involving the Company's constitution and compliance with the relevant regulatory requirements, codes or guidance and legislation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Access to Information and Advice (Continued)

During FPE2022, the Directors were provided with the agenda of the meeting together with detailed reports and information on a timely basis before each Board of Directors' Meeting is convened. Board papers are circulated prior to the Board of Directors' Meeting and the board papers provide among others, financial and corporate information, significant operational, financial and corporate issues, performance reports and management proposals for Board of Directors' approvals. Senior management staff are invited to attend the Board of Directors' Meeting when necessary to provide further explanation and clarification on matters being tabled.

All Directors have full and unrestricted access to all information within Caely Group and they have fiduciary duties to make enquiries, if any, to discharge 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 of its duties, the Board of Directors meets at least once quarterly and additional meeting will be called if necessary.

None of the current directors attended any meetings held during FPE2022.

Directors	Number of Meetings Attended
Ng Keok Chai Executive Chairman Appointed on 15 June 2022	NIL
Leong Seng Wui Executive Director Appointed on 15 June 2022	NIL
Kenny Khow Chuan Wah Executive Director Appointed on 27 September 2022	NIL
Dato' Kang Chez Chiang Independent Non-Executive Director Appointed on 15 June 2022	NIL
Krishnan A/L Darairaju Independent Non-Executive Director Appointed on 15 June 2022	NIL
Chong Seng Ming Independent Non-Executive Director Appointed on 27 September 2022	NIL
Dato' Pahlawan Mior Faridalathrash Bin Wahid Independent Non-Executive Director Appointed on 27 September 2022	NIL

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Board Charter (Practice 2.1 of MCCG)

The Board has the Board Charter, which clearly identifies the roles, powers, duties and Responsibilities of the Board, individual Directors, CEO and Company Secretary. It outlines The guidelines and procedures, issues, matters reserved for the Board and its Board Charter in discharging their stewardship effectively and efficiently. The Board Charter is reviewed from time to time and updated regularly to ensure that it remains relevant to the Company's objectives and strategies and to align with the latest prevailing laws, rules and regulations.

The Board Charter is available on CHB website at www.caelyholdings.com.

Code of Conduct (Practice 3.1 of MCCG)

The Board establised a Code of Conduct for Directors ("the Code") in 2020. The Code provides the fundamental guiding principles and standards applicable to the Directors whereby such principles and standards are funded on high standards of professional and ethical practices. In discharging his/her duties, a Director should always abide by and confirm to the Code.

The Code can be found on the Company's corporate website at www.caelyholdings.com.

Whistleblowing Policy and Guidelines (Practice 3.2 of MCCG)

Similarly, the Board established its Whistleblowing Policy and Guidelines ("Whistleblowing Policy") in 2020. The company does not tolerate any malpractice, impropriety, statutory non-compliance, or wrongdoing by any employee or director in the course of their work.

The Whistleblowing Policy is intended to provide a framework to promote responsible whistleblowing without fear. Responsible whistleblowers are offered protection from adverse consequences. Employees, suppliers, customers, contractors, and other stakeholders may use the procedures set out in the Whistleblowing Policy to report any concern regarding questionable conduct.

The Whistleblowing Policy provides a safe avenue for internal and external stakeholders of the Company to raise concerns on any alleged improper conduct through a safe and acceptable platform so that these can be addressed in an independent and unbiased manner.

The Whistleblowing Policy can be found on the Company's corporate website at www.caelyholdings.com.

Anti-Bribery and Corruption Policy

In line with the amendment to the Bursa Securities MMLR on 18 December 2019 with regards to anti-corruption measures ("Anti-Corruption Amendments") in support of the National Anti-Corruption Plan 2019-2023, the Board had in 2020 approved the establishment of an Anti-Bribery and Corruption Policy ("ABC Policy") to prevent corrupt practices, provide adequate safeguard measures and defences against corprate liability for corruption under Section 17A of the Malaysia Anti-Corruption Commission ("MACC") Act 2009 ("MACC Act 2009"). The ABC Policy is subject to review from time to time.

The ABC Policy can be found on the Company's corporate website at www.caelyholdings.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board

Composition and Independence of the Board of Directors

As at 30 June 2022, the Board of Directors consisted of five (5) Directors of whom two (2) Directors are not Independent by virtue of them shareholdings in the Company. None of the Directors as at 30 June 2022 are Executive Directors. This composition fulfils the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board of Directors, whichever is higher, must be independent. It also further complied 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.

The Directors shall seek for re-election at the Annual General Meeting under the following requirements:

- Pursuant to Clause 99 of Constitution of the Company, where one-third (1/3) of the Directors is to retire;
- Pursuant to Clause 102 of the Constitution of Company, where the directors who were appointed by the Board, shall retire at the forthcoming Annual General Meeting.
- The MCCG requirements for Independent Directors who have served the Board of Directors for cumulative term of more than nine (9) years to continue serving as Independent Directors, subject to Shareholders' approval.

Annual Assessment of Independence

The Board of Directors, through its Nomination Committee, assesses the independence of the Independent Directors annually. Such assessment is carried out to ensure the Independent Directors would bring independent and objective judgement and opinion to the Board of Directors. During the recent assessment, the Nomination Committee is satisfied with the contribution and performance of each individual Director and the Independence of the Independent Directors are complied with the criteria of Independence prescribed in the MMLR.

Tenure of Independent Directors

As at 30 June 2022, none of the Independent Directors exceeded a cumulative term of nine (9) years with the Company.

During the recent assessment, the Nomination Committee 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 while participating, deliberating and making decision during the meetings held after FPE2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board (Continued)

Recruitment and Appointment of Directors

The Nomination Committee was established to assist the Board of Directors to identify suitable candidate for appointment as Director, to the Board of Directors and/or Board Committees wherever necessary, as well as to assess the skills and other qualities of the Board of Directors in an ongoing basis.

The Nomination Committee is empowered by the Board of Directors to make recommendations to any appointment of a new Directors or to fill any board vacancy as and when necessary. When making the recommendation, the Nomination Committee will take into consideration the required mix of skills, knowledge, expertise, experience and other qualities required to be a Director of the Company.

As at 30 June 2022, Caely Group does not have a specific policy on diversity, such as 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 to align with the needs of Caely Group. The Board of Directors 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 current Board is in the midst of preparing a Diversity Policy.

Nomination Committee

The Nomination Committee of the Company comprises exclusively of Independent Directors. The current members are as follows:

Names	Number of Meetings Attended During FPE2022
Dato' Kang Chez Chiang Chairman Appointed on 15 June 2022	NIL
Krishnan A/L Dorairaju Member Appointed on 15 June 2022	NIL
Dato' Pahlawan Mior Faridalathrash Bin Wahid Member Appointed on 28 September 2022	NIL
Chong Seng Ming Member Appointed on 28 September 2022	NIL

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board (Continued)

Annual Assessment of Directors

The Nomination Committee reviews annually the required mix of skills and experience of Directors, including core competencies which the Directors should bring to the Board of Directors. The Nomination Committee also assesses the effectiveness of the Board of Directors as a whole and 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 Nomination Committee and reported to the Board of Directors.

During recent assessment 2022, the Nomination Committee had carried out the annual assessment and was satisfied that the Board of Directors and Board Committees are effective as a whole and having the required mix of skills, size and composition, experience, competencies and other qualities. The Nomination Committee was also satisfied that each of the Directors has the character, experience, integrity, competence and time to effectively discharge their respective roles.

Directors' Training

Caely Group acknowledges the importance of continuous education and training to enable the Board of Directors to stay 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 the Directors are given the opportunity to further enhance their skills and knowledge. 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.

Throughout the FPE2022, 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 Committee

The Remuneration Committee was established to assist the Board of Directors to assess and recommend the remuneration packages of the Directors of Caely Group. The Board of Directors will decide after considering the recommendation from the Remuneration Committee.

The Terms of Reference of the Remuneration Committee is available for public viewing on the Company's website at www.caelyholdings.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

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

Remuneration Committee (Continued)

The current members of the Remuneration Committee are as follows:

Names	Number of Meetings Attended During FPE2022
Dato Pahlawan Mior Faridalathrash Bin Wahid Chairman Appointed on 28 September 2022	NIL
Dato' Kang Chez Chiang Member Appointed on 29 August 2022	NIL
Krishnan A/L Dorairaju Member Appointed on 29 August 2022	NIL

The Remuneration Policy is set to attract, motivate and retain quality Directors as well as to align the interests of the Board of Directors with the interests of the Company's shareholders.

The Executive Directors' remuneration is linked to the performance, services, seniority, experience and scope of responsibilities, which 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 of Directors deems appropriate.

For instance, the basic salary takes into consideration 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 Caely Group, together with an assessment on each individual's performance during the year. Other customary benefits-in-kind, such as car, is 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 each individual Independent Director. All Directors are paid meeting allowance for attendance at each meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

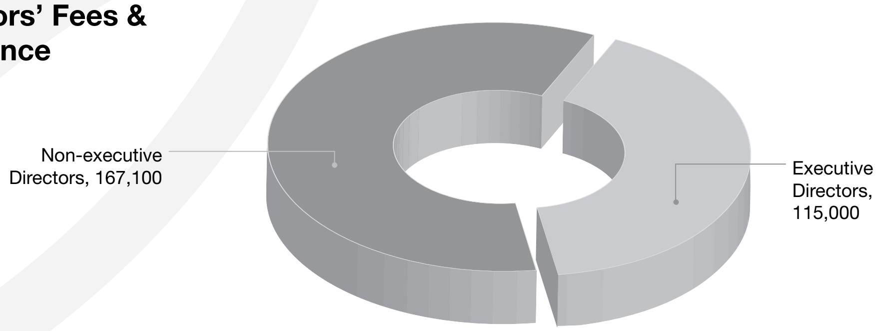
3. Remuneration Policies and Remuneration of Directors and Senior Management (Continued)

Remuneration Committee (Continued)

Details of the Directors' and Senior Management's Remuneration for FPE2022 are as follows:

The Company	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Director					
Dato' Wira Ng Chun Hau *(Resigned on 13 May 2022)*	60,000	–	4,300	–	64,300
Datin Fong Nyok Yoon *(Resigned on 15 September 2022)*	48,000	–	2,700	–	50,700
Ng Boon Kang *(Resigned on 14 March 2022)*	38,400	–	2,700	–	41,100
Tan Loon Cheang *(Resigned on 16 March 2022)*	28,800	–	2,700	–	31,500
Lim Say Leong *(Resigned on 29 April 2022)*	28,800	–	2,700	–	31,500
Beh Hong Shien *(Resigned on 31 May 2022)*	28,800	–	2,700	–	31,500
Lim Chee Pang *(Resigned on 29 April 2022)*	28,800	–	2,700	–	31,500
Total	**261,600**	**–**	**20,500**	**–**	**282,100**

Directors' Fees & Allowance



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

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

Remuneration Committee (Continued)

The Group	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Dato' Wira Ng Chun Hau *(Resigned on 13 May 2022)*	60,000	353,588	4,300	–	417,888
Datin Fong Nyok Yoon *(Resigned on 15 September 2022)*	48,000	414,151	2,700	17,400	482,251
Ng Boon Kang *(Resigned on 14 March 2022)*	38,400	–	2,700	–	41,100
Tan Loon Cheang *(Resigned on 16 March 2022)*	28,800	–	2,700	–	31,500
Lim Say Leong *(Resigned on 29 April 2022)*	28,800	–	2,700	–	31,500
Beh Hong Shien *(Resigned on 31 May 2022)*	28,800	–	2,700	–	31,500
Lim Chee Pang *(Resigned on 29 April 2022)*	28,800	–	2,700	–	31,500
Senior Management					
Lim Chee Pang *(Resigned on 1 September 2022)*	–	6,583	–	–	6,583
Datin Wira Lim Chee Ting *(Resigned on 7 May 2022)*	–	25,043	–	–	25,043
Ang Li Ching *(Resigned on 7 May 2022)*	–	21,288	–	–	21,288
Ting Yi En *(Resigned on 6 October 2022)*	–	48,894	–	–	48,894
Gok Ching Hee *(Resigned on 18 April 2022)*	–	302,108	2,700	7,650	312,458
Chuah Chin Lai *(Resigned on 30 September 2021)*	–	87,808	–	–	87,808
Total	**261,600**	**1,259,463**	**23,200**	**25,050**	**1,569,313**

* *Inclusive of defined contribution plan and social security contribution.*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Board of Directors aims to present a balanced and meaningful assessment of Caely Group's position and prospects to shareholders via announcements of its quarterly and annual financial results. In the preparation of the financial statements, the Audit Committee assists the Board of Directors to oversee the financial reporting of Caely Group by reviewing the quarterly financial reports and Annual Financial Statements for consistency and appropriateness in accordance to the applicable accounting standards and requirements of Companies Act 2016, and for reasonableness and prudence in making estimates, statements and explanations, prior to recommending them for approval by the Board of Directors and issuance to shareholders.

2. Functions and Roles of the 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 Caely Group for the financial period ended 30 June 2022, to ensure that the statements comply with the Malaysia Financial Reporting Standards ("MFRS"), prior to their recommendation to the Board of Directors for approval;
iii. Review the significant matters highlighted by the External Auditors, Messrs PKF PLT ("PKF") in the financial statements and significant judgments 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 MMLR of Bursa Securities.

B. External Audit

i. Review with PKF the Audit Status Update Memorandum on the audit of the financial statements for the financial period ended 30 June 2022, setting out their comments and conclusions on the significant auditing and accounting issues highlighted;

ii. Review with PKF the audit plan for the financial period ended 30 June 2022, outlining scope of work, areas of audit emphasis, and development in laws and regulations affecting financial reporting and the responsibilities of Directors, Managements, and Auditors;

iii. Evaluate the performance of PKF for the financial period ended 30 June 2022 covering areas such as calibre, quality processes, audit team, audit governance, and independence of PKF.

C. Internal Audit

i. Review with the Internal Auditors, 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 Management

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

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

D. Others

i. Review on a quarterly basis, any Recurrent Related Party Transaction ("RRPT") entered into by the Company and/or its subsidiaries with related parties to ensure that Caely Group's internal policies and procedures governing RRPT are adhered to, and disclosure requirements of the MMLR are observed.

ii. Review the Risk Management and Audit Committee Report and Statement on Risk Management and Internal Control before recommending these for the Board of Directors' approval for inclusion in the Annual Report.

3. Risk Management and Internal Control Framework

The Board of Directors recognises that risk management is an integral part of Caely 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 Caely Group in achieving its business and corporate objectives.

The Management is responsible to create a risk awareness culture and 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 of Directors. If necessary, the Board of Directors may seek the assistance and consultation of external parties to form an opinion.

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

For the FPE2022, 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 period, the internal audit reports were provided to the Audit Committee and Management. RSM would report and highlight any major finding on the weakness in the systems and controls of the operation. The highlighted weaknesses were rectified based on RSM's recommendations 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 of Directors acknowledges the importance for shareholders to be informed on all material business matters relating to Caely Group. The Board of Directors 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.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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 of Directors ensures that shareholders and investors are informed of the financial performance and major corporate information of the Company. These information are 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 Caely Group's performance and business activities.

3. Conduct of General Meetings

The Annual General Meeting is the principal form of dialogue with shareholders. At the Annual General Meeting, the Executive Chairman shall inform shareholders that they are encouraged to participate and are given opportunity to raise questions or seek more information on Caely Group. The Executive Chairman, Chief Executive Officer, Chief Financial Officer and other Directors are also available during the Annual General Meeting to respond to shareholders' enquiries.

4. Encourage Poll Voting

Pursuant to Paragraph 8.29(A) of the MMLR of Bursa Securities, the Company will ensure 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.

5. Effective Communication and Proactive Engagements with Shareholders

The Board of Directors is committed to promote effective communication and proactive engagement with shareholders. During the general meetings, the Board of Directors, Company Secretaries and External Auditors would be present to answer questions that may be raised. The Executive Chairman would allot time for shareholders to raise questions for each agenda set out in the notice of the general meetings.

KEY FOCUS AREAS AND FUTURE PRIORITITES

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

1. To focus on major strategic issues and to ensure sustainability and growth;

2. To continue exploring and looking for additional source of income from new business activities with the objective of enhancing shareholders' value;

3. To leverage on its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board of Directors will set the direction for the 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. Caely Group will also actively engage stakeholders to formalize a better understanding of what is expected and desired from its sustainability reporting;

4. To continue monitoring succession planning for the senior leadership team and to ensure a healthy pipeline of talent is emerging for future senior executive management; and

5. To ensure that the Company's website is updated with the latest developments of Caely Group and allow users to easily navigate through the website. The Company is endeavored to harness technological advancements to improve the efficiency at which the general meetings are run and to pave the way for remote shareholders' participation.

This Statement is issued in accordance with a resolution of the Directors on 20 October 2022.

AUDIT COMMITTEE REPORT

In compliance with Paragraph 15.15 of the MMLR of Bursa Securities and the issued by Securities Commission Malaysia, the Board of Directors is pleased to present the and Audit Committee Report.

MEMBERS OF THE RMAC

Composition of AC

The current members of the Audit Committee are as follows:

Names	Designation
Krishnan A/L Dorairaju Chairman Appointed on 29 August 2022	Independent Non-Executive Director
Dato' Kang Chez Chiang Member Appointed on 29 August 2022	Independent Non-Executive Director
Dato' Pahlawan Mior Faridalathrash Bin Wahid Member Appointed on 28 September 2022	Independent Non-Executive Director
Chong Seng Ming Member Appointed on 28 September 2022	Independent Non-Executive Director

TERMS OF REFERENCE

1. Objectives

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

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

2. Composition

i. The Committee is appointed by the Board of Directors and consists of at least three (3) members. All the committee members must be Non-Executive Directors, with a majority of them being Independent Directors to fully comply with paragraph 15.09 of the MMLR.
ii. The Chairman is one of the appointed Independent Non-Executive Directors. In the absence of the Chairman, the meeting shall be chaired by an Independent Director.
iii. At least one (1) member of the Committee must be qualified under paragraph 15.09(1)(c) of the MMLR.
iv. No Alternate Director shall be appointed as a member of the Committee.

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

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

TERMS OF REFERENCE (CONTINUED)

3. Quorum and Frequency of meetings

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

4. 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. Authority

i. The Committee shall have explicit authority to investigate any matter within its terms of reference. It shall have the authority to seek any information it requires from any employee of the Group and all employees are directed to cooperate with any request made by the Committee.
ii. The Committee shall have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee can seek for external legal or other independent professional advice it considers necessary.
iii. The Committee shall have direct communication channels with the internal and external auditors and be able to convene meetings with internal and/or external auditors, excluding the attendance of other Directors and employees of the Group whenever deemed necessary.
iv. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee shall report such matter to Bursa Securities.

6. Duties and responsibilities

The following are the main duties and responsibilities of the Committee, and where appropriate, the Committee shall report to the Board of Directors on the following:

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 Caely Group's risk management policy and implementation of the risk management framework.
iii. Review and recommend to the Board of Directors, the Directors' Statement on Risk Management and Internal Control and any changes thereto.

TERMS OF REFERENCE (CONTINUED)

6. Duties and responsibilities (Continued)

b. Financial Reporting

i. Review the quarterly results and annual financial statements before making recommendations to the Board of Directors 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.

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).
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. Annual assess the performance of services provided by the internal audit function.
vi. Any appraisal and 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 of Directors, 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.

TERMS OF REFERENCE (CONTINUED)

6. 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 of Directors has not been satisfactorily resolved by the Board of Directors.
ii. To highlight such matters as the Committee considers appropriate or as defined by the Board of Directors from time to time.
iii. To announce to Bursa Securities, if there are 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 Caely Group.
v. Review and verify on allocation of share options to ensure compliance with the criteria for allocation of share options (if any).
vi. To undertake such other functions as may be agreed to by the Committee and the Board of Directors.

ATTENDANCE AT MEETINGS

None of the AC Members attended the meeting held in FPE2022.

Name of AC members	Number of Meetings Attended During FPE 2022
Krishnan A/L Dorairaju Chairman (Appointed on 15 June 2022)	NIL
Dato' Kang Chez Chiang Member (Appointed on 15 June 2022)	NIL
Dato' Mior Faridalathrash Bin Wahid Member (Appointed on 27 September 2022)	NIL
Chong Seng Ming Member (Appointed on 27 September 2022)	NIL
Datin Fong Nyok Yoon Member (Resigned on 15 September 2022)	NIL

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR PERIOD 30 JUNE 2022

The summary of the activities carried out by the AC in discharging of its duties and responsibilities during FPE2022 included, among others, the following:

- Reviewed the external auditors' scope of work and audit plans for FPE2022;
- Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response;
- Reviewed and recommended the re-appointment of external auditors and their audit fees to the Board of Directors;
- Undertook an evaluation of the independence of external auditors;
- Reviewed and recommended the quarterly and annual financial results, reports and announcements for the Board of Directors' consideration and approval;
- Reviewed the internal audit plan prepared by the internal auditors;
- Reviewed and discussed reports of the internal auditors and assessed the effectiveness of the system of internal controls in the areas audited;
- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function;
- Reviewed the risk management program including key risks identified, the potential impacts and assessed the likelihood of the risk re-occurring;
- Reviewed the application of the corporate governance principles and the extent of Caely Group's compliance with Best Practices set under the Code;
- Reviewed all related party transactions entered by Caely Group and 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 of Directors on any major event covered by the RMAC and make recommendations to the Board of Directors and management concerning these matters;
- Ensured adequate procedures being in place pursuant to Section 17A of Malaysian Anti-Corruption Commission Act 2009; and
- Reviewed and recommended the appointment of new AC member for the Board of Directors' approval.

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 AC in ensuring the adequacy and effectiveness of the Internal control systems.

The activities of the Internal Audit Function during the financial period ended 30 June 2022 were as follows:

1. **Assess the adequacy and effectiveness of the system**

    i. Production planning
    ii. Issuance of Raw Materials for production activities
    iii. Monitoring of production process
    iv. Quality control inspection
    v. Preventive maintenance of machines and equipment calibration
    vi. Machine breakdowns / repairs
    vii. Review of relevant policies and procedures

INTERNAL AUDIT FUNCTIONS (CONTINUED)

2. Follow up audits on:

i. Review Report on Inventory Management of Classita (M) Sdn Bhd - February 2022

- Inconsistency in performing inventory adjustment in DejaWinT System

ii. Review Report on Corporate Liability of Caely Holdings Bhd - February 2022

- Absence of personnel for monitoring and review of Anti-Bribery & Corruption Process
- The Company's risk assessment does not include corruption risk
- Due diligence process for relevant parties and personnel could be improved - Caely (M) Sdn Bhd
- Enhancement required on the Company's Anti-Bribery & Corruption policies
- Training has yet to be conducted for all employees with regards to the Company's Anti-Bribery & Corruption practice
- Absence of communication of Anti-Bribery & Corruption policies to all employees and business associates

iii. Review Report on Contract Management of Caely (M) Sdn Bhd - February 2022

- Abserce of Policies and Procedures for Contract Management
- Weaknesses noted in the maintenance of vendors of the Company
- The process of issuing letter of Award for execution of works to contractors could be improved
- Absence of proper safekeeping of documents in Contract Department

The total cost incurred for the internal audit reviews performed by the professional services firm, RSM to Caely Group in respect of FPE2022 amounted to RM42,027.06.

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 of Directors of Caely Holdings Bhd ("the Board") is pleased to present this Statement on Risk Management and Internal Control ("SORMIC" or "This Statement") which outlines the nature of risk management and internal controls within Caely Holdings Bhd ("the Group") for the financial period ended 30 June 2022.

This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers" issued by Bursa Securities. Risk management and internal controls are integrated into the management processes and embedded in all business activities within the Group.

This Statement on Risk Management and Internal Control does not deal with associate companies as the Group does not have management control over their operations.

2. THE BOARD'S RESPONSIBILITIES

The Group is led by the Board. The Board affirms its responsibility for overseeing and ensuring a sound system of risk management and internal control for the Group. Such a system covers controls on the financial aspects and matters relating to operational, investment, risk management and compliance with applicable laws, regulations, and guidelines. Effective risk management helps the Group achieve optimal performance and profitability targets by incorporating risk information for decision making. The Board has delegated the responsibilities of risk management and governance to the respective Board Committees to ensure independent oversight of internal controls and risk management. The Board is cognizant of the importance of an integrated approach to manage key risks in achieving the Group's business objectives. The Board also recognises the fact that internal control systems are designed to manage and minimise rather than eliminate and avoid occurrences of materials misstatements, unforeseeable circumstances, fraud or losses.

The Group consistently includes the deliberation of key risk issues, regulatory compliance matters, and operational concerns of all subsidiaries, Subsidiary Board, Board Committee and Board meetings that are convened quarterly.

3. RISK MANAGEMENT FRAMEWORK

Caely Group has established an on-going risk management commitment to identify, assess and evaluate risks, its likelihood and its impact. Thereafter, proper preventive measures will be taken to manage every potential risk that could be exposed to Caely Group. The risk management policy and framework is established to incorporate, amongst others the following activities:

- To identify various risk factors (financial and non-financial) that could potentially have significant impact on Caely Group's success and continuity;
- To establish a risk coverage policy and to rank each of these risks according to its impact;
- To assess each of these risks (using the risk factors and relative weight) on Caely Group's core business lines, i.e. manufacture and sale of undergarment products, retail sales and property development and construction);
- To establish an overall risk profile and priority the respective risk accordingly;
- To establish an overall audit plan that covers all key risk areas;
- To conduct reviews on control activities of high-risk areas;
- To evaluate the control activities and to provide appropriate opinion to enhance the system of internal control;
- To monitor the changes in business condition, environment and operating style; and
- To evaluate if there is any changes to the risks identified earlier against the internal control system.

4. INTERNAL AUDIT FUNCTIONS

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

The person-in-charge from RSM for the financial period ended 30 June 2022 is Mr Joe Lee Yaw Joo, Managing Director. He has 25 years of experience in external and internal audit advisory, risk management, governance, financial management, business process enhancement, transformation and cost savings services. 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 from RSM that performed the internal audit exercises for Caely Group for the financial period ended 30 June 2022 are as follows:

Name	Qualification
Joe Lee Yaw Joo (Managing Director)	Member of the American Institute of Internal Audit Charted Accountant, Malaysia Institute of Accountant (MIA) Member of Malaysian Institute of Certified Public Accountants Member of American Institute of Supply Management
Ian Ng (Principal)	Charted Accountant, Malaysia Institute of Accountant (MIA) Member of CPA Australia
Vaehan Kanapathy (Consultant)	Bachelor of Accounting (Hons)
Yew Zhi Xuan (Associate Consltant)	Bachelor of Business (Hons)

During the financial period ended 30 June 2022, 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 AC. The AC received internal audit reports on the findings with the comments from operational heads of the respective departments under audit. These internal audit reports were tabled during the AC 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 AC for review and deliberation.

During the financial period ended 30 June 2022, 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 has resulted any material losses, contingencies or uncertainties that require to be disclosed in this Annual Report. The cost of internal audit function for the financial period ended 30 June 2022 was approximately RM42,027.06 (2021: RM24,409.00).

Description of the internal audit functions and activities from the internal auditors during the financial period ended 30 June 2022 are included in RMAC Report of this Annual Report.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

Caely 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 Caely Group's business.

- Internal control procedures in respect of the manufacturing segment are set out in a series of standard operating policies and procedures. These procedures are subject to regular review and improvement to reflect any emerging risk or to resolve operational deficiencies, and where appropriate, to ensure compliance with the Worldwide Responsible Accreditation Production ("WRAP") and Business Social Compliance Initiative ("BSCI") certification.

- Risk Management, internal controls and standard operating policies and procedures set out for Property Development and Construction segment are preparation of the Feasibility Study Report for each identified project which shall include the profitability and cash flow analysis, conducting study on statutory requirements and compliances, and market survey before adopting any project identified. A proper and systematic procurement policies and procedures has also been established especially on the awarding of contract to contractors which must be assessed and approved by the tendering committee.

- Management reports are prepared at each subsidiary level on a monthly basis.

- Quarterly performance reports with comprehensive information on financial performance and key business indicators are deliberated at the AC meetings and thereafter tabled to the Board of Directors' Meeting for consideration and approval.

- The AC and the Board of Directors are committed to identify any significant risks faced by Caely Group and shall assess the adequacy of financial and operational controls in place to address these risks.

- The AC will review the external auditors' recommendations on internal controls arising from the statutory audit.

- The AC holds meetings to deliberate on the findings and recommendations for improvement presented by both the internal and external auditors on Caely Group's internal control system and to report the AC's deliberation to the Board of Directors during the Board of Directors' Meeting. As part of the ongoing control improvement process, the Management will take appropriate actions to address the control recommendations made by the internal and external auditors. None of the internal control weaknesses identified during the financial period ended 30 June 2022 has resulted any material losses, contingencies or uncertainties that require to be disclosed in this Annual Report.

- The Board of Directors and the Management convened several meetings during the financial period ended 30 June 2022 in order to assess the performance and controls at operational level.

6. REVIEW BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements other than Audits or Reviews Of Historical Financial Information, Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants.

Based on the procedures performed, the external auditors has reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal control intended to be included in the Annual Report was not prepared, in all material respects, in accordance with the disclosure required under 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.

AAPG 3 does not require the external auditor 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

For the financial period ended 30 June 2022, the Board has actively monitored and reviewed the risk management practices and effectiveness of the internal control structure, base on the adopted framework, which includes processes for identifying, evaluating and managing significant risks faced by the Group. This is an ongoing process that includes the enhancement of the relevant key internal controls when there are changes in the business environment.

The Board is also assisted by Management in the implementation of policies and procedures on risks and control. This includes identifying risk control measures to address relevant risks affecting the Company.

The Board has received assurance from the Chief Executive Officer that Company’s current risk management framework and internal control structure is operating adequately and effectively in all material aspects, based on the current risk management and internal control system of the Group. Where weaknesses are identified, rectification steps have been put in place.

Based on the assurances provided and with the implementation of a risk management framework as well as the adoption of an internal control system, the Board is of the opinion that the risk management and internal control system for the year under review, up to the date of the issuance of the Group’s financial statements, are adequate and effective in safeguarding the investments of shareholder and the interests of all stakeholders.

This statement is issued in accordance with a resolution of the Directors on 20 October 2022.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Sustainability Statement of Caely Holdings Bhd ("the Company" or "Caely") is prepared based on the MMLR of Bursa Securities.

In this Sustainability Statement, we have highlighted the Economic, Environmental and Social ("EES") activities and initiatives, which has always been part and parcel of the culture of the Company and its subsidiaries ("Caely Group"), in order to achieve an uninterrupted growth in Caely Group's financial performance, and ultimately to maximize Shareholders' investment.

BOUNDARIES

This Sustainability Statement aims to illustrate Caely Group's strategic efforts in EES. The information contained in this Sustainability Statement are based on the material areas that Caely Group has identified. The Company believes that this Sustainability Statement will provide the Shareholders sufficient breadth of overall sustainability impact and performance of Caely Group.

REPORTING PERIOD

This Sustainability Statement covers for the financial period ended 30 June 2022 (1 April 2021 to 30 June 2022) ("FP 2022").

AUDIENCE

This Sustainability Statement is published for our valued stakeholders' information. The stakeholders include Shareholders, Government, suppliers, customers, employees and local communities.

In FP 2022, the focus is on engaging with Caely Group's internal stakeholders, which are the Board of Directors, the Management and the employees.

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

ECONOMIC

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

For manufacturing segment, Caely Group is the leading undergarments manufacturer in Malaysia, catering to both local and export markets under its own brand as well as other Original Equipment Manufacturer ("OEM") brands. The Management is proud to inform that one of Caely Group's products, namely nursing bra, which is manufactured by Caely Group, is renowned internationally due to its quality and design.

Caely Group is also actively expanding the trading and retail segment for the mother care products, baby care products and personal care products through conventional marketing channel and ecommerce platform.

In the property development segment, the focus of Caely Group is on small to mid-scale residential development, by building residential developments for the well-beings of the local community.

Caely Group aims to create the best value by delivering quality products and services at the most competitive pricing. Caely Group reviews its market position continuously to meet and manage the ever-changing market trend and consumer demand.

Key Highlights of Caely Group for FP 2022

		(RM'000)
1	Revenue	75,827
2	Loss Before Tax	(1,758)
3	Net Assets	78,814

Economic Performance

The economic performance is measured to ensure the economic sustainability of the Group, which is elaborated in the Management Discussion & Analysis section, as set out in pages 25 to 33 of this Annual Report.

Procurement Practices

In the manufacturing segment, Caely Group is one of the largest manufacturers and exporters of lingerie in Malaysia. Caely Group commences its operations in 1988 with just a handful of skilled staffs on a rented premises, and now, Caely Group has more than 600 staffs in its own production complex on a 7½ acres site, located at Teluk Intan, Perak. The modern manufacturing facilities of Caely Group coupled with its high creativity in designs, styles, computerized pattern and marker systems, have been the competitive edge of Caely Group against other lingerie manufacturers.

Lingerie manufacturing calls for products with innovative designs. With this in mind, sourcing of quality fabric materials has been an important aspect of the business process. The components and fabrics are sourced from a healthy mix of local and overseas suppliers. Caely Group acknowledges the local suppliers in Malaysia and has been supportive to their business. Thus, procuring locally enables Caely Group to contribute to the local economy. Local suppliers that meets the required standards provides Caely Group the materials that are essential to produce high quality undergarments. Caely Group's continuous improvement and efforts in sourcing of quality raw material will create more value to the customers.

For trading and retail segment, we source our products both locally and from overseas. On sourcing practices, customers' value and satisfaction will also be the priority of Caely Group.

For property development and construction segment, Caely Group's strategy is to procure the materials from local supplier in order to boost the local economy.

ECONOMIC (CONTINUED)

Direct Economic Value

The Management is confident that the demand for textile and apparel will gradually recover when the impact of COVID-19 pandemic on global economy slowly subsided, especially after the world and our country achieved herd immunity through wide coverage of vaccination to the populations.

The Government of Malaysia expects to achieve herd immunity by end of 2022. Meanwhile, marketing team of Caely Group has been actively sourcing for new customers in order to safeguard the job opportunity for our employees and to fully utilise the company resources. The Management is proud to inform that although COVID-19 pandemic has disrupted the operation of Caely Group, Caely Group has managed to retain all employees, both locals and foreigners. Manufacturing segment has enabled Caely Group to continue provide employment opportunities in Teluk Intan, Perak.

Caely Group has contributed employment opportunities for the local communities whereby some employees have been with Caely Group for close to 30 years. The Management is working towards instilling a culture of emphasising the well-being of employees, by enabling them to grow and prosper with Caely Group. Employees of Caely Group are offered competitive salaries and benefits coupled with a conducive working environment. The Management is proud to inform that, as at to-date, Caely Group has not reported any case of Covid-19 infection in the premises of Caely Group. This is impossible without the intensive effort and cooperation from the Management and all employees.

Business Development and Strategic Partnerships

Caely Group continually seeks business opportunities through strategic business investments by expanding into new markets and/or new business portfolios, that could provide positive direct and indirect economic impact. Moving forward and judging from the changes in business environment especially those affected by COVID-19 pandemic outbreak and consumers spending behaviour, Caely Group will focus its efforts in developing and expanding the ecommerce platform especially for the sales and retails segments. In addition, Caely Group also values partnerships and collaborations to develop and grow the property industries.

ENVIRONMENTAL

Caely Group remains steadfast in its commitment to achieve a sustainable development and to operate in a way that could minimise environmental harm. To be an environmental friendly company, Caely Group invests in new technologies and adopts industry best practices to optimise the resources and to promote energy efficiency.

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

Energy Management

Caely Group has implemented the following steps to minimise the impact to the environmental:

- Switched off the office's centralised air-conditioning during the lunch hour for energy savings.
- Encouraged the employees to adopt an energy-savvy behaviour, such as setting the air-conditioner temperature at 24 degree Celsius and to switch off the lights and other electrical equipment during lunch time and when they are not in the office.
- Encouraged the employees to suggest energy and resource-saving initiatives.

ENVIRONMENTAL (CONTINUED)

Material and Waste Management

Caely Group acknowledges that heavy usage of paper could impact significantly to the environment. Caely Group's approach to material and waste management is to avoid unnecessary paper consumption and waste generation. Hence, the Management and employees are always mindful to minimise paper usage. Generally, Caely Group practises the following on paper management:-

- Reducing papers – to avoid any printing and photocopying, if possible, and encourage paperless environment. In the event that the printing or photocopying is necessary, then to practise double sided printing or reduce the paper size for economic reasons.
- Recycled papers are 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 encouraged to re-use envelopes, papers and boxes, as much as possible.

In manufacturing segment, Caely Group ensures the raw materials are being utilised to its optimal level and thus reducing the wastage to its minimal level. Caely Group also encourages usage of recycled carton boxed and other packing materials, while ensuring such practices would not negatively affect the product quality. For transportation of goods for both import and export deliveries, Caely Group would often utilise fully the transport loading capacity, as much as possible for every trip of delivery. This will help to reduce gas emission to the environment by reducing the number of possible trips and also bring economic benefit to the company by minimising the cost of transportation.

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

SOCIAL

Occupational Safety and Health

Caely 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 within Caely Group. Through the collaboration with the local fire and rescue department, fire drill is being conducted at least twice a year, which would cover on how to use the fire-fighting equipment, first aid, CPR, orderly evacuation procedures and other hazard preventive measures.

The Workplace

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

For the Muslim employees' convenient, Caely Group installed a Surau in the factory compound. Hence, the Muslim employees need not to travel outside every Friday for prayers.

SOCIAL (CONTINUED)

Employees' Welfare and Well-Being

The Group has been actively organising activities to promote a healthy lifestyle for employees, to celebrate all festivities, to foster relationship during Caely Group's annual dinner and family days' events.

The Group has also provided transportation to carry workers back and forth from their resident areas to the factory.

At the end of 2020, Caely Group was certified by the Jabatan Tenaga Kerja for providing clean and well equipped living facilities in the hostel of the foreign workers. Caely Group has also conducted swab tests in early of 2021, by engaging qualified medical practitioner, for all foreign workers. The outcome of the tests showed that none of the foreign workers was infected with COVID-19. Caely Group will continue to ensure that the welfare and well-being of all employees are always taken care of especially in terms of health and living environment.

Compliance with International Social Practice Standards

In the undergarment manufacturing segment, where Caely Group's products are exported to European countries and the United States of America ("USA"), Caely Group is obliged to comply with the strict requirements of social practice and accountability standards that specifically focus on the wellbeing of employees and forced labour issues, i.e. the Worldwide Responsible Accredited Production ("WRAP") for USA and Business Social Compliance Intiative ("BSCI") for European countries.

Caely Group is subjected to regular audit by independent auditor to maintain the certification standards, and the Management is proud to inform that Caely Group has been maintaining the certification status all these while.

To demonstrate Caely Group's commitment and to enhance its social accountability practices, the Management is in the process of applying for another certification that has stricter compliance requirements, i.e. the SA8000 certification, which is recognised globally. The Management expects to obtain the certification in December 2023 and according to the independent certification body, Caely Group will be the first company in Malaysia and among the few in South-East Asia region to be certified with SA8000 certification, if Caely Group succeed in the application.

Minimum Wage

Caely Group has based on the Minimum Wages Order 2022 revised the minimum monthly salary to RM1,500.

Trainings

The human resource development and training programs focus on building leadership, self-confidence, personal and work competencies.

Trainings are conducted either in-house or outsourced to professionals body. The training programs could be conducted through formal classroom, on-the-job training or action-based training.

By having these trainings, Caely Group believes its employees will be well equipped and motivated to perform their duties and to realise their full potential.

Contributing to Communities

As a caring corporate entity, Caely Group has been adopting the "Caring and Sharing" approach to the community.

Caely Group participates in the local community and society by providing the needy and less fortunate ones the chance to work together with their peers. With the assistance and collaboration from the local institution, Bethany Home of the Handicapped, Caely Group has continued to employ some of their students after appropriate trainings being conducted. Caely Group also donates regularly to Bethany Home and several old folk homes either in cash and/or consumer products. In addition, Caely Group also donates to local schools and organisations in the local community.

SOCIAL (CONTINUED)

Supply Chain

Caely Group is committed to ensure that all its activities will not have a significant impact to the environment.

Being an exporter, Caely Group's manufacturing segment has to comply with the stringent requirements set by the overseas buyer, whereby the raw materials used should be free from harmful substances and got to be tested in accordance to Oeko-Tex Standard 100, a worldwide independent testing and certification of raw, semi-finished and finished textile products. Therefore, Caely Group insisted all its suppliers to also comply with this standard. Compliance to the stringent requirements and standards is a testament to Caely Group's continuous improvement in sustainability efforts as highlighted above.

In the property and construction segment, suppliers and contractors are carefully selected through pre-qualification screening, a thorough assessment of their credentials, call tenders exercise, and follow-up meetings and interviews.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Directors is 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 Company and its subsidiaries ("Caely Group") as at 30 June 2022 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The Board of Directors is responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of Caely Group for the financial period ended 30 June 2022. 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 Board of Directors has:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured 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 Board of Directors is responsible to ensure that Caely Group maintains proper accounting records that disclose with reasonable accuracy in the financial position of Caely Group which enables the Board of Directors to ensure that the financial statements comply with the requirements of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") approved by the Malaysian Accounting Standard Board ("MASB") in Malaysia.

The Board of Directors also has a general responsibility to take necessary steps that are reasonably available to them to safeguard the assets of Caely Group whereby an appropriate system of internal control is established to prevent and detect fraud as well as other irregularities.

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

This Statement is issued in accordance with a resolution of the Directors on 20 October 2022.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 April 2021 to 30 June 2022.

Principal activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 13 to the financial statements.

Change of financial year end

The financial year end of the Company has been changed from 31 March to 30 June and this is the first set of financial statements prepared to end on the new accounting date. As a result of this, the audited financial statements are prepared for a period of 15 months from 1 April 2021 to 30 June 2022.

Results

	Group RM	Company RM
Loss for the financial period	7,202,239	3,244,054

Reserves and provisions

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

Dividend

On 23 February 2022, the Company declared an interim single-tier dividend of RM0.005 per ordinary share amounting RM1,287,198 for 257,439,604 ordinary shares in respect of the financial period ended 30 June 2022 and was paid on 31 March 2022.

The Directors do not recommend any final dividend in respect of the financial period from 1 April 2021 to 30 June 2022.

Directors

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

Leong Seng Wui	-	Appointed on 15 June 2022
Ng Keok Chai	-	Appointed on 15 June 2022
Krishnan A/L Dorairaju	-	Appointed on 15 June 2022
Dato' Kang Chez Chiang	-	Appointed on 15 June 2022
Kenny Khow Chuan Wah	-	Appointed on 27 September 2022
Chong Seng Ming	-	Appointed on 27 September 2022
Dato' Pahlawan Mior Faridalathrash Bin Wahid	-	Appointed on 27 September 2022
Datin Fong Nyok Yoon	-	Resigned on 15 September 2022
Dato' Sri Sin Hock Min	-	Appointed on 25 April 2022/Removed on 15 June 2022
Dato' Loh Ming Choon	-	Appointed on 25 April 2022/Removed on 15 June 2022
Dato' Mohamad Hanafiah Bin Zakaria	-	Appointed on 25 April 2022/Removed on 15 June 2022
Wong Siaw Puie	-	Appointed on 28 April 2022/Removed on 15 June 2022
Ng Mei Choo	-	Appointed on 6 May 2022/Removed on 15 June 2022
Sin Yoke Hang alternate director to Dato' Sri Sin Hock Min	-	Appointed on 6 May 2022/Removed on 15 June 2022
Koo Chen Yeng	-	Appointed on 17 May 2022/Removed on 15 June 2022
Dato' Koh Mui Tee	-	Appointed on 31 May 2022/Removed on 15 June 2022
Tan Loon Cheang	-	Resigned on 16 March 2022
Ng Boon Kang	-	Resigned on 14 March 2022
Lim Say Leong	-	Resigned on 29 April 2022
Lim Chee Pang	-	Resigned on 29 April 2022
Dato' Wira Ng Chun Hau	-	Resigned on 13 May 2022
Beh Hong Shien	-	Resigned on 31 May 2022
Noor Azri Bin Dato' Sri Noor Azerai	-	Appointed on 23 March 2022/Resigned on 25 April 2022
Datuk Seri Mazian Bin Lazim	-	Appointed on 29 March 2022/Resigned on 25 April 2022
Sandraruben A/L Neelamagham	-	Appointed on 14 June 2022/Withdrawn on 17 June 2022
Dato' Jovian Mandagie	-	Appointed on 14 June 2022/Withdrawn on 17 June 2022

Directors (continued)

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

Dato' Loh Ming Choon	-	Appointed on 4 August 2022
Wong Siaw Puie	-	Appointed on 4 August 2022
Hor Weng Kuan	-	Appointed 12 September 2022
Ang Li Ching	-	Resigned on 7 May 2022
Dato' Chuah Chin Lai	-	Resigned on 20 May 2022
Datin Wira Lim Chee Ting	-	Resigned on 7 May 2022

Directors' interests in shares

The Directors holding office at the end of the financial period and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial period from 1 April 2021 to 30 June 2022 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:

	Number of Ordinary Shares			
	Balance as at 1.4.2021	**Bought**	**Sold**	**Balance as at 30.6.2022**
In the Company				
Direct interest				
Leong Seng Wui	-	10,213,000	-	10,213,000
Datin Fong Nyok Yoon	16,055,400	3,000,000	-	19,055,400
Dato' Wira Ng Chun Hau	32,902,700	12,796,300	(1,812,000)	43,887,000
Lim Say Leong	110,000	-	(110,000)	-
Lim Chee Pang	18,000	10,000	(10,000)	18,000
Indirect interest				
Datin Fong Nyok Yoon	14,600,700	-	-	14,600,700
Dato' Wira Ng Chun Hau	25,344,700	13,346,000	(36,550,800)	2,139,900

Warrants 2018/2021

	Number of Warrants			
	Balance as at 1.4.2021	**Sold/ Exercise***	**Expired**	**Balance as at 30.6.2022**
In the Company				
Direct interest				
Dato' Chuah Chin Lai	28,969,000	(28,969,000)	-	-
Datin Fong Nyok Yoon	25,025,400	(25,025,400)	-	-
Dato' Wira Ng Chun Hau	2,002,700	(2,002,700)	-	
Indirect interest				
Dato' Chuah Chin Lai	25,025,400	(25,025,400)	-	-
Datin Fong Nyok Yoon	28,969,000	(28,969,000)	-	-

Directors' interests in shares (continued)

* 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.

* Prior to the bonus issue, the warrants' exercise price adjusted from RM0.38 per share to RM0.19 per share with the additional 38,654,400 warrants listed and quoted on 10 April 2019.

Warrants 2021/2024

	Number of Warrants			
	Balance as at 1.4.2021	**Granted***	**Sold**	**Balance as at 30.6.2022**
In the Company				
Direct interest				
Datin Fong Nyok Yoon	-	9,527,700	-	9,527,700
Dato' Wira Ng Chun Hau	-	20,892,350	(12,783,500)	8,108,850
Lim Say Leong	-	55,000	(55,000)	-
Lim Chee Pang	-	14,000	(7,000)	7,000
Indirect interest				
Datin Fong Nyok Yoon	-	7,300,350	-	7,300,350
Dato' Wira Ng Chun Hau	-	15,306,150	(15,306,150)	-

* Bonus issue of 128,719,802 warrants 2021/2024 issued pursuant to the bonus issue of warrants had been completed following listing and quotation for 128,719,802 warrants on the main market Bursa Securities on 29 December 2021. The exercise price for the warrants was fixed at RM0.35 for each of new share and to be exercised from the date of issuance up to maturity date. The new ordinary shares issued upon exercise of warrants shall rank pari passu in all respect with the existing shares of the Company.

By virtue of their interest in the Company, Dato' Wira Ng Chun Hau, 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 period held any interest in shares in the Company or its related corporations during the financial period.

Directors' benefits

Since the end of previous financial year, no director of 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 32 to the financial statements.

There were no arrangements during and at the end of the financial period, 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 and fee

Directors' remuneration of the Group and of the Company amounted to RM978,951 and RM22,300 respectively as disclosed in Note 5 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM327,000 and RM327,000 respectively as disclosed in Note 5 to the financial statements.

Indemnity and insurance for Directors, officers and auditor

The Company maintains a liability insurance paid amounted to RM9,550 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 period, for any person who is or has been Director, officer and auditor of the Company and its subsidiaries.

Issue of shares and debentures

During the financial period, the issued and fully paid-up ordinary share of the Company increased from 213,367,900 to 258,242,604 by way issuance of 44,874,704 new ordinary shares pursuant to the following:

(i) 23,000,000 shares exercised under the Private Placement at an exercise price at RM0.345 per placement share;

(ii) 21,071,704 units of warrant exercised at an exercise price at RM0.19 each for cash which resulted 21,071,704 ordinary shares being issued pursuant to Deed Poll of 19 April 2019; and

(iii) 803,000 units of warrant exercised at an exercise price RM0.35 each for cash which resulted 803,000 ordinary shares being issued pursuant to Deed Poll of 23 December 2021.

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 period.

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

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial period.

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 there are no known bad debts and that adequate 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 inadequate to any substantial extent; 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 period 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 period.

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 period 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 period from 1 April 2021 to 30 June 2022 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 period and the date of this report.

Significants events

Details of significant events during the financial period are disclosed in Note 40 to the financial statements.

Auditors

The auditors, Messrs PKF PLT (202206000012 (LLP0030836-LCA) & AF0911), have indicated their willingness to continue in office.

PKF PLT (202206000012 (LLP0030836-LCA) & AF0911) have been converted from a conventional partnership, PKF (AF0911), to a limited liability partnership on 28 February 2022.

The auditors' remuneration of the Group and of the Company for the financial priod from 1 April 2021 to 30 June 2022 amounted to RM257,600 and RM91,000 respectively.

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

NG KEOK CHAI	KENNY KHOW CHUAN WAH

Kuala Lumpur

31 October 2022

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 72 to 187 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 30 June 2022 and of their financial performances and their cash flows for the financial period from 1 April 2021 to 30 June 2022.

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

NG KEOK CHAI	KENNY KHOW CHUAN WAH

Kuala Lumpur

31 October 2022

STATUTORY **DECLARATION**

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

I, KENNY KHOW CHUAN WAH, being the Director 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 72 to 187 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 Kuala Lumpur in Wilayah)
Persekutuan on 31 October 2022)

KENNY KHOW CHUAN WAH
(MIA No. 31967)

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

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

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 30 June 2022 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 period then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 72 to 187.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2022, and of their financial performances and their cash flows for the financial period 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group and 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 year. 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) Net realisable value of inventories of property development costs
(Refer to Notes 1(d)(iv), 2(k) and 16 to the financial statements)

The Group has significant property development cost as its inventories. These inventories are stated at the lower of their cost and their net realisable values. As at 30 June 2022, property development cost stated at cost and net realisable value amounted to RM24,759,683.

We focus on this area as the assessment of net realisable value is an area that involves significant judgement. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in more losses when inventories are sold. The determination of the estimated net realisable value of this development cost is critically dependent upon the Group's expectations of future selling prices.

Our procedures included:

(a) Reviewed the appropriateness of the management's estimation on the valuation of inventories;
(b) Comparing the recent transacted prices of comparable completed properties, after taking into consideration of the discount given, or where applicable, for certain properties, reviewed valuation reports obtained by management to facilitate the assessment;
(c) Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
(d) Reviewed the methodology adopted by the independent valuers in estimating the fair value of the land; and
(e) Evaluated the appropriateness of the data used by the independent valuers as input into their valuations.

Key Audit Matters (continued)

(ii) Recoverability on amount owing by subsidiaries
(Refer to Notes 2(g)(i) and 17 to the financial statements)

The gross carrying amount of the amount owing by subsidiaries amounted to RM40,351,108. The Company carries significant amount owing by subsidiaries which subject to a high credit risk exposure.

Due to the difficulties in determining the probability of default on amount owing by subsidiaries, we consider the estimation and judgement made by the Directors to be an area of audit focus.

Our procedures included:

(a) Assessed and tested reasonableness of the Company's ECL model, and key assumptions made by management; and
(b) Assessed whether financial statements disclosures are adequate and appropriately reflect the Company's exposure to credit risk, arising from subsidiary companies.

(iii) Impairment of trade receivables
(Refer to Notes 1(d)(v), 2(g)(i), 2(n) and 17 to the financial statements)

Impairment of trade receivables is an area of focus in the audit as there are variables that involved significant judgement when assessing the expected credit losses of trade receivables. The trade receivables' expected credit losses are estimated using provision matrix, which is based on the Group's historical observed default rates and forward-looking information. Net impairment of RM2,133,352 were made during the current financial period, resulted in total impairment of RM20,779,380 was made against trade receivable balances of RM29,236,302 as at the financial period from 1 April 2021 to 30 June 2022.

As part of our audit to test Management's assessment of the recoverability of the Group's receivables.

Our procedures included:

(a) Reviewed of Management's assessment of impairment loss of receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable;
(b) Reviewed of subsequent collections of major trade receivable balances to determine the validity and collectability of receivables as at financial period end; and
(c) Tested reasonableness of the Group's ECL model and key assumptions made by management.

Key Audit Matters (continued)

(iv) Going concern of the Group and the Company
(Refer to Notes 1(c) to the financial statements)

The Group and the Company incurred a net loss of RM7,202,239 and RM3,244,054 respectively during the financial period. In addition the subsidiaries' operational bank account amounted to approximately RM20.6 million were being freezed during the financial period.

In assessing the going concern assumption used in the preparation of the financial statements of the Group, management has considered the repayment obligations for borrowings, other liabilities and cost overheads which are due in the next 12 months, taking into consideration the ability of the Group to generate sufficient cash flows from its existing demand and supply and upcoming committed orders.

Our procedures included:

(a) Assessed the reasonableness of the management's key assumptions used and judgements exercised on its cash flow forecast; and
(b) Performed sensitivity test for a range of reasonable possible scenarios.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company 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, Sustainability Statement, Statement of Directors' Responsibilities in Relation to the Financial Statements and Directors' Report but does not include the financial statements 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 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company 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.

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 Group and 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, actions taken to eliminate threats or safeguard applied.

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.

Other Matters

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.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NG CHEW PEI
03373/06/2024 J
CHARTERED ACCOUNTANT

Kuala Lumpur

31 October 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 JUNE 2022

		Group		Company	
	Note	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
Revenue	3	75,827,230	57,485,726	587,800	1,000,000
Cost of sales	4	(61,525,517)	(47,531,568)	-	-
Gross profit		14,301,713	9,954,158	587,800	1,000,000
Other operating income		2,332,358	4,075,374	158,306	94,692
Selling and distribution costs		(1,326,820)	(1,567,215)	-	-
Administrative expenses		(13,261,385)	(8,170,569)	(3,979,042)	(7,264,137)
Net (loss)/profit on impairment of financial assets		(2,698,778)	(16,791,369)	-	36,049,783
(Loss)/Profit from operations		(652,912)	(12,499,621)	(3,232,936)	29,880,338
Finance cost	6	(1,104,913)	(1,201,397)	-	-
(Loss)/Profit before tax	7	(1,757,825)	(13,701,018)	(3,232,936)	29,880,338
Tax (expenses)/income	8	(5,444,414)	372,764	(11,118)	4,106
Total comprehensive (loss)/income for the financial period/year		(7,202,239)	(13,328,254)	(3,244,054)	29,884,444
Loss attributable to:					
Owners of the parent		(7,202,239)	(14,277,615)		
Non-controlling interests	24	-	949,361		
		(7,202,239)	(13,328,254)		
Total comprehensive loss attributable to:					
Owners of the parent		(7,202,239)	(14,277,615)		
Non-controlling interests	24	-	949,361		
		(7,202,239)	(13,328,254)		
Loss per share (sen)					
- Basic	9	(3.54)	(7.70)		
- Diluted	9	(2.17)	(6.73)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group 30.6.2022 RM	Group Restated 31.3.2021 RM	Company 30.6.2022 RM	Company 31.3.2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	23,766,723	23,715,138	50,602	59,568
Right-of-use assets	11	364,252	192,420	-	-
Investment properties	12	4,100,000	4,100,000	4,100,000	4,100,000
Investment in subsidiaries	13	-	-	26,627,226	26,440,049
Goodwill	14	-	-	-	-
Deferred tax assets	15	-	3,782,278	-	-
		28,230,975	31,789,836	30,777,828	30,599,617
Current assets					
Inventories	16	56,596,693	54,178,388	-	-
Receivables, deposits and prepayments	17	10,353,832	15,069,285	40,481,879	37,380,780
Tax recoverable		298,358	183,642	17,425	17,425
Fixed deposit with licensed banks	18	9,196,829	3,128,518	-	-
Cash and bank balances	19	16,114,822	2,802,204	307,679	876,442
		92,560,534	75,362,037	40,806,983	38,274,647
Assets classified held for sale	20	-	580,591	-	-
		92,560,534	75,942,628	40,806,983	38,274,647
TOTAL ASSETS		120,791,509	107,732,464	71,584,811	68,874,264
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	21	71,778,935	59,559,261	71,778,935	59,559,261
Other reserves	22	10,544,482	10,651,327	1,851,511	1,851,511
(Accumulated losses)/Retained profits	23	(3,509,503)	4,873,089	(3,789,583)	741,669
		78,813,914	75,083,677	69,840,863	62,152,441
Non-controlling interests	24	-	(218,944)	-	-
Total equity		78,813,914	74,864,733	69,840,863	62,152,441

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
(CONTINUED)

		Group		Company	
			Restated		
	Note	**30.6.2022 RM**	**31.3.2021 RM**	**30.6.2022 RM**	**31.3.2021 RM**
Non-current liabilities					
Lease liabilities	25	260,519	108,031	-	-
Term loans	26	8,188,645	10,413,079	-	-
Deferred tax liabilities	15	1,442,923	1,270,122	150,544	153,637
		9,892,087	11,791,232	150,544	153,637
Current liabilities					
Payables and accrued liabilities	27	22,612,816	12,836,732	1,593,404	6,568,186
Contract liabilities	28	393,170	360,395	-	-
Provisions	29	258,354	258,354	-	-
Tax payable		359,018	557,678	-	-
Lease liabilities	25	70,348	76,759	-	-
Term loans	26	1,758,347	1,576,775	-	-
Short term bank borrowings:	30				
- Bank overdrafts		4,753,314	2,605,615	-	-
- Others		1,880,141	1,776,777	-	-
		32,085,508	20,049,085	1,593,404	6,568,186
Liabilities held for sale	20	-	1,027,414	-	-
		32,085,508	21,076,499	1,593,404	6,568,186
Total liabilities		41,977,595	32,867,731	1,743,948	6,721,823
TOTAL EQUITY AND LIABILITIES		120,791,509	107,732,464	71,584,811	68,874,264

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 JUNE 2022

		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 2020 (as previously stated)		50,266,551	80,344	10,656,460	21,315,227	82,318,582	(1,168,305)	81,150,277
Prior year adjustment		-	-	-	(2,250,000)	(2,250,000)	-	(2,250,000)
At 1 April 2020 (restated)		50,266,551	80,344	10,656,460	19,065,227	80,068,582	(1,168,305)	78,900,277
Exercise of warrants	21	9,292,710	-	-	-	9,292,710	-	9,292,710
Loss for the financial year		-	-	-	(14,277,615)	(14,277,615)	949,361	(13,328,254)
Transfer of reserve		-	-	(85,477)	85,477	-	-	-
At 31 March 2021 (restated)		59,559,261	80,344	10,570,983	4,873,089	75,083,677	(218,944)	74,864,733
Exercise of warrants	21	4,284,674	-	-	-	4,284,674	-	4,284,674
Exercise of private placement	21	7,935,000	-	-	-	7,935,000	-	7,935,000
Loss for the financial period		-	-	-	(7,202,239)	(7,202,239)	-	(7,202,239)
Disposal of subsidiary		-	-	-	-	-	218,944	218,944
Dividend	31	-	-	-	(1,287,198)	(1,287,198)	-	(1,287,198)
Transfer of reserve		-	-	(106,845)	106,845	-	-	-
At 30 June 2022		71,778,935	80,344	10,464,138	(3,509,503)	78,813,914	-	78,813,914

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
(CONTINUED)

			Non-distributable	Distributable	
	Note	Share capital RM	Revaluation reserve RM	Retained profits/ (Accumulated loss) RM	Total equity RM
Company					
At 1 April 2020		50,266,551	1,851,511	(29,142,775)	22,975,287
Exercise of warrants	21	9,292,710	-	-	9,292,710
Total comprehensive loss for the financial year		-	-	29,884,444	29,884,444
At 31 March 2021		59,559,261	1,851,511	741,669	62,152,441
Exercise of warrants	21	4,284,674	-	-	4,284,674
Exercise of private placement	21	7,935,000	-	-	7,935,000
Total comprehensive loss for the financial period		-	-	(3,244,054)	(3,244,054)
Dividend	31	-	-	(1,287,198)	(1,287,198)
At 30 June 2022		71,778,935	1,851,511	(3,789,583)	69,840,863

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(1,757,825)	(13,701,018)	(3,232,936)	29,880,338
Adjustments for:					
Property, plant and equipment					
- depreciation		929,287	690,673	23,866	18,299
- gain on disposal		(60,000)	(10,000)	-	-
Impairment loss on investment in subsidiaries		-	-	212,813	6,571,316
Right-of-use assets					
- depreciation		99,036	187,624	-	-
- gain on disposal		(79,050)	-	-	-
Allowance for expected credit loss/impairment loss					
- charge for the financial year		5,363,190	16,791,370	-	-
- reversal		(2,629,955)	(2,013,818)	-	(36,049,783)
Provision/(Reversal of Provision) for liquidated ascertained damages		260,903	(772,484)	-	-
Interest expense		990,758	1,159,430	-	-
Interest income		(195,807)	(65,758)	(6)	-
Amortisation of government grant		(453,600)	(1,091,413)	-	-
Allowance for slow moving inventories					
- provided for		855,924	266,973	-	-
- reversal		-	(122,682)	-	-
Fair value loss on					
- marketable securities		-	(8,804)	-	(8,804)
- derivatives financial instruments		-	(12,198)	-	-
Dividend income		-	-	-	(1,000,000)
Gain on disposal of marketable securitries		-	(1,648)	-	(1,648)
Gain on disposal of subsidiary		(227,879)	-	-	-
Net unrealisable foreign exchange gain		(148,766)	(424,714)	-	-

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
(CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Operating profit/(loss) before working capital changes		2,946,216	871,533	(2,996,263)	(590,282)
Increase in inventories		(3,274,229)	(2,305,798)	-	-
Decrease/(Increase) in receivables		2,130,984	7,101,429	(108,325)	8,508
Increase/(Decrease) in payables		9,959,920	(3,337,527)	1,418,548	(53,628)
Increase in Housing Development Accounts		(2,051)	(419)	-	-
Cash generated from/(used in) operations		11,760,840	2,329,218	(1,686,040)	(635,402)
Liquidated ascertained damages and compensation paid		(228,128)	(1,230,949)	-	-
Interest paid		(128,060)	(474,595)	-	-
Tax paid		(1,803,135)	(119,206)	(14,211)	-
Tax refunded		424	752	-	-
Net cash from/(used in) operating activities		9,601,941	505,220	(1,700,251)	(635,402)
Cash flows from investing activities					
Acquisition for property, plant and equipment		(861,952)	(107,649)	(14,900)	-
Acquisition for subsidiary		-	-	(399,990)	(10)
Proceeds from disposals of property, plant and equipment		60,000	10,000	-	-
Proceeds from disposals of right-of-use assets		320,000	-	-	-
Proceeds from disposals of investment in equity instrument		-	13,565	-	13,565
Proceeds from disposals of subsidiary		(36,154)	-	-	-
Repayment of subsidiary		-	-	(2,992,774)	-
Interest income received		195,807	65,758	6	-
Dividend received		-	-	-	1,000,000
Acquisition of right-of-use asset	(iii)	(264,138)	-	-	-
Net cash (used in)/from investing activities		(586,437)	(18,326)	(3,407,658)	1,013,555

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
(CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from financing activities					
Deposits with licensed banks		(68,311)	(66,716)	-	-
Dividend paid		(1,287,198)	-	(1,287,198)	-
Net changes in short term bank borrowings	(ii)	103,364	(331,986)	-	-
Repayments of term loans	(ii)	(2,042,862)	(564,698)	-	-
Government grant received		453,600	1,091,413	-	-
Repayments of lease liabilities	(ii)	(220,523)	(127,789)	-	-
Repayments to a director	(ii)	(183,837)	(826,489)	-	-
Interest paid		(862,698)	(684,835)	-	-
Exercise of warrants	21	4,284,674	9,292,710	4,284,674	9,292,710
Exercise of private placement	21	7,935,000	-	7,935,000	-
Advances to a subsidiary	(ii)	-	-	(6,393,330)	(8,794,793)
Net cash from financing activities		8,111,209	7,781,610	4,539,146	497,917
Net increase/(decrease) in cash and cash equivalents		17,126,713	8,268,504	(568,763)	876,070
Cash and cash equivalents at 1 April 2021/2020		(182,644)	(8,451,148)	876,442	372
Cash and cash equivalents at 30 June/ 31 March	(i)	16,944,069	(182,644)	307,679	876,442

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
(CONTINUED)

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Note	Group 30.6.2022 RM	Group 31.3.2021 RM	Company 30.6.2022 RM	Company 31.3.2021 RM
Cash and bank balances		16,114,822	2,802,204	307,679	876,442
Deposits with licensed bank less than 3 months		6,000,000	-	-	-
		22,114,822	2,802,204	307,679	876,442
Less: Bank overdrafts	30	(4,753,314)	(2,605,615)	-	-
Less: Bank balances held under Housing Development Account		(417,439)	(415,388)	-	-
Add: Transfer to assets classified as held for sale (Note 20)		-	36,155	-	-
		16,944,069	(182,644)	307,679	876,442

(ii) Reconciliation of liabilities arising from financing activities:

30.6.2022	**As at 1 April RM**	**Cash flows RM**	**Addition of right-of-used asset RM**	**As at 30 June RM**
Group				
Lease liabilities	184,790	(220,523)	366,600	330,867
Term loans	11,989,854	(2,042,862)	-	9,946,992
Short term bank borrowings (excluding bank overdrafts)	1,776,777	103,364	-	1,880,141
Amount owing to a director	483,974	(183,837)	-	300,137
	14,435,395	(2,343,858)	366,600	12,458,137
Company				
Amount owing to a subsidiary	6,393,330	(6,393,330)	-	-

Notes: (continued)

(ii) Reconciliation of liabilities arising from financing activities: (continued)

31.3.2021	As at 1 April RM	Cash flows RM	Non-cash changes Liabilities held for sale RM	As at 31 March RM
Group				
Lease liabilities	732,165	(127,789)	(419,586)	184,790
Term loans	12,554,552	(564,698)	-	11,989,854
Short term bank borrowings (excluding bank overdrafts)	2,108,763	(331,986)	-	1,776,777
Amount owing to a director	1,461,589	(826,489)	(151,126)	483,974
	16,857,069	(1,850,962)	(570,712)	14,435,395
Company				
Amount owing to a subsidiary	14,342,617	(7,949,287)	-	6,393,330

(iii) Acquisition of right-of-use asset

During the financial period, the Group made the following cash payments to acquisition right-of-use asset:

	Group 30.6.2022 RM	Group 31.3.2021 RM
Acquisition of right-of-use asset:	630,738	-
Less: Lease arrangement	(366,600)	-
Cash payment on acquisition of right-of-use asset:	264,138	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2022

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.

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.

(a) Standards issued and effective

On 1 April 2021, the Group and of the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2021:

Description
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases: Interest Rate Benchmark Reform - Phase 2
- Amendments to MFRS 16, *Leases*: Covid-19-Related Rent Concessions beyond 30 June 2021

The directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements of the Group and of the Company.

(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**
• Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022

1. Basis of preparation (continued)

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

Description	**Effective for annual periods beginning on or after**
• Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*	1 January 2022
- Amendments to MFRS 9, *Financial Instruments*	1 January 2022
- Amendments to MFRS 16, *Leases*	1 January 2022
- Amendments to MFRS 141, *Agriculture*	1 January 2022
• MFRS 17, *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17, *Insurance Contracts*	1 January 2023
• Amendment to MFRS 17 *Insurance Contracts*: Initial Application of MFRS 17 and MFRS 9—Comparative Information	1 January 2023
• Amendments to MFRS 101, *Presentation of Financial Statements*: Classifications of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101, *Presentation of Financial Statements*: Disclosure of Accounting Policies	1 January 2023
• Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
• Amendments to MFSR 112, *Income Tax:* Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• 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

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

1. Basis of preparation (continued)

(c) Basis of measurement (continued)

The financial statements of the Company are also prepared on a going concern basis. At the reporting date, the Group and the Company also incurred a net loss of RM7,202,239 and RM3,244,054 respectively for the financial period from 1 April 2021 to 30 June 2022. In addition the subsidiaries' operational bank account were amounted to approximately RM20.6 million being freezed during the financial period.

In assessing the going concern assumption used in the preparation of the financial statements of the Group, management has considered the repayment obligations for borrowings, other liabilities and cost overheads which are due in the next 12 months, taking into consideration the ability of the Group to generate sufficient cash flows from its existing demand and supply and upcoming committed orders.

The Directors are of the opinion that the going concern basis used for the preparation of the financial statements of the Group and of the Company is appropriate as the Group had sufficient cash and cash equivalents to pay for the obligation in the next 12 months.

Therefore, the Group and the Company are able to meet its obligations as and when they fall due.

(d) Significant 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.

1. **Basis of preparation (continued)**

(d) **Significant accounting estimates and judgements (continued)**

(ii) 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.

(iii) 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.

(iv) 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.

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(iv) Write-down of Inventories (continued)

- 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.

  The economic uncertainties resulting from the Covid-19 Pandemic have impacted and may continue to impact selling prices and the saleability of inventories. When future events differ from current expectations, the carrying amounts of unsold inventories may have to be written down or written back in future financial periods.

(v) 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.

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(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.

(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.

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(viii) Recognition of Property Development Profits (continued)

The economic uncertainties resulting from the Covid-19 Pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total property development costs and total property development profits.

(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.

The economic uncertainties resulting from the Covid-19 Pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total construction contract costs and total construction contract profits.

(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.

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

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

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.

The economic uncertainties resulting from the Covid-19 Pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the calculation of value-in-use. Cash flows projected based on those inputs of assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

(xii) Leases

(a) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Incremental borrowing rate of leases

In determining the incremental borrowing rate, the Group uses recent third-party financing received by the Group as a starting point and makes adjustments specific to the lease, for e.g. terms.

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.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(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.

(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 Group's and 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:

	30.6.2022 RM	31.3.2021 RM
Assets		
1 United States Dollar	4.41	4.14
1 Euro	4.60	4.87
Liabilities		
1 United States Dollar	4.41	4.15
1 Euro	4.60	4.87
100 Hong Kong Dollars	56.18	53.36
100 Chinese Renminbi	65.85	63.29

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 constructs 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 created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the 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 over 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 recognises 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.

2. Summary of significant accounting policies (continued)

(c) Revenue and other income (continued)

(iv) Property development (continued)

(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.

(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.

2. Summary of significant accounting policies (continued)

(f) Tax expense (continued)

(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.

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.

2. Summary of significant accounting policies (continued)

(g) Impairment

(i) Financial assets

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.

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.

2. Summary of significant accounting policies (continued)

(g) Impairment (continued)

(i) Financial assets (continued)

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.

(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.

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.

2. **Summary of significant accounting policies (continued)**

(g) Impairment (continued)

(ii) Non-financial assets (continued)

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.

2. **Summary of significant accounting policies (continued)**

(h) Property, plant and equipment (continued)

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.

(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 and the Company 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.

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

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.

(j) Leases

(i) Initial recognition and measurement

(a) As a lessee

The Group recognised right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

2. Summary of significant accounting policies (continued)

(j) Leases (continued)

(i) Initial recognition and measurement (continued)

(b) As a lessor

Leases for which the Group is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. Summary of significant accounting policies (continued)

(j) Leases (continued)

(ii) Subsequent measurement (continued)

(a) As a lessee (continued)

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

(k) Inventories

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

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

(i) Inventory properties

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.

2. Summary of significant accounting policies (continued)

(k) Inventories (continued)

(i) Inventory properties (continued)

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 SST. 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)

(l) 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.

(m) 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.

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)

(n) Financial assets

(i) Initial recognition and measurement

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

At initial recognition, the Group and the Company measure 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.

(ii) Subsequent measurement

The Group and the Company classify 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.

2. Summary of significant accounting policies (continued)

(n) Financial assets (continued)

(ii) Subsequent measurement (continued)

- *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. 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 and 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. Summary of significant accounting policies (continued)

(n) Financial assets (continued)

(ii) Subsequent measurement (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.

(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.

(o) 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.

(p) Financial liabilities

(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)

(p) Financial liabilities (continued)

(ii) Subsequent measurement

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.

(iii) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the 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.

2. Summary of significant accounting policies (continued)

(p) Financial liabilities (continued)

(iii) Financial guarantee contracts (continued)

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.

(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.

2. Summary of significant accounting policies (continued)

(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.

(v) Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

2. Summary of significant accounting policies (continued)

(w) Non-current assets held for sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for sale in its immediate condition. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, or included within a disposal group that is classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are included in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on profit or loss. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

In case conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Accordingly, results of operations, previously presented in discontinued operations, are reclassified and included in result from continuing operations for all periods presented. Non-current assets that ceases to be classified as held for sale are remeasured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision to sell.

3. Revenue

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

	Group		Company	
	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
Revenue from contract customers	75,827,230	57,485,726	587,800	1,000,000

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	
	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
Revenue from contract customers				
Finished goods				
- Direct sales and retail	403,770	4,792,157	-	-
- Manufacturing and export	75,360,386	52,752,872	-	-
Property development				
- Completed development units	63,074	(595,864)	-	-
Leisure and hospitality				
- Golf club activities	-	536,561	-	-
Dividend income	-	-	-	1,000,000
Management fee charged to subsidiaries	-	-	587,800	-
	75,827,230	57,485,726	587,800	1,000,000

3. Revenue (continued)

Disaggregation of revenue (continued)

	Group		Company	
	1.4.2021 to 30.6.2022 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 30.6.2022 RM**	**1.4.2020 to 31.3.2021 RM**
Geographical markets				
Malaysia	6,149,990	5,363,114	587,800	1,000,000
United States of America	4,004,058	2,854,352	-	-
Canada	13,650,443	9,645,864	-	-
Germany	48,784,627	34,728,224	-	-
France	95,673	268,797	-	-
Hong Kong	2,418,869	3,586,988	-	-
Netherlands	349,868	472,609	-	-
Myanmar	147,873	132,381	-	-
Czech	155,658	308,821	-	-
Australia	-	11,059	-	-
Singapore	3,345	1,283	-	-
Other countries	66,826	112,234	-	-
	75,827,230	57,485,726	587,800	1,000,000
Timing of revenue recognition				
At a point in time	75,827,230	57,485,726	587,800	1,000,000

4. Cost of sales

	Group	
	1.4.2021 to 30.6.2022 RM	**1.4.2020 to 31.3.2021 RM**
Property development costs	573,041	842,503
Cost of finished goods sold	60,952,476	46,689,065
	61,525,517	47,531,568

5. Employee benefits expense

	Group		Company	
	1.4.2021 to 30.6.2022 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 30.6.2022 RM**	**1.4.2020 to 31.3.2021 RM**
Executive directors:				
- fees	173,400	122,530	174,300	122,530
- allowances	68,800	4,200	8,800	4,200
- salaries and bonus	781,266	724,706	-	-
- defined contribution plan and social security contribution	115,385	116,973	-	-
	1,138,851	968,409	183,100	126,730
Non-executive directors:				
- fees	153,600	133,137	153,600	133,137
- allowances	13,500	6,600	13,500	6,600
	167,100	139,737	167,100	139,737
Total directors' remuneration	1,305,951	1,108,146	350,200	266,467
Other staff costs:				
- salaries, wages and bonus	17,262,105	13,662,379	901,575	-
- defined contribution plan and social security contribution	1,197,525	712,992	118,424	-
- other short term employee benefits	2,034,250	931,735	6,095	-
Total other staff costs	20,493,880	15,307,106	1,026,094	-
Total employee benefits expense	21,799,831	16,415,252	1,376,294	266,467
Monetary value of benefits-in-kind given to certain directors	17,400	41,950	-	-

6. Finance cost

	Group		Company	
	1.4.2021 to 30.6.2022 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 30.6.2022 RM**	**1.4.2020 to 31.3.2021 RM**
Term loan interests	790,173	568,520	-	-
Overdraft interests	128,060	474,595	-	-
Lease liability interests	19,656	41,351	-	-
Interests on other borrowings	52,869	74,964	-	-
Net interest expense	990,758	1,159,430	-	-
Commitment fees	114,155	41,967	-	-
	1,104,913	1,201,397	-	-

7. (Loss)/Profit before tax

	Group		Company	
	1.4.2021 to 30.6.2022 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 30.6.2022 RM**	**1.4.2020 to 31.3.2021 RM**
(Loss)/Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration	257,600	169,000	91,000	65,000
Other non-statutory services	15,000	15,000	6,000	6,000
Employee benefit expense (including directors' remuneration)	21,800,731	16,415,252	1,376,294	266,467
Allowance for slow moving inventories				
- provided for	855,924	266,973	-	-
- reversal	-	(122,682)	-	-
Impairment loss:				
- addition	5,363,190	16,791,370	-	-
- reversal	(2,629,955)	(2,013,818)	-	-
Gain on disposal of plant, property and equipment	(60,000)	(10,000)	-	-
Gain on disposal of right-of-use assets	(79,050)	-	-	-
Gain on disposal of marketable securities	-	(1,648)	-	(1,648)

7. (Loss)/Profit before tax (continued)

	Group		Company	
	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
Depreciation for property, plant and equipment	929,287	690,673	23,866	18,299
Depreciation for right-of-use assets	99,036	187,624	-	-
Provision/(Reversal of provision) for liquidated ascertained damages	260,903	(772,484)	-	-
Fair value gain on marketable securities	-	(8,804)	-	(8,804)
Interest income	(195,807)	(65,758)	(6)	-
Interest expense	990,758	1,159,430	-	-
Impairment on investment in subsidiary	-	-	-	6,571,316
Government grant	(453,600)	(1,091,413)	-	-
Reversal of impairment on amount due from subsidiary	-	-	-	(36,049,783)
Net unrealised foreign exchange loss/(gain)	(148,766)	(424,714)	-	-
Net realised foreign exchange gain	(384,305)	(33,971)	-	-
Fair value gain on derivative asset receivable	-	(12,198)	-	-

8. Tax expenses/(income)

	Group		Company	
	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
Current tax:				
- Current period/year	1,458,181	731,099	-	-
- Under/(Over)provision in prior years	31,154	(77,235)	14,211	-
	1,489,335	653,864	14,211	-

8. Tax expenses/(income) (continued)

	Group		Company	
	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
Deferred tax:				
- Origination and reversal of temporary differences	-	25,482	-	(4,106)
- Crystallisation of revaluation reserve	(33,174)	(26,485)	-	-
- Current period/year	3,959,257	-	(3,093)	-
- Under/(over)provision in prior years	28,996	(1,025,625)	-	-
	3,955,079	(1,026,628)	(3,093)	(4,106)
	5,444,414	(372,764)	11,118	(4,106)

Reconciliation of tax expense

	Group		Company	
	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 30.6.2022 RM	1.4.2020 to 31.3.2021 RM
(Loss)/Profit before tax	(1,757,825)	(13,701,018)	(3,232,936)	29,880,338
Tax calculated at statutory tax rate of 24%	(421,878)	(3,288,244)	(775,905)	7,171,281
Non-deductible expenses	1,133,745	14,337,014	772,812	1,716,561
Non-taxable income	(117,111)	(10,316,136)	-	(8,891,948)
Double deduction expenses	(8,097)	(12,813)	-	-
Crystalisation of revaluation reserve	(33,174)	(26,485)	-	-
Utilisation of deferred tax asset not recognised	4,830,779	36,760	-	-
	5,384,264	730,096	(3,093)	(4,106)
Under/(Over)provision of current tax in prior year	31,154	(77,235)	14,211	-
Under/(Over)provision of deferred tax in prior year	28,996	(1,025,625)	-	-
	5,444,414	(372,764)	11,118	(4,106)

8. Tax expenses/(income) (continued)

The Group has unabsorbed capital allowance and unutilised tax losses amounted to RM979,815 and RM14,209,728 (2021: RM1,715,648 and RM13,585,965) respectively for set off against future taxable profits.

The unutilised tax losses can be carried forward for a period of 10 year of assessment ("YA") to set against future profits as follows:

	RM	Utilised Up to
YA 2019	312,740	YA 2029
YA 2020	7,225,982	YA 2030
YA 2021	5,117,254	YA 2031
YA 2022	1,553,752	YA 2032
	14,209,728	

9. Loss per share

Basic/Diluted loss per share of the Group is calculated by dividing net loss for the financial period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

(a) Basic loss per share

	Group	
	30.6.2022	**31.3.2021**
Net loss for the financial period attributable to owners of the parent (RM)	(7,202,239)	(14,277,615)
Weighted average number of ordinary shares in issue (units)	203,559,128	185,389,629
Basic loss per share (sen)	(3.54)	(7.70)

(b) Diluted loss per share

	Group	
	30.6.2022	**31.3.2021**
Net loss for the financial period attributable to owners of the parent (RM)	(7,202,239)	(14,277,615)
Weighted average number of ordinary shares in issue (units)	203,559,128	185,389,629
Effect of exercise of Warrants (units)	127,916,802	26,632,100
Weighted average number of ordinary shares in issue (units)	331,475,930	212,021,729
Diluted loss per share (sen)	(2.17)	(6.73)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. Property, plant and equipment

30.6.2022	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group							
Cost/Valuation							
At 1 April 2021	7,630,000	14,291,099	7,795,375	6,283,908	1,734,231	2,584,481	40,319,094
Additions	-	-	147.276	714,676	-	-	861,952
Disposals	-	-	-	-	(570,760)	-	(570,760)
Transfer	-	-	94,512	126,000	-	-	220,512
At 30 June	7,630,000	14,291,099	8,037,163	7,124,584	1,163,471	2,584,481	40,830,798
Accumulated depreciation							
1 April 2021	-	1,560,784	7,477,185	5,863,708	1,702,279	-	16,603,956
Charge for the financial period	-	515,429	143,508	261,474	8,876	-	929,287
Disposal	-	-	-	-	(570,760)	-	(570,760)
Transfer	-	-	32,292	69,300	-	-	101,592
At 30 June	-	2,076,213	7,652,985	6,194,482	1,140,395	-	17,064,075

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. Property, plant and equipment (continued)

30.6.2022	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group							
Carrying amount							
At 30 June	7,630,000	12,214,886	384,178	930,102	23,076	2,584,481	23,766,723
Representing:							
At cost	-	-	384,178	930,102	23,076	2,584,481	3,921,837
At valuation	7,630,000	12,214,886	-	-	-	-	19,844,886
	7,630,000	12,214,886	384,178	930,102	23,076	2,584,481	23,766,723

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. Property, plant and equipment (continued)

31.3.2021	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course development RM	Capital work-in-progress RM	Total RM
Group								
Cost/Valuation								
At 1 April 2020	7,630,000	14,291,099	8,481,345	6,704,314	1,823,176	814,930	2,584,481	42,329,345
Additions	-	-	9,000	63,149	35,500	-	-	107,649
Disposals	-	-	-	-	(124,445)	-	-	(124,445)
Transfer to held for sale	-	-	(694,970)	(483,555)	-	(814,930)	-	(1,993,455)
At 31 March	7,630,000	14,291,099	7,795,375	6,283,908	1,734,231	-	2,584,481	40,319,094
Accumulated depreciation and impairment loss								
At 1 April 2020								
Accumulated depreciation	-	1,148,441	7,938,855	6,217,464	1,823,174	276,241	-	17,404,175
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	1,148,441	7,938,855	6,230,116	1,823,174	727,363	-	17,867,949
Charge for the financial year	-	412,343	148,506	116,266	3,550	10,008	-	690,673
Disposal	-	-	-	-	(124,445)	-	-	(124,445)
Transfer to held for sale	-	-	(610,176)	(482,674)	-	(737,371)	-	(1,830,221)
At 31 March								
Accumulated depreciation	-	1,560,784	7,477,185	5,863,708	1,702,279	-	-	16,603,956
Accumulated impairment loss	-	-	-	-	-	-	-	-
	-	1,560,784	7,477,185	5,863,708	1,702,279	-	-	16,603,956

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. Property, plant and equipment (continued)

31.3.2021	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course development RM	Capital work-in-progress RM	Total RM
Group								
Carrying amount								
At 31 March	7,630,000	12,730,315	318,190	420,200	31,952	-	2,584,481	23,715,138
Representing:								
At cost	-	-	318,190	420,200	31,952	-	2,584,481	3,354,823
At valuation	7,630,000	12,730,315	-	-	-	-	-	20,360,315
	7,630,000	12,730,315	318,190	420,200	31,952	-	2,584,481	23,715,138

10. Property, plant and equipment (continued)

	Company	
	30.6.2022	**31.3.2021**
	RM	**RM**
Furniture, fittings and equipment		
Cost		
At 1 April 2021/2020	587,431	587,431
Additions	14,900	-
At 30 June/31 March	602,331	587,431
Accumulated depreciation		
At 1 April 2021/2020	527,863	509,564
Charge for the financial period/year	23,866	18,299
At 30 June/31 March	551,729	527,863
Carrying amount		
At 30 June/31 March	50,602	59,568

(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

(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:

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Freehold land	1,019,735	1,019,735
Buildings	9,298,546	9,750,955
	10,318,281	10,770,690

Carrying amount of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 26 and Note 30 to the financial statements are RM19,683,751 (2021: RM20,195,770).

10. Property, plant and equipment (continued)

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

11. Right-of-use assets

	Plant and machinery RM	Furniture, fitting and equipment RM	Motor vehicles RM	Total RM
Group				
30.6.2022				
Cost				
At 1 April 2021	94,512	126,000	490,000	710,512
Addition	-	-	630,738	630,738
Disposal	-	-	(687,000)	(687,000)
Transfer	(94,512)	(126,000)	-	(220,512)
At 30 June	-	-	433,738	433,738
Accumulated depreciation				
At 1 April 2021	32,292	69,300	416,500	518,092
Charge for the financial period	-	-	99,036	99,036
Disposal	-	-	(446,050)	(446,050)
Transfer	(32,292)	(69,300)	-	(101,592)
At 30 June	-	-	69,486	69,486
Carrying amount				
At 30 June	-	-	364,252	364,252

11. Right-of-use assets (continued)

	Land RM	Plant and machinery RM	Furniture, fitting and equipment RM	Motor vehicles RM	Total RM
Group					
31.3.2021					
Cost					
At 1 April 2020	439,801	94,512	126,000	490,000	1,150,313
Transferred to held for sale	(439,801)	-	-	-	(439,801)
At 31 March	-	94,512	126,000	490,000	710,512
Accumulated depreciation					
At 1 April 2020	13,744	22,840	44,100	318,500	399,184
Charge for the financial year	54,972	9,452	25,200	98,000	187,624
Transferred to held for sale	(68,716)	-	-	-	(68,716)
At 31 March	-	32,292	69,300	416,500	518,092
Carrying amount					
At 31 March	-	62,220	56,700	73,500	192,420

The Group leases various of assets which are land, motor vehicle, plant and machinery and furniture, fitting and equipment. The contract term ranging from 5 to 7 years (2021: 1 to 3 years) that may come together with an extension options of renewal of contract which ranging from 3 to 7 years in financial year 2021.

The Group has entered into finance lease arrangement in acquiring the asset as disclosed in Note 25 to the financial statements with a carrying amount of the asset amounted to RM364,252 (2021: RM192,420).

12. Investment properties

	Group and Company	
	30.6.2022	31.3.2021
	RM	RM
At fair value		
At 1 April 2021/2020/30 June/31 March	4,100,000	4,100,000
Rental income from investment property	158,300	84,240
Direct operating expenses relating to investment property that generate rental income	42,294	18,715

The investment properties of the Group and of the Company are stated at fair value of RM4,100,000 (2021: RM4,100,000) based on valuations (using comparison valuation method) carried out by an independent professional valuer on 14 April 2022.

13. Investment in subsidiaries

	Company	
	30.6.2022	31.3.2021
	RM	RM
Unquoted shares at cost	62,204,486	61,804,496
Less: Impairment loss		
At 1 April 2021/2020	(35,364,447)	(28,793,131)
Addition during the financial period/year	(212,813)	(6,571,316)
At 30 June/31 March	(35,577,260)	(35,364,447)
	26,627,226	26,440,049

13. Investment in subsidiaries (continued)

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

Name of subsidiaries	Percentage of equity held (%) 30.6.2022 %	31.3.2021 %	Principal activities
Caely (M) Sdn. Bhd.	100	100	Property development and construction activities, property management, direct sales, trading and consignment sales of fabric face masks, personal protective equipment, medical products, undergarments, garments, leather goods, sportswear and household products and retail sales of undergarments and garments.
Classita (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments.
Marywah Industries (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments, related raw materials, protective facial mask and personal protective equipment.
Caely Development Sdn. Bhd.	100	100	Dormant.
Omni Green Sdn. Bhd.	-	51	Operation of a golf course and other related services and the provision of landscaping and related contract work.
Caely Ecommerce Sdn. Bhd.*	100	100	Supply and selling via online for all kinds of garments, clothes, scarf, pharmaceutical products, cosmetic, skincare & personal care products.

* On 12 January 2021, the Group incorporated a wholly-owned subsidiary known as Caely Ecommerce Sdn. Bhd. with a registered capital of RM10. On 15 July 2021, Caely Ecommerce Sdn. Bhd. increased its share capital from RM10 to RM400,000 by issuance of 399,990 ordinary shares.

13. Investment in subsidiaries (continued)

13.1 Disposal of subsidiary

On 30 April 2021, the Company had transferred 100,000 shares, representing 51% of the total paid up capital to dispose its entire interest in Omni Green Sdn. Bhd. to the Director for a consideration sum of RM1.

The effects of disposal to the financial position of the Group:

	Group 30.6.2022 RM
Net equities	227,880
Gain on disposal of a subsidiary	(227,879)
Consideration	1
Cash and cash equivalents disposed of	(36,155)
Net cash inflow for the Group	36,154

13.2 Impairment of investment in subsidiaries

<u>In the current reporting period</u>

The directors performed an impairment test on the investment in subsidiaries as those subsidiaries had been persistently making losses.

A further impairment of RM212,813 was recognised in the investment in subsidiaries. The recoverable amount of the investment has been determined based on the fair value less cost of disposal using the net assets of each subsidiary. The amount of impairment loss has been recognised under “Administrative expenses” line item in the Company’s statement of comprehensive income for the period from 1 April 2021 to 30 June 2022.

13. Investment in subsidiaries (continued)

13.2 Impairment of investment in subsidiaries (continued)

In the previous reporting year

The directors performed an impairment test on the investment in subsidiaries as those subsidiaries had been persistently making losses.

A further impairment of RM6,571,316 was recognised in the investment in subsidiaries. The recoverable amount of the investment has been determined based on the fair value less cost of disposal using the net assets of each subsidiary. The amount of impairment loss has been recognised under "Administrative expenses" line item in the Company's statement of comprehensive income for the year ended 31 March 2021.

14. Goodwill

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Cost arising from acquisition of a subsidiary	-	357,964
Less: Impairment loss		
At 1 April 2021/2020	(357,964)	(357,964)
Disposal of subsidiary	357,964	-
At 30 June/31 March	-	(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. During the year, the company disposed its subsidiary, Omni Green Sdn Bhd, the disposal of its subsidiary was completed on 30 April 2021.

15. Deferred tax (assets)/liabilities

	Group		Company	
	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
Deferred tax assets				
- subject to income tax	-	(3,782,278)	-	-
Deferred tax liabilities				
- subject to income tax	982,568	812,767	10,830	13,923
- subject to real property gains tax	460,355	457,355	139,714	139,714
	1,442,923	1,270,122	150,544	153,637
Deferred tax (assets)/liabilities (net)	1,442,923	(2,512,156)	150,544	153,637

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

	Group		Company	
	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
At 1 April 2021/2020	(2,512,156)	(1,485,528)	153,637	157,743
Recognised in profit or loss (Note 8)	3,955,079	(1,026,628)	(3,093)	(4,106)
At 30 June/31 March	1,442,923	(2,512,156)	150,544	153,637

Group	Property, plant and equipment RM	Revaluation reserve RM	Total RM
30.6.2022			
Deferred tax liabilities			
At 1 April 2021	1,093,663	1,229,200	2,322,863
Recognised in profit or loss (Note 8)	61,575	(33,174)	28,401
At 30 June	1,155,238	1,196,026	2,351,264
31.3.2021			
Deferred tax liabilities			
At 1 April 2020	1,117,284	1,255,685	2,372,969
Recognised in profit or loss (Note 8)	(23,621)	(26,485)	(50,106)
At 31 March	1,093,663	1,229,200	2,322,863

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

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

Group	Unabsorbed capital allowance RM	Unutilised tax losses RM	Provisions RM	Property, plant and equipment RM	Others RM	Total RM
30.6.2022						
Deferred tax assets						
At 1 April 2021	(222,494)	(2,904,726)	(1,801,422)	62,276	31,347	(4,835,019)
Recognised in profit or loss (Note 8)	165,191	2,806,229	988,228	(62,276)	29,306	3,926,678
At 30 June	(57,303)	(98,497)	(813,194)	-	60,653	(908,341)
31.3.2021						
Deferred tax assets						
At 1 April 2020	(504,282)	(1,200,060)	(2,259,008)	73,506	31,347	(3,858,497)
Recognised in profit or loss (Note 8)	281,788	(1,704,666)	457,586	(11,230)	-	(976,522)
At 31 March	(222,494)	(2,904,726)	(1,801,422)	62,276	31,347	(4,835,019)

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

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

Company	**Property, plant and equipment RM**	**Revaluation reserve RM**	**Total RM**
30.6.2022			
Deferred tax liabilities			
At 1 April 2021	13,923	139,714	153,637
Recognised in profit or loss (Note 8)	(3,093)	-	(3,093)
At 30 June	10,830	139,714	150,544
31.3.2021			
Deferred tax liabilities			
At 1 April 2020	18,029	139,714	157,743
Recognised in profit or loss (Note 8)	(4,106)	-	(4,106)
At 31 March	13,923	139,714	153,637

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

	Group	
	30.6.2022 RM	**31.3.2021 RM**
Provision	23,681,462	16,554,726
Unutilised tax losses	13,767,528	1,507,074
Unabsorbed capital allowances	741,052	-
	38,190,042	18,061,800

16. Inventories

	Note	Group 30.6.2022 RM	Group Restated 31.3.2021 RM
At cost:			
Property development costs	(a)	24,759,683	24,346,689
Completed development units		7,056,863	18,440,177
Raw materials		7,261,615	6,097,266
Work in progress		2,257,240	1,395,548
Finished goods		4,207,383	3,359,733
		45,542,784	53,639,413
At net realisable value:			
Completed development units		10,581,700	-
Finished goods		472,209	538,975
		11,053,909	538,975
		56,596,693	54,178,388
Recognised in profit or loss:			
Inventories recognised as cost of sales		62,695,061	48,245,289
Property development cost recognised as cost of sales		-	842,503
Impairment of slow-moving inventories		855,924	266,973
Reversal of slow-moving inventories		-	(122,682)

The following inventories have been charged to banks to partially secure the borrowings referred to Note 26 to the financial statements below:

	Group 30.6.2022 RM	Group 31.3.2021 RM
Completed development units	3,516,805	3,516,805

16. Inventories (continued)

(a) Property development costs

	Group	
		Restated
	30.6.2022	**31.3.2021**
	RM	**RM**
At cost		
At 1 April 2021/2020		
Leasehold land	6,894,701	6,894,701
Development costs	17,451,988	16,102,254
	24,346,689	22,996,955
Costs incurred during the financial period/year		
- Development costs	986,036	2,312,237
Costs recognised in profit and loss in current financial period/year	(573,042)	(962,503)
At 30 June/31 March	24,759,683	24,346,689
Property development costs are analysed as follows:		
At cost		
Leasehold land	6,894,701	6,894,701
Development costs	17,864,982	17,451,988
	24,759,683	24,346,689

A total of 88 (2021: 88) sub-divided titles to the property development leasehold land of the Group have yet to be registered in the name of the Group as the titles have yet to be issued by the relevant authority as of 30 June 2022.

Included in leasehold land as at 30 June 2022 is a piece of land purchased from an abandoned project. The Group has redeemed the master land title and is in the process of transferring the ownership back to the Group.

17. Receivables, deposits and prepayments

		Group		Company	
	Note	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
Trade receivables	(a)	29,236,302	31,502,221	-	-
Transfer to held for sale		-	(5,888)	-	-
Less: Impairment		(20,779,380)	(18,646,028)	-	-
		8,456,922	12,850,305	-	-
Non-trade receivables	(b)	1,397,634	1,191,829	-	-
Transfer to held for sale		-	(1,337)	-	-
Less: Impairment		(837,628)	(237,745)	-	-
		560,006	952,747	-	-
Amounts owing by subsidiaries	(c)	-	-	40,351,108	37,358,334
Deposits		223,678	300,887	9,686	9,686
Prepayments		310,568	215,519	121,085	12,760
Advances to sub-contractors	(d)	1,204,435	1,151,604	-	-
Less: Impairment		(401,777)	(401,777)	-	-
		802,658	749,827	-	-
		10,353,832	15,069,285	40,481,879	37,380,780

(a) Trade receivables

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company ranging from cash on delivery to 75 days (2021: cash on delivery to 75 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

17. Receivables, deposits and prepayments (continued)

(a) Trade receivables (continued)

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

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Loss allowance		
At 1 April 2021/2020	18,646,028	4,276,024
Additions	4,763,307	16,389,593
Transfer to held for sale	-	(5,771)
Reversal of allowance for impairment	(2,629,955)	(2,013,818)
At 30 June/31 March	20,779,380	18,646,028

(b) Non-trade receivables

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

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Loss allowance		
At 1 April 2021/2020	237,745	239,082
Additions	599,883	-
Transfer to held for sale	-	(1,337)
At 30 June/31 March	837,628	237,745

(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 period/year are as follows:

	Company	
	30.6.2022	**31.3.2021**
	RM	**RM**
Loss allowance		
At 1 April 2021/2020	-	37,991,796
Written off	-	(1,942,013)
Reversal	-	(36,049,783)
At 30 June/31 March	-	-

17. Receivables, deposits and prepayments (continued)

(d) Advances to sub-contractors

The movements in the loss allowances of advances to sub-contractors during the financial period/year are as follows;

	Group	
	30.6.2022 RM	31.3.2021 RM
Loss allowance		
At 1 April 2021/2020	401,777	-
Additions	-	401,777
At 30 June/31 March	401,777	401,777

18. Fixed deposit with licensed banks

As of 30 June 2022, the fixed deposits with licensed banks of the Group carry interest at rates 1.74% - 1.95% (2021: 1.74%) per annum. The fixed deposits maturity period are ranging from 89 days to 92 days (2021: 89 to 90 days).

The fixed deposits with licensed banks of the Group amounted to RM3,196,829 (2021: RM3,128,518) are charged as security for banking facilities granted to the Group as mentioned in Note 30 to the financial statements.

19. Cash and bank balances

		Group		Company	
	Note	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
Cash on hand		9,869	18,621	-	-
Cash at bank		15,687,514	2,404,350	307,679	876,442
Bank balances held under Housing Development Accounts	(a)	417,439	415,388	-	-
		16,114,822	2,838,359	307,679	876,442
Transfer to held for sale		-	(36,155)	-	-
		16,114,822	2,802,204	307,679	876,442

19. Cash and bank balances (continued)

(a) 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 in Malaysia held at call with banks.

20. Assets/(Liabilities) classified as held for sale

On 23 February 2021, the management has concluded the decision on disposal of its subsidiary, Omni Green Sdn Bhd, the disposal of its subsidiary was completed on 30 April 2021.

As at 31 March 2021, this subsidiary was classified as assets and liabilities held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The details are as follows:

		Group	
	Note	30.6.2022 RM	31.3.2021 RM
Assets classified as held for sale			
Disposal of subsidiary	(i)	-	580,591
Liabilities classified as held for sale			
Disposal of subsidiary	(i)	-	1,027,414

(i) Disposal of subsidiary

	Group	
	30.6.2022 RM	31.3.2021 RM
Assets classified as held for sale		
Property, plant and equipment	-	163,234
Right-of-use asset	-	371,085
Receivables, deposits and prepayments	-	10,117
Cash and bank balances	-	36,155
	-	580,591
Liabilities classified as held for sale		
Lease liability	-	419,586
Payables and accrued liabilities	-	607,828
	-	1,027,414

21. Share capital

	Group and Company		Group and Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	Number of shares		RM	RM
Issued and fully paid:				
At 1 April 2021/2020	213,367,900	164,458,900	59,559,261	50,266,551
Issuance of shares pursuant to:				
- private placement	23,000,000	-	7,935,000	-
- warrants	21,874,704	48,909,000	4,284,674	9,292,710
At 30 June/31 March	258,242,604	213,367,900	71,778,935	59,559,261

(1) During the financial period 30 June 2022, the Company increased its issued and paid-up share capital by 23,000,000 shares exercised under the Private Placement at an exercise price at RM0.345 per placement share.

(2) During the financial period 30 June 2022, the Company increased its issued and paid-up share capital by 21,874,704 new shares ranging from RM0.19 to RM0.35 each on the exercise of warrants.

(3) 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.

(4) 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 RM0.19 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 RM0.19 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 19 April 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.

21. Share capital (continued)

(5) The bonus issue of warrants ("Bonus Warrants") which were quoted on the Main Market of Bursa Malaysia Securities Berhad were issued during the financial year. These Bonus Warrants entitled the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company at RM0.35 during the exercise period which were expired on 22 December 2024.

The other salient features of the Warrants were as follows:

(i) the exercise price of RM0.35 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 20 December 2021;

(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 30 June 2022, 127,916,802 (2021: 26,632,100) Warrants were still unexercised and 26,632,100 was expired during the year.

22. Other reserves

		Group		Company	
		30.6.2022	**31.3.2021**	**30.6.2022**	**31.3.2021**
Group	**Note**	**RM**	**RM**	**RM**	**RM**
Reserve on consolidation		80,344	80,344	-	-
Revaluation reserve	(a)	10,464,138	10,570,983	1,851,511	1,851,511
		10,544,482	10,651,327	1,851,511	1,851,511

(a) Revaluation reserve

	Group		Company	
	30.6.2022	**31.3.2021**	**30.6.2022**	**31.3.2021**
	RM	**RM**	**RM**	**RM**
Revaluation reserve	11,800,183	11,912,145	1,991,225	1,991,225
Less: realisation of revaluation reserve	(140,019)	(111,962)	-	-
	11,660,164	11,800,183	1,991,225	1,991,225
Deferred tax (Note 15)	(1,229,200)	(1,255,685)	(139,714)	(139,714)
Less: realisation of deferred tax	33,174	26,485	-	-
	(1,196,026)	(1,229,200)	(139,714)	(139,714)
Revaluation reserve, net of tax	10,464,138	10,570,983	1,851,511	1,851,511
Revaluation surplus in respect of:				
- land and buildings (under property, plant and equipment)	8,612,627	8,719,472	-	-
- investment property (prior to transfer of owner-occupied to investment property)	1,851,511	1,851,511	1,851,511	1,851,511
	10,464,138	10,570,983	1,851,511	1,851,511

23. 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 profits can be distributed to shareholders as tax-exempt dividends.

24. Non-controlling interests

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

	Omni Green Sdn. Bhd.	
	30.6.2022	**31.3.2021**
	RM	**RM**
NCI percentage of ownership interest and voting interest	-	49%
Carrying amount of NCI	-	(218,944)
Profit allocated to NCI	-	949,361

Summarised financial information before intra-group elimination:

	Omni Green Sdn. Bhd.	
	30.6.2022	**31.3.2021**
	RM	**RM**
Non-current assets	-	534,319
Current assets	-	46,272
Current liabilities	-	(1,027,414)
Net liabilities	-	(446,823)
Revenue	-	536,561
Profit for the financial year	-	1,937,472
Total comprehensive profit for the financial year	-	1,937,472
Cash flow used in operating activities	-	(85,528)
Cash flow from financing activities	-	114,295

25. Lease liabilities

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Current liabilities	70,348	110,967
Non-current liabilities	260,519	493,409
	330,867	604,376
Transfer to held for sale	-	(419,586)
	330,867	184,790
Representing:		
Current liabilities	70,348	76,759
Non-current liabilities	260,519	108,031
	330,867	184,790
Recognised in profit or loss:		
Interest expense on lease liabilities	19,656	41,351

The total cash outflow for leases for the financial period ended 30 June 2022 is RM240,179 (2021: RM169,140).

The effective interest rates of lease liabilities ranging from 3.99% to 4.07% (2021: 4.76% to 8.45%) per annum.

26. Term loans

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
<u>Secured:</u>		
Current	1,758,347	1,576,775
Non-current	8,188,645	10,413,079
	9,946,992	11,989,854

26. Term loans (continued)

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

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Within one year	1,758,347	1,576,775
More than one year but less than five years	4,141,199	5,575,105
More than five years	4,047,446	4,837,974
	9,946,992	11,989,854

Term loans facilities are repayable as follows:

	Year of maturity	Number of installment	Installment amount RM
Term loan 1	2013 - 2023	120	58,313
Term loan 2	2014 - 2024	120	17,494
Term loan 3	2015 - 2025	120	29,481
Term loan 4	2016 - 2026	120	27,122
Term loan 5	2016 - 2026	120	31,249
Term loan 6	2019 - 2044	312	25,210

(a) Term loan 1, 2, 3, 4 and 5

The term loans of the Group bear interest at a range of 6.23% to 9.23% (2021: 6.81% to 7.46%) per annum and secured by:

(i) a fixed charges over freehold 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 6

The term loan of the Group bear interest at a rate of 3.73% (2021: 3.56%) per annum and secured by:

(i) First party open charge over completed development units of the Group as disclosed in Note 16 to the financial statements; and
(ii) guaranteed by the Company.

27. Payables and accrued liabilities

		Group		Company	
			Restated		
	Note	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
Trade payables	(a)	14,524,909	8,012,538	-	-
Non-trade payables	(b)	3,438,684	2,968,672	112,346	40,141
Deposit received		28,000	-	28,000	-
Accrued liabilities		4,321,086	1,828,250	1,453,058	134,715
Amount owing to a director	(c)	300,137	635,100	-	-
Amount owing to a subsidiary	(d)	-	-	-	6,393,330
		22,612,816	13,444,560	1,593,404	6,568,186
Transfer to held for sale		-	(607,828)	-	-
		22,612,816	12,836,732	1,593,404	6,568,186

(a) Trade payables

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2021: cash on delivery to 90 days).

(b) Non-trade payables

Included in non-trade payables of the Group as at 30 June 2022 is the sales and services tax payable of RM30,474 (2021: RM20,187) 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.

28. Contract liabilities

	Group	
	30.6.2022	31.3.2021
	RM	RM
Contract liabilities	393,170	360,395
1 April 2021/2020	360,395	2,155,034
Consideration paid to customers	(228,128)	(1,022,155)
Provision relating to liquidated ascertained damages	296,493	29,940
Reversal of provision for liquidated ascertained damages	(35,590)	(802,424)
At 30 June/31 March	393,170	360,395

29. Provision

	Group	
	30.6.2022	31.3.2021
	RM	RM
Provision for compensation claims		
At 1 April 2021/2020	258,354	467,148
Compensation paid during the financial period/year	-	(208,794)
At 30 June/31 March	258,354	258,354

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 30.6.2022 RM	Group 31.3.2021 RM
Secured:		
Bank overdrafts	4,753,314	2,605,615
Foreign currency revolving credit	1,880,141	1,776,777
	6,633,455	4,382,392
Representing:		
Bank overdrafts	4,753,314	2,605,615
Others	1,880,141	1,776,777
	6,633,455	4,382,392

The secured short-term bank borrowings are secured by:
- (i) fixed charges on the freehold land and buildings of certain subsidiaries as disclosed in Note 10 to the financial statements;
- (ii) deposits pledged with a licensed bank of a subsidiary as disclosed in Note 18 to the financial statements;
- (iii) first party legal charge over certain of the sub-divided titles of the property development leasehold land of a subsidiary as disclosed in Note 16 to the financial statements;
- (iv) deed of negative pledge of certain subsidiaries;
- (v) deed of assignment of contract proceeds of a subsidiary; and
- (vi) Corporate guaranteed issued by the Company.

	Group 30.6.2022 %	Group 31.3.2021 %
Weighted average effective interest rates per annum:		
- bank overdrafts	6.73 to 9.23	7.51 to 9.06
- foreign currency revolving credit	3.04	2.98
	Days	Days
The range of credit periods of these short term borrowings are as follows:		
- foreign currency revolving credit	181	390

31. Dividend

Group and Company	Dividend per share RM	Amount of dividend (net of tax) RM	Date of payment
In respect of financial period ended 30 June 2022			
Interim single tier dividend	0.005	1,287,198	31 March 2022

32. 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.

(b) Related party transactions

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

	Group	
	30.6.2022	**31.3.2021**
	RM	**RM**
Transaction with Directors		
- Disposal of property, plant and equipment	(30,000)	-

	Company	
	30.6.2022	**31.3.2021**
	RM	**RM**
Transactions with Caely (M) Sdn. Bhd.		
- management fees received	(52,492)	-
Transactions with Classita (M) Sdn. Bhd.		
- management fees received	(509,452)	-
- dividend income	-	(1,000,000)
Transactions with Marywah Industries (M) Sdn. Bhd.		
- management fees received	(25,284)	-
Transactions with Caely Ecommerce Sdn. Bhd.		
- management fees received	(572)	-

32. Significant related party disclosures (continued)

(b) Related party transactions (continued)

The balances outstanding with related parties in respect of the above transactions are disclosed in Notes 17 and 27 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.

(c) Key management compensation

	Group		Company	
	30.6.2022 RM	**31.3.2021 RM**	**30.6.2022 RM**	**31.3.2021 RM**
Fees	327,000	255,667	327,000	255,667
Salaries, bonus and allowances	1,328,341	1,029,049	112,466	10,800
Defined contribution plan expenses and social security contribution	177,920	151,797	16,260	-
	1,833,261	1,436,513	455,726	266,467
Monetary value of benefits-in-kind	25,050	41,950	-	-

33. Financial guarantees

	Group		Company	
	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
Corporate guarantees given to financial institution for banking facilities granted to certain subsidiaries	-	-	16,580,447	16,372,246
Bank guarantee given to Tenaga Nasional Berhad for banking facilities granted to related company	-	97,000	-	-
Bank guarantee given to Tenaga Nasional Berhad for banking facilities granted	85,000	80,000	-	-
Bank guarantee given to Ketua Pengarah Kastam Malaysia for credit facilities granted	300,000	300,000	-	-
	385,000	477,000	16,580,447	16,372,246

34. 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, management fee and dividend income received from subsidiaries.

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

34. Segment reporting (continued)

(a) Analysis of results and financial position

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Total RM
30.6.2022					
Revenue					
Total revenue	63,074	72,901,741	5,304,021	587,800	78,856,636
Intersegment revenue	-	(2,441,606)	-	(587,800)	(3,029,406)
External revenue	63,074	70,460,135	5,304,021	-	75,827,230
Results					
(Loss)/Profit from operations	(4,966,214)	7,943,848	(250,501)	(3,380,045)	(652,912)
Finance cost	(369,350)	(717,751)	(17,812)	-	(1,104,913)
(Loss)/Profit before tax	(5,335,564)	7,226,097	(268,313)	(3,380,045)	(1,757,825)
Tax expenses					(5,444,414)
Loss for the financial period					(7,202,239)
Segment assets					
Unallocated corporate assets	51,163,210	64,590,872	150,017	4,589,052	120,493,151
- Current tax recoverable	158,777	122,156	-	17,425	298,358
					120,791,509

34. Segment reporting (continued)

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

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Total RM
30.6.2022					
Segment liabilities	13,489,218	25,043,102	49,930	1,593,405	40,175,655
Unallocated corporate liabilities					
- Deferred tax liabilities	48,827	1,236,067	-	158,029	1,442,923
- Current tax payable	-	359,018	-	-	359,018
					41,977,595
Capital expenditure	6,567	839,486	999	14,900	861,952
Included in loss from operations are:					
Interest income	(2,338)	(193,463)	-	(6)	(195,807)
Depreciation of property, plant and equipment	21,273	881,643	2,505	23,866	929,287
Depreciation of right-of-use asset	-	99,036	-	-	99,036
Allowance for slow moving inventories	435,000	420,924	-	-	855,924

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

34. Segment reporting (continued)

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

Group Restated 31.3.2021	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
Revenue						
Total revenue	(595,864)	54,721,579	4,792,157	1,000,000	536,561	60,454,433
Intersegment revenue	-	(1,968,707)	-	(1,000,000)	-	(2,968,707)
External revenue	(595,864)	52,752,872	4,792,157	-	536,561	57,485,726
Results						
(Loss)/Profit from operations	(17,950,180)	5,610,060	450,765	(598,129)	(12,137)	(12,499,621)
Finance cost	(278,620)	(876,675)	(17,812)	-	(28,290)	(1,201,397)
(Loss)/Profit before tax	(18,228,800)	4,733,385	432,953	(598,129)	(40,427)	(13,701,018)
Tax income						372,764
Loss for the financial year						(13,328,254)
Segment assets	54,502,992	41,564,856	1,942,673	5,058,456	697,567	103,766,544
Unallocated corporate assets						
- Deferred tax assets						3,782,278
- Current tax recoverable						183,642
						107,732,464

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

34. Segment reporting (continued)

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

Group Restated 31.3.2021	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
Segment liabilities	15,574,001	14,035,591	48,827	174,856	1,206,656	31,039,931
Unallocated corporate liabilities						
- Deferred tax liabilities						1,270,122
- Current tax payable						557,678
						32,867,731
Capital expenditure	3,999	93,930	-	-	9,720	107,649
Included in (loss)/profit from operations are:						
Interest income	(2,769)	(62,989)	-	-	-	(65,758)
Depreciation and impairment loss of property, plant and equipment	(1,508)	608,699	19,679	18,299	45,504	690,673
Depreciation of right-of-use asset	98,000	34,652	-	-	54,972	187,624
Allowance for slow moving inventories						
- reversal	-	(122,682)	-	-	-	(122,682)
- provided for	-	-	266,973	-	-	266,973

34. 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	
	30.6.2022	**31.3.2021**
	RM	**RM**
Malaysia	6,149,990	5,363,114
United States of America	4,004,058	2,854,352
Canada	13,650,443	9,645,864
Germany	48,784,627	34,728,224
France	95,673	268,797
Hong Kong	2,418,869	3,586,988
Netherlands	349,868	472,609
Myanmar	147,873	132,381
Czech	155,658	308,821
Australia	-	11,059
Singapore	3,345	1,283
Other countries	66,826	112,234
	75,827,230	57,485,726

For the financial period, the revenue of 4 (2021: 4) customers which contributed more than 74% (2021: 70%) of the total revenue of the Group are RM75,360,386 (from manufacturing segment). Total revenue of these major customers is RM55,896,742 (2021: RM40,481,685).

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 period from 1 April 2021 to 30 June 2022 and the statements of financial position as at 30 June 2022. The components of the segment assets and liabilities include all classes of assets and liabilities disclosed in the consolidated statement of financial position.

35. Financial instruments

Categories of financial instruments

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 and liabilities measured at fair value through profit or loss ("FVTPL").

Group	Carrying amount RM	AC RM
30.6.2022		
Financial assets		
Receivables and deposits (excluding prepayments and advances to sub-contractors)	9,240,606	9,240,606
Fixed deposits with licensed banks	9,196,829	9,196,829
Cash and bank balances	16,114,822	16,114,822
	34,552,257	34,552,257
Financial liabilities		
Term loans	9,946,992	9,946,992
Short term bank borrowings	6,633,455	6,633,455
Lease liabilities	330,867	330,867
Payables and accrued liabilities (excluding statutory liabilities)	22,582,343	22,582,343
	39,493,657	39,493,657
Company		
30.6.2022		
Financial assets		
Receivables and deposits (excluding prepayments)	40,360,794	40,360,794
Cash and bank balances	307,679	307,679
	40,668,473	40,668,473
Financial liability		
Payables and accrued liabilities	1,593,404	1,593,404

35. Financial instruments (continued)

Categories of financial instruments (continued)

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").

Group	Carrying amount RM	AC RM
Restated		
31.3.2021		
Financial assets		
Receivables and deposits (excluding prepayments and advances to sub-contractors)	14,103,939	14,103,939
Fixed deposits with licensed banks	3,128,518	3,128,518
Cash and bank balances	2,802,204	2,802,204
	20,034,661	20,034,661
Financial liabilities		
Term loans	11,989,854	11,989,854
Short term bank borrowings	4,382,392	4,382,392
Lease liabilities	184,790	184,790
Payables and accrued liabilities (excluding statutory liabilities)	12,816,545	12,816,545
	29,373,581	29,373,581

35. Financial instruments (continued)

Categories of financial instruments (continued)

Company	**Carrying amount RM**	**AC RM**
31.3.2021		
Financial assets		
Receivables and deposits (excluding prepayments)	37,368,020	37,368,020
Cash and bank balances	876,442	876,442
	38,244,462	38,244,462
Financial liability		
Payables and accrued liabilities	6,568,186	6,568,186

Net gains/(losses) arising from financial instruments

Group	**30.6.2022 RM**	**31.3.2021 RM**
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Allowance for expected credit loss		
- charge for the financial period/year	(5,363,190)	(16,791,370)
- write back	2,629,955	2,013,818
Interest income	195,807	65,758
Unrealised foreign exchange gain	148,766	465,866
	(2,388,662)	(14,245,928)
Financial assets and liabilities measured at fair value through profit or loss		
Fair value gain/(loss) on:		
- marketable securities	-	8,804
- derivative financial instruments	-	12,198
Gain on disposal of marketable securities	-	1,648
	-	22,650
Financial liabilities measured at amortised cost		
Interest expenses	(990,758)	(1,159,430)
Unrealised foreign exchange loss	-	(41,152)
	(990,758)	(1,200,582)

35. Financial instruments (continued)

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

Company	**30.6.2022 RM**	**31.3.2021 RM**
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Allowance for expected credit loss		
- write back	-	36,049,783
	-	36,049,783
Financial assets measured at fair value through profit or loss		
Fair value gain/(loss) on:		
- marketable securities	-	8,804
Gain on disposal of marketable securities	-	1,648
	-	10,452

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, liquidity risk and foreign currency 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, liquidity risk and foreign currency 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.

35. Financial instruments (continued)

Credit risk (continued)

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.

Credit risk arising from OEM

The Group exports of its undergarments products mostly to Europe, Canada, 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 does not have any significant credit risk from the construction activities as the significant outstanding amount has been impaired during the year. Trade receivables from other various constructions projects are monitored on an ongoing basis via the management reporting procedures.

35. Financial instruments (continued)

Credit risk (continued)

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.

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 RM16,580,447 (2021: RM16,372,246) 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 eorganization; or
- The disappearance of an active market for a security because of financial difficulties.

35. 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
30.6.2022			
Not past due	4,369,387	-	4,369,387
1 to 60 days past due	2,793,421	-	2,793,421
61 to 120 days past due	985,530	(34,457)	951,073
More than 121 days past due	343,041	-	343,041
	8,491,379	(34,457)	8,456,922
Credit impaired			
Individually impaired	20,744,923	(20,744,923)	-
	29,236,302	(20,779,380)	8,456,922
31.3.2021			
Not past due	7,303,537	(300)	7,303,237
1 to 60 days past due	241,500	(524)	240,976
61 to 120 days past due	166,232	(1,914)	164,318
More than 121 days past due	5,778,007	(636,233)	5,141,774
	13,489,276	(638,971)	12,850,305
Credit impaired			
Individually impaired	18,007,057	(18,007,057)	-
	31,496,333	(18,646,028)	12,850,305

35. Financial instruments (continued)

Credit risk (continued)

Inter-company loans and advances

The Company provides unsecured loans and advances to intercompanies. The Company monitors the ability of the intercompanies to repay the loans and advances on an individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Generally, the Company considers loans and advances to intercompanies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the related companies are not able to pay when demanded. The Company considers a related company's loan or advance to be credit impaired when:

- The intercompany is unlikely to repay its loan or advance to the Company in full;
- The intercompany's loan or advance is overdue for more than 365 days; or
- The intercompany is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for related company' loans and advances as follows:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Company			
30.6.2022			
Amount due from subsidiaries	40,351,100	-	40,351,100
31.3.2021			
Amount due from subsidiaries	37,358,334	-	37,358,334

35. Financial instruments (continued)

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.

	Effective interest rate per annum %	**Carrying amount RM**
30.6.2022		
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed bank	1.74% - 1.95%	9,196,829
Variable rate instruments		
Financial liabilities		
Lease liabilities	3.99% to 4.07%	(330,867)
Foreign currency revolving credit	3.04%	(1,880,141)
Bank overdrafts	6.73% to 9.21%	(4,753,314)
Term loans	3.73% to 9.32%	(9,946,992)
		(16,911,314)
		(7,714,485)
31.3.2021		
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed bank	1.74%	3,128,518
Variable rate instruments		
Financial liabilities		
Lease liabilities	4.76% to 8.45%	(184,790)
Foreign currency revolving credit	2.98%	(1,776,777)
Bank overdrafts	7.51% to 9.06%	(2,605,615)
Term loans	3.56% to 9.06%	(11,989,854)
		(16,557,036)
		(13,428,518)

35. Financial instruments (continued)

Interest rate risk (continued)

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:

	30.6.2022 (Decrease)/ Increase RM	31.3.2021 (Decrease)/ Increase RM
Effects on profit after taxation:		
Increase by 10 basis points	(5,863)	(10,206)
Decrease by 10 basis points	5,863	10,206

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company maintain sufficient cash and 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 Group and the Company also obtain funding through intercompany advances for the purpose of its working capital.

35. Financial instruments (continued)

Liquidity risk (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	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
30.6.2022					
Payables and accrued liabilities	22,581,343	22,582,343	22,582,343	-	-
Lease liabilities	330,867	380,949	68,772	247,298	64,879
Term loans	9,946,992	13,462,710	2,266,428	5,834,346	5,361,936
Short term bank borrowings	6,633,455	6,633,455	6,633,455	-	-
	39,492,657	43,059,457	31,550,998	6,081,644	5,426,815
31.3.2021					
Payables and accrued liabilities	12,816,545	12,816,545	12,816,545	-	-
Lease liabilities	184,790	196,236	83,394	112,842	-
Term loans	11,989,854	18,607,042	2,266,428	7,351,309	8,989,305
Short term bank borrowings	4,382,392	4,382,392	4,382,392	-	-
	29,373,581	36,002,215	19,548,759	7,464,151	8,989,305

35. Financial instruments (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
30.6.2022					
Payables and accrued liabilities	1,593,404	1,593,404	1,593,404	-	-
Financial guarantee contract	-	16,580,447	-	-	-
	1,593,404	18,173,851	1,593,404	-	-
31.3.2021					
Payables and accrued liabilities	6,568,186	6,568,186	6,568,186	-	-
Financial guarantee contract	-	16,372,246	-	-	-
	6,568,186	22,940,432	6,568,186	-	-

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.

35. Financial instruments (continued)

Foreign currency risk (continued)

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

Group	RMB RM	USD RM	Euro RM	Total RM
30.6.2022				
Financial assets				
Receivables, deposits and prepayments	-	3,368,099	4,506,156	7,874,255
Cash and bank balances	-	12,410,787	27,428	12,438,215
	-	15,778,886	4,533,584	20,312,470
Financial liabilities				
Payables and accrued liabilities	(3,511,379)	(5,408,739)	(38,017)	(8,958,135)
Net currency exposure	(3,511,379)	10,370,147	4,495,567	11,354,335
31.3.2021				
Financial assets				
Receivables, deposits and prepayments	-	3,552,961	3,237,208	6,790,169
Cash and bank balances	-	197,895	146,541	344,436
	-	3,750,856	3,383,749	7,134,605
Financial liabilities				
Payables and accrued liabilities	(669,029)	(880,550)	-	(1,549,579)
Net currency exposure	(669,029)	2,870,306	3,383,749	5,585,026

35. Financial instruments (continued)

Foreign currency risk (continued)

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	30.6.2022 Increase/ (Decrease) RM	31.3.2021 Increase/ (Decrease) RM
Effects on profit after taxation:		
RMB/RM		
Strengthen by 5% (2021: 5%)	(133,432)	(25,423)
Weaken by 5% (2021: 5%)	133,432	25,423
USD/RM		
Strengthen by 5% (2021: 5%)	394,066	109,072
Weaken by 5% (2021: 5%)	(394,066)	(109,072)
Euro/RM		
Strengthen by 5% (2021: 5%)	170,832	128,582
Weaken by 5% (2021: 5%)	(170,832)	(128,582)

36. Fair values

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short term maturity of the financial instruments except for amount owing by subsidiaries, amount owing to a director and amount owing to a subsidiary, as it is not practical to estimate the fair value due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. The Directors are at the opinion that the carrying amounts recorded at the statement of financial position date do not differ significantly from the values that would eventually be recovered.

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

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
Group	**RM**	**RM**	**RM**	**RM**
30.6.2022				
Non-financial assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	-	4,100,000	4,100,000
31.3.2021				
Non-financial assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	-	4,100,000	4,100,000
Company				
30.6.2022				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000
31.3.2021				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000

36. Fair values (continued)

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 land and buildings included in property, plant and equipment as disclosed in Note 10 and investment properties as disclosed in Note 12 to the financial statements are classified under Level 3 as the fair value is derived using the unobservable input and comparison method as there has been a limited number of similar sales in the same location. The unobservable input for land is price per square feet which is RM23 to RM67 (2021: RM23 to RM67) 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% (2021: 5%) increase in unobservable input in price per square feet would lead to an increase of RM381,500 (2021: RM381,500) 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 period.

37. Prior year adjustment

In the prior years, expenses have been under ecognized due to provision undertaken. Therefore, the Directors have made a prior year adjustment in accordance with the requirements of MFRS Section 108, *Accounting Policies, Changes in Accounting Estimates and Errors* as a correction of errors.

The summary of these adjustment is set out below:

	As previously stated RM	Adjustments RM	As restated RM
Group			
Statement of financial position – year 31.3.2021			
Non-current assets			
Inventories	54,928,388	(750,000)	54,178,388
Non-current liabilities			
Payables and accrued liabilities	(11,336,732)	(1,500,000)	(12,836,732)

At the end of the previous reporting period

	As previously stated RM	Adjustments RM	As restated RM
Group			
Equity			
Retained profits	7,123,089	(2,250,000)	4,873,089

38. 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 period from 1 April 2021 to 30 June 2022.

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 is as follows:

	30.6.2022 RM	Restated 31.3.2021 RM
Borrowings	16,580,447	16,372,246
Lease liabilities	330,867	184,790
Less: Cash and bank balances	(16,114,822)	(2,802,204)
Net debt	796,492	13,754,832
Total equity	78,815,312	74,864,733
Total capital	79,611,804	88,619,565
Gearing ratio	1.00%	15.52%

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 period from 1 April 2021 to 30 June 2022.

The Group is not subject to any other externally imposed capital requirements.

39. Material litigation

(i) 1st Suit pertaining to the calling of the proposed EGM on 15.4.2022

On 16.3.2022, the Company commenced an originating summons against various shareholders of the Company to determine among others: -

(a) Whether the Company and/or its directors have to provide the Company's Register of Depositors to Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd in order to facilitate the despatch of the notice of the Company's extraordinary general meeting indicated to be on 15.4.2022 that Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd intend to call ("Proposed EGM 15.4.2022");

(b) Whether the Defendants are entitled to exercise their voting rights in respect of the Proposed EGM 15.4.2022 or any other general meeting of the Company; and

(c) Whether the Defendants are entitled to nominate themselves or their nominees namely the Leong Seng Wui, Ng Keok Chai, Kang Chez Chiang and Krishnan a/l Dorairaju as the directors of the Company.

(d) On 26.8.2022, upon the Company's application to withdraw the suit, the Court struck out the suit with total costs of RM7,500 to be paid by the Company.

(ii) 2nd Suit pertaining to the calling of the proposed EGM on 15.4.2022

On 17.3.2022, Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd filed an originating summons against among others, the Company for orders among others: -

(a) A declaration that Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd are entitled to the Record of Depositors of the Company as at 15.03.2022 ("the 1st ROD") and Record of Depositors of the Company as at 7.4.2022("the 2nd ROD") on the basis of meeting timeline to comply with all the requirements of the Notice of Extraordinary General Meeting dated 31.3.2022 and for the purposes of convening the Proposed EGM 15.4.2022;

(b) An order to compel the Company and/or the Mega Corporate Services Sdn Bhd, jointly and/or severally to provide the Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd with the 1st ROD immediately or at any date determined by this Honourable Court in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia Depository Sdn Bhd ("Bursa Malaysia") including the mailing labels to facilitate the dispatch of the Notice of Extraordinary General Meeting dated 31.03.2022;

39. Material litigation (continued)

(ii) 2nd Suit pertaining to the calling of the proposed EGM on 15.4.2022 (continued)

(c) alternatively, an order to compel the other Defendants to cause the Company to provide Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd with the 1st ROD immediately or at any date determined by this Honourable Court in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia including the mailing labels to facilitate the dispatch of the Notice of Extraordinary General Meeting dated 31.3.2022;

(d) an order to compel the Company and/or the Mega Corporate Services Sdn Bhd, jointly and/or severally to provide the Plaintiffs with the 2nd ROD on or before 4:00pm on 8.4.2022 in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia including the mailing labels whereby the 2nd ROD is a record prepared not less than 3 market days before the Proposed EGM;

(e) alternatively, an order to compel the other Defendants to cause the 1st Defendant to provide the Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd with the 2nd ROD on or before 4:00pm on 08.04.2022 in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia including the mailing labels whereby the 2nd ROD is a record prepared not less than 3 market days before the Proposed EGM;

(f) An order that Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd are entitled to call and hold the Proposed EGM subject to any protocols or requirements as determined by this Honourable Court to ensure a fair and smooth running of the Proposed EGM; and

(g) An order that any defects or irregularities in the short notice calling for the Proposed EGM be rectified pursuant to Section 582 of the Companies Act 2016 in the event the 1st ROD and/or the 2nd ROD are not provided within time.

On 21.6.2022, upon the application by Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd to withdraw the suit, the Court struck out the suit with costs. No costs to be paid by the Company.

39. Material litigation (continued)

(iii) Originating Summon 38

This is an originating summons filed by a previous director, Datin Fong Nyok Yoon on 22.4.2022 against among others the Company as the 7th Defendant. The suit relates to administration, directorship and shareholders' rights of the Company. The prayers of the suit include among others:

(a) to prohibit the 1st to 5th Defendants from allotting and issuing new ordinary shares in Caely Holdings Berhad;

(b) resolution/appointment of the 5th and 6th Defendants to be cancelled;

(c) resolution re-designating the Plaintiff from executive director to non-independent non-executive director of CHB to be cancelled;

(d) special notices issued by the 4th Defendants to the directors of Classita (M) Sdn Bhd, Caely Development Sdn Bhd and Marywah Industries (M) Sdn Bhd and all dated 5.4.2022 to be cancelled; and

(e) costs and interest.

The Company appraised the Court that Datin Fong Nyok Yoon has resigned as a director of the Company and the other defendants are also no longer directors of the Company. On 7.10.2022, the Court struck out the suit without liberty to file afresh and no order as to costs, following Datin Fong's Notice of Discontinuance.

(iv) Suit pertaining to the regularity of EGM 15.6.2022

This Originating Summons was filed by Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd pertaining to the regularity of the EGM 15.6.2022.

On 18.8.2022, the Company filed an application to transfer the suit to be heard with the 1st Suit pertaining to the calling of the 15.6.2022 EGM. On 23.8.2022, the transfer application was dismissed. On 24.8.2022, the Company appealed against the decision ("Transfer Appeal").

On 29.8.2022, the Court granted an order as follows:

1. A declaration that the adjournment of the EGM is invalid;

2. That any minutes or any records filed with any authorities based on the invalid adjournment be struck out under Section 602 of the Companies Act 2016;

3. A declaration that the EGM had continued (after the invalid adjournment) with all the Resolutions approved at the continued EGM on 15.06.2022 are valid save and except for Resolution No. 1 (withdrawn) and Resolution No. 2 (not carried out);

39. Material litigation (continued)

(iv) Suit pertaining to the regularity of EGM 15.6.2022 (continued)

4. *A declaration that the Resolutions approved at the continued EGM on 15.06.2022 as per prayer 3 shall l take effect on 15.06.2022;*

5. *An order to compel the Defendant and/or its agents and/or employees, including but not limited to the Company Secretary of the Defendant to do all that is necessary to give effect to the Resolutions approved at the continued EGM on 15.06.2022, including but not limited to lodging all the necessary forms and documents with the Companies Commission of Malaysia and making all necessary announcements as mandated by Bursa Malaysia Securities Berhad with immediate effect;*

6. *An injunction restraining the Defendant and/or its agents (including but not limited to its Company Secretary) and/or employees and/or its Board of Directors, namely persons who have been removed as director as per Resolutions Nos. 3 to 12 of the Notice, from acting and/or holding themselves as directors of the Defendant, including but not limited to appointing any additional directors to fill any casual vacancies; and*

7. *Costs of RM30,000.00 subject to allocatur.*

As a result of Order dated 29.8.2022, a new board of directors of the Company has been effected.

Between 20.9.2022 and 21.9.2022, Messrs Bachan & Kartar filed a Notice of Change of Solicitors, an application to stay Order dated 29.8.2022 ("Stay Application") and a notice of appeal to appeal against Order 29.8.2022 ("EGM Regularity Appeal") purportedly for and on behalf of the Company and proposed interveners. At all material times (at the time of filing and at present), the Company had never engaged, authorised and mandate Messrs Bachan & Kartar to act and/or hold out itself as the Company's solicitors, let alone to file such cause papers.

On 14.10.2022, the Company filed a striking out application for orders, among others to strike out the Stay Application and all other cause papers filed by Messrs Bachan & Kartar purportedly for and on behalf of the Company and for a declaration that Messrs Bachan & Kartar has no authority, mandate and warrant to act for and on behalf of the Company and to hold out itself as the solicitors of the Company.

On 14.10.2022 and 17.10.2022, Messrs Ahmad Deniel, Ruben & Co. filed Notices of Change of Solicitors in the suit and also in the EGM Regularity Appeal to take over conduct from Messrs Bachan & Kartar.

39. Material litigation (continued)

(iv) Suit pertaining to the regularity of EGM 15.6.2022 (continued)

On 20.10.2022, the Company filed a Notice of Motion in EGM Regularity Appeal ("Striking Out Motion") for orders among others to strike out the Notice of Appeal and all other cause papers filed by Messrs Bachan & Kartar or Messrs Ahmad Deniel, Ruben & Co purportedly for and on behalf of the Company and for declarations that Messrs Bachan & Kartar and Messrs Ahmad Deniel, Ruben & Co has no authority, mandate and warrant to act for and on behalf of the Company and to hold out itself as the solicitors of the Company.

On 25.10.2022, it was clarified to the Court that Messrs Bachan & Kartar and Messrs Ahmad Deniel, Ruben & Co do not act for the Company after Order dated 29.8.2022.

After hearing parties, the Court ordered the following: -

(a) upon the application of Messrs Ahmad Deniel, Ruben & Co. to withdraw the Stay Application, the Stay Application is struck out with costs of RM5,000 to be paid by the proposed interveners to the Plaintiffs;

(b) order in terms of the striking out, except for prayer 2(b), with costs of RM5,000 to be paid by the proposed interveners to the Company; and

(c) allowed the oral amendments to delete reference to the Company in the Notices of Change of Solicitors dated 14.10.2022 filed by Messrs Ahmad Deniel, Ruben & Co.

The Transfer Appeal is fixed for case management on 22.11.2022.

The EGM Regularity Appeal and the Striking Out Motion are fixed for case management on 19.12.2022.

(v) Suit pertaining to misappropriation of funds in Caely (M) Sdn Bhd ("Caely M") and conspiracy

This is a suit filed by the Company and Caely M on 26.8.2022 against among others, 2 previous directors of the Company pertaining misappropriation of funds in Caely M and conspiracy pertaining to the same.

The cause of action of the suit arises from the misappropriation of funds of not less than RM30,552,000 from CMSB ("Misappropriation").

39. Material litigation (continued)

(v) Suit pertaining to misappropriation of funds in Caely (M) Sdn Bhd (“Caely M”) and conspiracy (continued)

The prayers in the suit, among others are: -

(a) a declaration that the Company and Caely M have a right to recover the funds misappropriated from Caely M of RM30,552,000;

(b) judgment for RM30,552,000;

(c) exemplary damages;

(d) damages for conspiracy in causing loss to the Company and Caely M;

(e) injunction to restrain the Defendants from requisitioning further extraordinary general meetings to take over the board of the Company; and

(f) injunction to restrain the Defendants from acting in any manner whatsoever to impede the progress of the further and in-depth investigations into the misappropriation and/or breach of fiduciary duty of the Company and Caely M, and/or other wrongdoers; and

(g) interest and costs.

The suit is fixed for further case management on 28.11.2022 to update the Court on the status of the matter.

(vi) Suit pertaining to misappropriation of funds in Caely M against 12 previous directors, chief executive officers and chief financial officers

This is a suit filed by the Company on 19.10.2022 against 12 previous directors, chief executive officers and/or chief financial officers of the Company and Caely M.

The cause of the suit relates to the Misappropriation and also conducts of non-disclosure of the Misappropriation, fraudulent concealment, conspiracy, fraud and deception, breach of directors’ duties arising from or related to the Misappropriation.

The prayers of the suit, among others, are:

(a) general damages to be assessed by the Court;

(b) special damages in the sum of RM30,552,000;

(c) exemplary damages to be assessed and awarded together with the General Damages by the Court;

39. Material litigation (continued)

(vi) Suit pertaining to misappropriation of funds in Caely M against 12 previous directors, chief executive officers and chief financial officers (continued)

The prayers of the suit, among others, are: (continued)

(d) interest at the rate of 5% per annum on general, special and exemplary damages from the filing date until the date of full settlement; and

(e) costs.

The suit is fixed for case management on 16.11.2022.

(vii) Defamation Suit

This is a suit by a previous executive chairman of the Company, Dato' Wira Ng Chun Hau against the Company and the present board of directors for defamation.

The prayers in the suit includes among others: -

(i) damages for libel, including aggravated damages and exemplary damages;

(ii) an injunction restraining the Company, whether by itself, its servants, or agents or otherwise and the 2nd to 8th Defendants from publishing or causing to be published the said or similar statements defamatory of the Plaintiff;

(iii) interest; and

(iv) costs.

40. Significant events

(i) Appointment of forensic auditor

On 7 April 2022, the Board of Directors of the Company announced that Virdos Lima Consultancy (M) Sdn. Bhd., forensic auditor has been appointed to carry out an independent forensic audit on allegations of suspicious and irregular transactions at CMSB.

On 11 April 2022, the Board of Directors of the company announced that the Company has received Bursa Malaysia Securities Berhad's request additional information in relation to the Company's announcement made on 7 April 2022. The additional information are as follows:

40. Significant events (continued)

(i) Appointment of forensic auditor (continued)

One of the Independent Non-Executive Directors received an anonymous package containing documents raising concerns on several suspicious transactions involving Caely (M) Sdn. Bhd. ("CMSB").

The specific areas and scope of the forensic investigation to be undertaken.

(a) analyse and obtain factual evidence, if any, of conflict of interests by stakeholders and employees of CMSB;
(b) analyse and obtain factual evidence, if any, that the current and/or former personnel of CMSB have wilfully performed acts of misconduct that have compromised CMSB's business operations and interest;
(c) assess the veracity of advances made by CMSB to determine any irregular and inappropriate payments;
(d) conduct a forensic accounting analysis of CMSB accounting and financial records to identify, if any, siphoning of funds from CMSB;
(e) assess and obtain factual evidence, if any, that current and/or former personnel/ of CMBS and/or external parties may have benefited financially or in kind from any acts in relation to the above;
(f) assess the appropriateness of sale done by CMSB in regards to its sale of properties in Banda Wallagonia based on the market conditions at the material time;
(g) based on unusual and/or questionable transactions identified, assess, and verify to supporting documents, if any, to check whether the payments/ expenses incurred are substantiated and, in the process, identify any other irregularities; and
(h) identify and quantify, where possible, the person(s), party or parties responsible for all issues stated above.

On 13 June 2022, the Board of Directors of the company announced that Virdos Lima Consultancy (M) Sdn. Bhd has informed the Company that the same could not continue with their investigation, the reason being that they would require the key information highlighted below to be provided to them in a complete and satisfactory form. The following key information are vital for them to form their investigation conclusions, namely:

(a) various complex and unusual accounting entries that were entered into CMSB's accounting general ledger that will require to be traced, checked, and verified to supporting documents;
(b) for various financial periods, key documents such as, but not limited to invoices, payment vouchers, receipts, agreements could not be located;

40. Significant events (continued)

(i) Appointment of forensic auditor (continued)

(c) various company electronic devices that were assigned to key suspects in their investigations had been removed and/ or could not be located at the premise of the company. These electronic devices may contain key Electronic Stored Information such as, but not limited to email communications, documents, spreadsheets, presentations, etc.

On 11 October 2022, the Board had announced that the present management of Caely has recently discovered that Virdos Lima Consultancy (M) Sdn Bhd (“Virdos Lima”) had on 7 April 2022 emailed a draft report of their investigation findings update dated 7 April 2022 to Caely and/or Caely-M through its previous Board of Directors for discussion.

The present management of Caely had instructed its solicitors to issue and serve a demand on Virdos Lima to immediately deliver, return and produce the full documentations of Caely (M) Sdn. Bhd handed to Virdos Lima by the previous management for purposes of conducting the forensic audit and all draft reports/findings prepared by Virdos Lima and to provide a list of the alleged documents which is said to have stalled the progression of the investigation.

On 20 Oct 2022, the Board had announced that the legal letter dated 11 oct 2022 to Virdos Lima is withdrawn with immediate effect.

(iii) Freeze order on all operational bank accounts of the Company and its subsidiaries

On 18 April 2022, the authority had issued a freezing order to freeze the operation of all the bank accounts of the Company and its subsidiaries.

41. 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.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

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 51-12-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang, Malaysia.

The financial statements were approved and authorised for issue by the Board of Directors on 31 October 2022.

LANDED **PROPERTIES**

AS AT 30 JUNE 2022

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Land	Leasehold	05.04. 2078	2,300	31.03.2019	2,900,000
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building	Leasehold	05.04. 2078	9,060	31.03.2019	1,200,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	–	45,466	31.03.2019	1,100,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	2-storey hostel	Freehold 26 years	–	15,250	31.03.2019	334,305
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 24 years	–	11,100	31.03.2019	310,756
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 22 years	–	28,140	31.03.2019	1,281,089
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	–	274,972	31.03.2019	6,450,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 25 years	–	69,928	31.03.2019	4,060,534
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 18 years	–	76,800	31.03.2019	5,124,833
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½-storey factory building	Freehold 15 years	–	8,400	31.03.2019	394,224

LANDED PROPERTIES
AS AT 30 JUNE 2022
(CONTINUED)

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land area / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 15 years	–	7,200	31.03.2019	238,368
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey surau	Freehold 15 years	–	625	31.03.2019	18,336
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey factory building	Freehold 15 years	–	1,980	31.03.2019	59,592
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1- storey hostel	Freehold 14 years	–	7,200	31.03.2019	311,712
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	1,200	31.03.2019	80,000
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	2-storey residential property for staff accommodation	Freehold 20 years	–	1,693	31.03.2019	81,137
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	7.04 acres	27.06.2011	3,674,235

ANALYSIS OF SHAREHOLDINGS

AS AT 05 OCTOBER 2022

Total Number of Issued Shares	:	258,242,604 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	1 vote per share
No. of Shareholders	:	2,362

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 05 OCTOBER 2022

Size of shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	187	7.91	3,384	0.00
100 – 1,000	495	20.96	188,430	0.07
1,001 – 10,000	1,125	47.63	6,054,990	2.35
10,001 – 100,000	483	20.45	15,506,400	6.01
100,001 – less than 5% of issued shares	68	2.88	99,559,200	38.55
5% and above of issued shares	4	0.17	136,930,200	53.02
	2,362	**100.00**	**258,242,604**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 05 OCTOBER 2022

	Direct Interest		Deemed Interest	
	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Dato' Sri Goh Choon Kim	54,352,300	21.05	Nil	Nil
Dato' Sri Tee Yam	49,381,800	19.12	Nil	Nil
Datin Fong Nyok Yoon	19,055,400	7.38	14,600,700 (a)	5.65
Dato' Chuah Chin Lai	14,600,700	5.65	19,055,400 (b)	7.38

Notes:-

(a) Deemed interested in the shareholdings of her spouse, Dato' Chuah Chin Lai pursuant to Section 8 of the Act.

(b) Deemed interested in the shareholdings of his spouse, Datin Fong Nyok Yoon pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS AS AT 05 OCTOBER 2022

	Direct Interest		Deemed Interest	
	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Leong Seng Wui	10,213,000	3.95	Nil	Nil

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2022

No.	Name of Shareholders	No. of Shares	% of Issued Shares
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Goh Choon Kim*	54,352,300	21.05
2.	TEE YAM	49,381,800	19.12
3.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Fong Nyok Yoon*	19,055,400	7.38
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Chuah Chin Lai*	14,140,700	5.48
5.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD *Maybank Securities Pte Ltd Ities Pte Ltd (A/C 648849)*	12,000,000	4.65
6.	LOW KOK CHUAN	12,000,000	4.65
7.	HONG SENG CAPITAL SDN BHD *Pledged Securities Account for Meridian Pixel Sdn Bhd*	11,995,900	4.65
8.	HONG SENG CAPITAL SDN BHD *Pledged Securities Account for Lim Peng Tong*	11,000,000	4.26
9.	LEONG SENG WUI	10,213,000	3.95
10.	HONG SENG CAPITAL SDN BHD *Pledged Securities Account for Chan Swee Ying*	9,237,000	3.58
11.	WONG SIAW PUIE	4,870,800	1.89
12.	GOH ENG HOE	4,600,000	1.78
13.	CHUAH KIM SEAH	2,231,500	0.86
14.	LUHUR SEJAHTERA SDN BHD	2,153,500	0.83
15.	KENANGA NOMINIEES (TEMPATAN) SDN BHD *Pledged Securities Account for Lim Chee Ting*	1,940,200	0.75
16.	MAI CALVIN	1,717,900	0.67
17.	ANG LI CHING	1,572,000	0.61
18.	GOH CHOON HENG	1,000,000	0.39
19.	OTHMAN BIN MERAH	700,000	0.27
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD Rakuten Trade Sdn Bhd for Ahmed Azzaad Bin Navamukundan	700,000	0.27
21.	LIAM HOOI LING	500,000	0.19
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Zulkifli Bin Ismail	479,000	0.19
23.	CHUAH CHIN LAI	460,000	0.18
24.	SU MING KEAT	400,000	0.15
25.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Tan Swee Hoe	400,000	0.15
26.	LEE BEE SIN	380,000	0.15
27.	FAZILAH BINTI DAWAN	380,000	0.15
28.	OW TIEW SEE	370,000	0.14
29.	ONG AH HUA	346,200	0.13
30.	NG CHUN MIN	318,300	0.12
TOTAL		**228,895,500**	**88.64**

ANALYSIS OF
WARRANT HOLDINGS

AS AT 05 OCTOBER 2022

ANALYSIS OF WARRANT HOLDINGS AS AT 05 OCTOBER 2022

Total Number of Outstanding Warrant	:	127,916,802
Issue Date	:	23 December 2021
Expiry date of Warrants	:	22 December 2024
Voting Rights	:	None, unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrants	:	RM0.35
No. of Shareholders	:	2,060

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 05 OCTOBER 2022

Size of warrant holdings	No. of Warrant holders/ Depositors	% of Warrant holders/ Depositors	No. of Warrants Held	% of Issued Warrant
Less than 100	367	17.82	11,139	0.01
100 – 1,000	576	27.96	343,313	0.27
1,001 – 10,000	863	41.89	3,828,850	2.99
10,001 – 100,000	211	10.24	6,517,150	5.09
100,001 – less than 5% of issued shares	39	1.89	26,597,350	20.79
5% and above of issued shares	4	0.20	90,619,000	70.85
	2,060	**100.00**	**127,916,802**	**100.00**

SUBSTANTIAL WARRANT HOLDERS AS PER REGISTER OF SUBSTANTIAL WARRANT HOLDERS AS AT 05 OCTOBER 2022

	Direct Interest		Deemed Interest	
	No. of Warrant holders/ Depositors	% of Warrant holders/ Depositors	No. of Warrants Held	% of Issued Warrants
CSH Network Capital Sdn Bhd	46,844,800	36.62	Nil	Nil
Pledged Securities Account for Eminent Mission Sdn Bhd				
Dato' Sri Goh Choon Kim	27,176,150	21.25	750,000 (a)	0.59
Datin Fong Nyok Yoon	9,527,700	7.45	7,070,350 (b)	5.53
Dato' Chuah Chin Lai	7,070,350	5.53	9,527,700 (c)	7.45

Notes:-

(a) Deemed interested in the Warrants held of his spouse, Dato' Sri Ong Ah Poh pursuant to Section 8 of the Act.

(b) Deemed interested in the Warrants held of her spouse, Dato' Chuah Chin Lai pursuant to Section 8 of the Act.

(c) Deemed interested in the Warrants held of his spouse, Datin Fong Nyok Yoon pursuant to Section 8 of the Act.

THIRTY LARGEST WARRANT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2022

No.	Name of Warrant holders	No. of Warrants	% of Issued Warrants
1.	CSH NETWORK CAPITAL SDN BHD *Pledged Securities Account for Eminent Mission Sdn Bhd*	46,844,800	36.62
2.	HONG SENG CAPITAL SDN BHD *Pledged Securities Account for Goh Choon Kim*	27,176,150	21.25
3.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Fong Nyok Yoon*	9,527,700	7.45
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Chuah Chin Lai*	7,070,350	5.53
5.	NG CHUN HAU	5,118,850	4.00
6.	HONG SENG CAPITAL SDN BHD *Pledged Securities Account for Eminent Mission Sdn Bhd*	3,901,850	3.05
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Chun Hau*	2,900,000	2.27
8.	FALCON ODYSSEY SDN BHD	2,805,300	2.19
9.	CHUAH KIM SEAH	1,994,500	1.56
10.	GOH ENG HOE	1,165,600	0.91
11.	LUHUR SEJAHTERA SDN BHD	882,500	0.69
12.	ONG AH POH	750,000	0.59
13.	SOO YOKE MUN	704,800	0.55
14.	GOH CHOON HENG	500,000	0.39
15.	MAYBANK NOMINIEES (TEMPATAN) SDN BHD *Pledged Securities Account for Zulkifli Bin Ismail*	500,000	0.39
16.	RHB NOMINIEES (TEMPATAN) SDN BHD *Pledged Securities Account for Tan Mui Hing*	356,600	0.28
17.	OTHMAN BIN MERAH	350,000	0.27
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ahmed Azzaad Bin Navamukundan*	330,000	0.26
19.	LIM HONG CHIAK	267,000	0.21
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Hue Li Yin*	265,000	0.21
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Tiang Kwong Tai*	250,000	0.20
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Zulkifli Bin Ismail*	239,500	0.19
23.	CHUAH CHIN LAI	230,000	0.18
24.	RHB NOMINIEES (TEMPATAN) SDN BHD *Pledged Securities Account for Khor Mooi Soong*	229,100	0.18
25.	RAZKIAH BINTI MANSOR	206,500	0.16
26.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Gurmit Singh A/L Surjit Singh (MM0665)*	200,000	0.16
27.	SU MING KEAT	200,000	0.16
28.	FAZILAH BINTI DAWAN	190,000	0.15
29.	OW TIEW SEE	185,000	0.14
30.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Yeap Guan Seng (Penang - CL)*	170,000	0.13
TOTAL		**115,511,100**	**90.30**

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PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.
	– –

CAELY HOLDINGS BHD
Registration No. 199601036023 (408376-U)
(Incorporated in Malaysia)

* I/We ....

(*NRIC/Passport/Company No. ....)

of .... (Address)
being a * member / members of the above-named Company, hereby appoint:

Full Name in Block Letters	NRIC / Passwort No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone/Mobile No.			

* and/or

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone/Mobile No.			

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 26th Annual General Meeting ("**AGM**") of the Company to be conducted fully virtual through live streaming and online participation and voting using Remote Participation and Voting ("**RPV**") facilities via the online meeting platform at https://www.symphonycorporateservices.com.my provided by Symphony Corporate Services Sdn Bhd in Malaysia (Domain registration number D1C534619) on Monday, 28 November 2022 at 2.00 pm or any adjournment thereof.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Leong Seng Wui as a Director of the Company.		
2.	To re-elect Kenny Khow Chuan Wah as a Director of the Company.		
3.	To re-elect Dato' Pahlawan Mior Faridalathrash Bin Wahid as a Director of the Company.		
4.	To re-elect Chong Seng Ming as a Director of the Company.		
5.	To approve the payment of Directors' Fees.		
6.	To approve the payment of Directors' Benefits.		
7.	To re-appoint Messrs. PKF PLT as auditors of the Company.		
8.	To authorise the Directors to allot and issue new shares in the Company.		
	SPECIAL RESOLUTIONS	**FOR**	**AGAINST**
1.	To change the Company's name from "Caely Holdings Bhd" to "Classita Holdings Berhad".		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this .... day of ...., 2022.

....
Signature of Member(s)/Common Seal

Notes:

(1) A member entitled to attend and vote at the AGM is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.

(2) A member shall be entitled to appoint more than one person as his proxy in relation to the AGM provided that he specifies the proportion of his shareholding to be represented by each proxy. Failing which, the appointment shall be invalid.

(3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said securities account.

(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. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.

(5) This form shall be under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney duly authorised.

(6) This form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not less than 48 hours before the time for holding the AGM or any adjournment thereof, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default this form shall not be treated as valid.

(7) For the purpose of determining a member who shall be entitled to attend the 26th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 22 November 2022. Only a depositor whose name appears on the Record of Depositors as at 22 November 2022 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

(8) By submitting this form, members accept and agree to the Personal Data Privacy terms set out in the Notice of the AGM dated 31 October 2022.

** Strike out whichever is not applicable.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
CAELY HOLDINGS BHD
Registration No. 199601036023 (408376-U)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town, Penang

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CAELY HOLDINGS BHD.
Registration No. 199601036023 (408376-U)

Wisma Caely, Lot 2661, 3rd Mile,Jalan Maharaja Lela
36000 Teluk Intan, Rerak Darul Ridzuan

Tel : +605 621 8888
Fax : +605 621 5115, 621 5286

www.caelyholdings.com