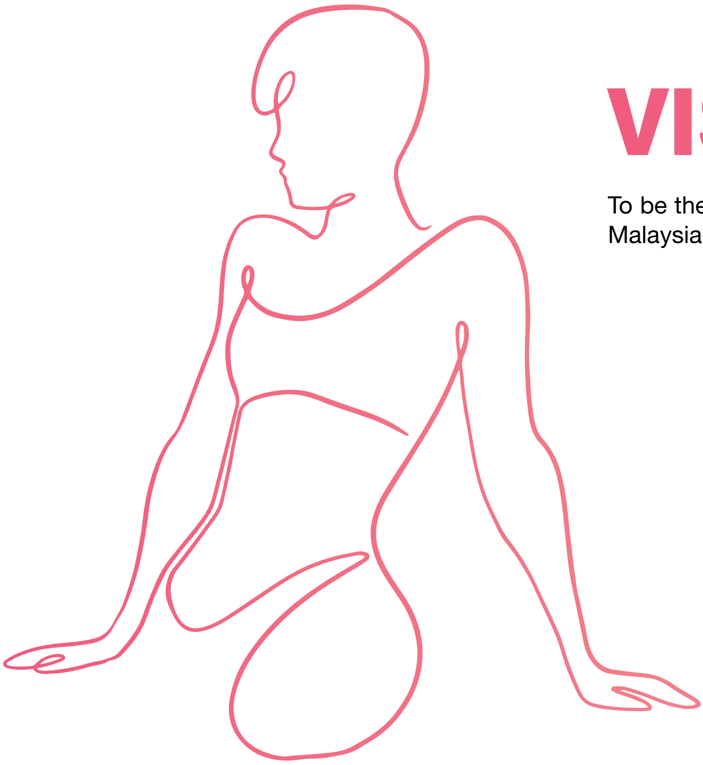
CLASSITA HOLDINGS BERHAD

(Formerly Known as Caely Holdings Bhd.)
Registration No.: 199601036023 (408376-U)

Transition and Transformation

Annual Report 2023



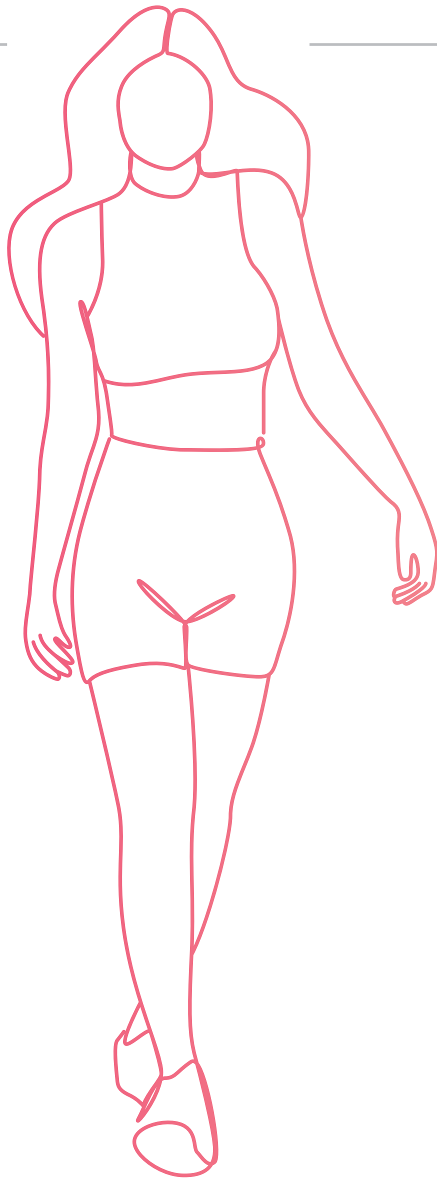
VISION

To be the No.1 International Lingerie Manufacturer in Malaysia and the region.

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.

WHAT'S INSIDE



CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Ng Keok Chai**
  Executive Chairman
- **Datuk Kuan Poh Huat**
  Executive Director
- **Dato' Pahlawan Mior Faridalathrash Bin Wahid**
  Executive Director
- **Lester Chin Kent Lake**
  Non-Independent Non-Executive Director
- **Dato' Kang Chez Chiang**
  Independent Non-Executive Director
- **Krishnan A/L Dorairaju**
  Independent Non-Executive Director
- **Chong Seng Ming**
  Independent Non-Executive Director
- **Datuk Aureen Jean Nonis**
  Independent Non-Executive Director

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

Datuk Aureen Jean Nonis *(Chairperson)*
Dato' Kang Chez Chiang *(Member)*
Chong Seng Ming *(Member)*

NOMINATION COMMITTEE

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

COMPANY SECRETARY

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

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Georgetown
Penang
Malaysia
Tel : 04-210 8831
Fax : 04-210 8831
Email : corporatenet21@gmail.com

AUDITORS

PKF PLT (LLP0030836-LCA & AF 0911)
Chartered Accountants
No. 416, Jalan Dato Keramat
10460 Georgetown
Penang
Malaysia
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
RHB Bank Berhad
Ambank (M) Berhad
Affin Bank Berhad
CIMB Bank Berhad

CORPORATE STRUCTURE

CLASSITA HOLDINGS BERHAD

(Formerly Known as Caely Holdings Bhd.)
Registration No.: 199601036023 (408376-U)

100% — **CLASSITA (M) SDN. BHD.**
Registration No. 198901012685 (189994-T)

- **60%** — **PT CLASSITA INDONESIA INTIMATES**
  Registration No. 0201230004736

100% — **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% — **LONGHORN CAPITAL SDN. BHD.**
Registration No. 201401019318 (1095405-U)

97.24% — **KEPAYANG HEIGHTS SDN. BHD.**
Registration No. 200001024149 (526757-M)

5 YEARS' FINANCIAL HIGHLIGHTS

	Financial Year Ended 30.06.2023 RM'000	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 PERFORMANCE					
Revenue	44,788	75,827	57,486	69,456	85,503
(Loss)/Profit before tax ((LBT/(PBT)	(9,494)	(1,758)	(13,701)	(8,637)	2,589
(Loss)/Profit after tax ((LAT/(PAT)	(9,350)	(7,202)	(13,328)	(7,542)	1,456
(Loss)/Profit attributable to equity holders of the Company	(9,116)	(7,202)	(14,278)	(7,450)	1,508
FINANCIAL POSITION ASSETS					
Total assets	204,905	120,792	107,732	126,474	151,468
Total assets less current liabilities	105,244	88,706	86,656	93,771	102,166
FD, Bank & Cash Balances	81,105	25,312	5,931	5,184	3,972
LIABILITIES AND SHAREHOLDERS FUNDS					
Borrowings	8,526	16,911	16,557	25,553	28,601
Equity attributable to owners of the Company	105,244	78,814	75,084	82,319	89,433
Gearing (times)	0.08	0.21	0.21	0.31	0.32
Interest cover (times)	2.87	2.11	3.39	0.52	1.36
FINANCIAL RATIOS					
(LBT)/PBT Margin	(21.20)	(2.32)	(23.83)	(12.44)	3.03
(LAT)/PAT after NCI Margin	(20.35)	(9.50)	(24.84)	(10.73)	1.76
(Loss)/Earnings per share ((LPS)/EPS) (sen)	(3.23)	(3.54)	(7.70)	(4.53)	1.85
Return on total assets	-4.45%	-5.96%	-13.25%	-5.89%	1.00%
Return on equity	-8.66%	-9.14%	-19.07%	-9.18%	1.71%

PROFILE OF DIRECTORS

NG KEOK CHAI
EXECUTIVE CHAIRMAN

Gender : **Male** Nationality : **Malaysian** Age : **63 years**

Mr. Ng Keok Chai was appointed to the Board on 15 June 2022 as Executive Director and subsequently, redesignated as Executive Chairman on 29 August 2022 and was again redesignated as Non-Independent Non-Executive Chairman on 01 February 2023 prior to redesignation to Executive Chairman of the company on 14 March 2023.

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 specialises in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

Mr. Ng 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 year.

PROFILE OF DIRECTORS

DATUK KUAN POH HUAT

EXECUTIVE DIRECTOR

Gender : **Male** Nationality : **Malaysian** Age : **55 years**

Datuk Kuan Poh Huat was appointed to the Board on 22 December 2022 as an Executive Director.

Datuk Kuan graduated from University Sains Malaysia in 1993 with a Second Upper class Honours Degree in Civil Engineering. He started his career as a project coordinator in a construction firm in 1993 in which he was involved in coordination of construction and project management.

In late 1994, he joined another company as a Design Engineer in charge of design development proposal, design, and submission of construction drawings as well as project coordination. In 1996, he joined a property development company as a Project Manager where during his tenure in this company he had completed numerous commercial and residential development projects mainly in Johor Bahru.

In 2002, he became the Executive Director of a private limited company where he managed to complete various commercial, residential projects and public sectors contracts. He had also previously served as the Executive Director of Spring Gallery Berhad (now known as CSH Alliance Berhad) for two (2) years.

With more than 20 years of experience in the engineering, consultancy, construction and property development industries. He is also the Managing Director of Hien Seng Group of Companies which consists of three private limited companies dealing in the property development and construction related businesses.

Datuk Kuan 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 year.

DATO' PAHLAWAN MIOR FARIDALATHRASH BIN WAHID

EXECUTIVE DIRECTOR

Gender : **Male** Nationality : **Malaysian** Age : **60 years**

Dato' Pahlawan Mior Faridalathrash Bin Wahid was appointed to the Board on 27 September 2022, as an Independent and Non-Executive Director, subsequently re-designated as Executive Director of the Company on 11 April 2023.

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

Dato' Pahlawan Mior is a retired Chief of Police Perak Police Contingent 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's experience in managing the federal (Bukit Aman), state (Perak) and several police districts will be advantageous many in terms of contemporary man management and commercial operations.

Dato' Pahlawan Mior 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 year.

PROFILE OF DIRECTORS

DATO' KANG CHEZ CHIANG

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Gender : **Male** Nationality : **Malaysian** Age : **64 years**

Dato' Kang Chez Chiang was appointed to the Board on 15 June 2022, as an Independent and Non-Executive Director. 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 University 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 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 year.

KRISHNAN A/L DORAIRAJU

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Gender : **Male** Nationality : **Malaysian** Age : **34 years**

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

Mr. Krishnan obtained his Master in Business Administration from Cardiff Metropolitan University in 2015. He is also a licence tax agent approved by the Ministry of Finance and is a Member of Malaysia Institute of Accountants (MIA), Chartered Tax Institute by Malaysia (CTIM) and Associate of Chartered Certified Accountant (ACCA). He also holds on LLB (Hons) from University of London.

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.

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

Mr. Krishnan 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 year.

PROFILE OF DIRECTORS

CHONG SENG MING

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Gender : **Male** Nationality : **Malaysian** Age : **61 years**

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 Management Committee and is a member of the Nomination Committee, Audit Committee and Remuneration 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 practices 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 regard to Police and/or other government enforcement agencies matters.

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

Mr. Chong 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 year.

DATUK AUREEN JEAN NONIS

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Gender : **Female** Nationality : **Malaysian** Age : **61 years**

Datuk Aureen Jean Nonis was appointed to the Board on 01 June 2023 as an Independent Non-Executive Director. She has been appointed the Chairperson of Remuneration Committee and is a member of Audit Committee and Risk Management Committee on 20 July 2023.

Datuk Aureen retired from the civil service on 08 October 2022 after serving for 34 years and 8 months. A master's graduate in Banking and Finance from the University of Birmingham, United Kingdom, she served in Tax Analysis Division in the Ministry of Finance for 13 years prior to joining Malaysia External Trade Development Corporation (MATRADE) in 2000. Over a span of 22 years, she has been in various departments covering product and market segments and was appointed as the Trade Commissioner in MATRADE Paris, overseeing export promotions in France, Spain, Portugal as well as the MENA region.

Prior to retirement, she was the Senior Director of Strategic Planning Division of MATRADE, responsible to outline and monitor the organisation's strategic directions. This includes coordination of export promotion programmes at the national level and positioning MATRADE's brand in international events through meetings and forums. She was directly involved in developing and monitoring the execution of the National Trade Blueprint, a 5-year strategic and implementation action plan from 2021-2025 aimed to enhance Malaysian exports through an improved business eco-system. Datuk Aureen is the president of a non governmental organisation established on 07 October 2022 named Lives Matter (Persatuan Kebajikan Hidup Sejati) to uplift and celebrate lives.

Datuk Aureen was responsible in developing and monitoring the implementation of MATRADE's Business Strategy Plan to enhance the organisation's deliverables in achieving its mission by optimising on its resources. She was also directly involved in several strategic works, notably to ensure MATRADE meets its target/ KPI, monitoring and assessing Malaysia as well as global trade performance, ensuring timely dissemination of trade information and market intelligence and managing MATRADE's corporate communication plans.

Datuk Aureen 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. She has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor any sanctions and/or penalties imposed on her by any relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

LESTER CHIN KENT LAKE

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Gender : **Male** Nationality : **Malaysian** Age : **38 years**

Mr. Lester Chin Kent Lake was appointed to the Board on 01 August 2023 as a Non-Independent Non-Executive Director.

Mr. Lester Chin graduated magna cum laude with Bachelor of Science in Business from Southern New Hampshire University in 2008.

Mr. Lester Chin started his career in the equity research and corporate finance industry as a Management Associate at RHB Investment Bank where he was promoted as an Assistant Manager within 2 years. During his stint as the Assistant Manager, he was responsible in ensuring timely preparation of all relevant documents and assist in reviewing documents to ensure high professional quality is maintained while providing support in IPOs, merger & acquisition, disposal and other corporate transactions and others.

Then in 2011, he was appointed as an Equity and Technical Research Analyst at RHB Research Institute and has experience dealing with both institutional and retail clients. His coverage includes the rubber glove and healthcare companies as well as technical analysis.

Subsequently, he joined UOB Kay Hian as the Head of Retail Research / Senior Analyst from 2013 until 2017. He was tasked to conduct detailed equity research, including analysing and forecasting industry trends and articulating recommendation on sectors and stocks in designated segments, oversee production and coordination of retail research reports and events, oversee educational seminars and presentations for retail investors, active monitoring of the micro and macro factors affecting the sectors and companies under coverage and etc.

He left UOB Kay Hian in October 2020 as the Associate Director of Equity Capital Markets, a position he has held since 2017 whereby he was responsible to oversee equity underwriting and placement activities of company, access requirements, examine strategies, and propose solutions for the capital raising needs of corporate clientele, conduct roadshows and presentations to enhance and improve issuers access to capital markets among others.

He also sits on the Board of Directors as an Executive Director for Hong Seng Consolidated Berhad.

Mr. Lester Chin 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 year.

EXECUTIVE CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of Classita Holdings Berhad (Formerly known as Caely Holdings Bhd) ("Classita" or "the Company"), I am pleased to present you the Annual Report and Audited Consolidated Financial Statements of Classita and its subsidiaries ("the Group") for the financial year ended 30 June 2023 ("FYE2023").

In the backdrop of a challenging global economic landscape, we navigated a year marked by unprecedented hurdles. The year 2022 witnessed a slowdown in the global economy, with looming threats from pandemic variants, inflationary pressures, higher interest rates, persistent supply-chain disruptions, volatile materials prices, and geopolitical tensions. The International Monetary Fund ("IMF") projected global growth to decelerate from 6% in 2021 to 3.4% in 2022, further decreasing to 2.9% for 2023.

In Malaysia, the government anticipates an improved and growing domestic economy in 2023, driven by the resumption of tourism, the recovery on segmental export markets and the reopening of China's economy.

EXECUTIVE CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

Amidst these challenging business conditions, the Group recorded a turnover of RM44.79 million in FYE2023. The lower revenue was primarily due to reduced demand from customers in the export market, as well as challenges in the direct selling/retail segment and the reversal of revenue due to revocation of units sold in the property development and construction segment.

The loss before taxation amounted to RM9.49 million was mainly attributed by lower sales generated by the manufacturing segment and the inventories written down of RM8.16 million in both the property development and construction and manufacturing segments. However, the loss was offset by a reversal of trade receivables of RM6.88 million.

Group Turnover

RM **44.79** MILLION

The **RM9.49 million loss** attributed to:

Reversal of trade receivables: RM6.88 million

Write-down of inventories: RM8.16 million

DIVIDENDS

There was no dividend declared or paid during FYE2023 under review.

The Group will continue its commitment in delivering returns to shareholders after taking into consideration several factors, including earnings, capital commitments, general financial conditions, distributable reserves and other relevant factors.

REVIEW OF OPERATIONS

Overall, the performance of the Group has been challenging due to the weak business conditions prevailing in the industry. The Group remains vigilant in cost management. Additionally, the Group is maintaining its strategy of focusing on being lean and efficient in terms of productivity and optimising resources such as manpower and equipment to meet the increased competitive pressure faced by the industry.

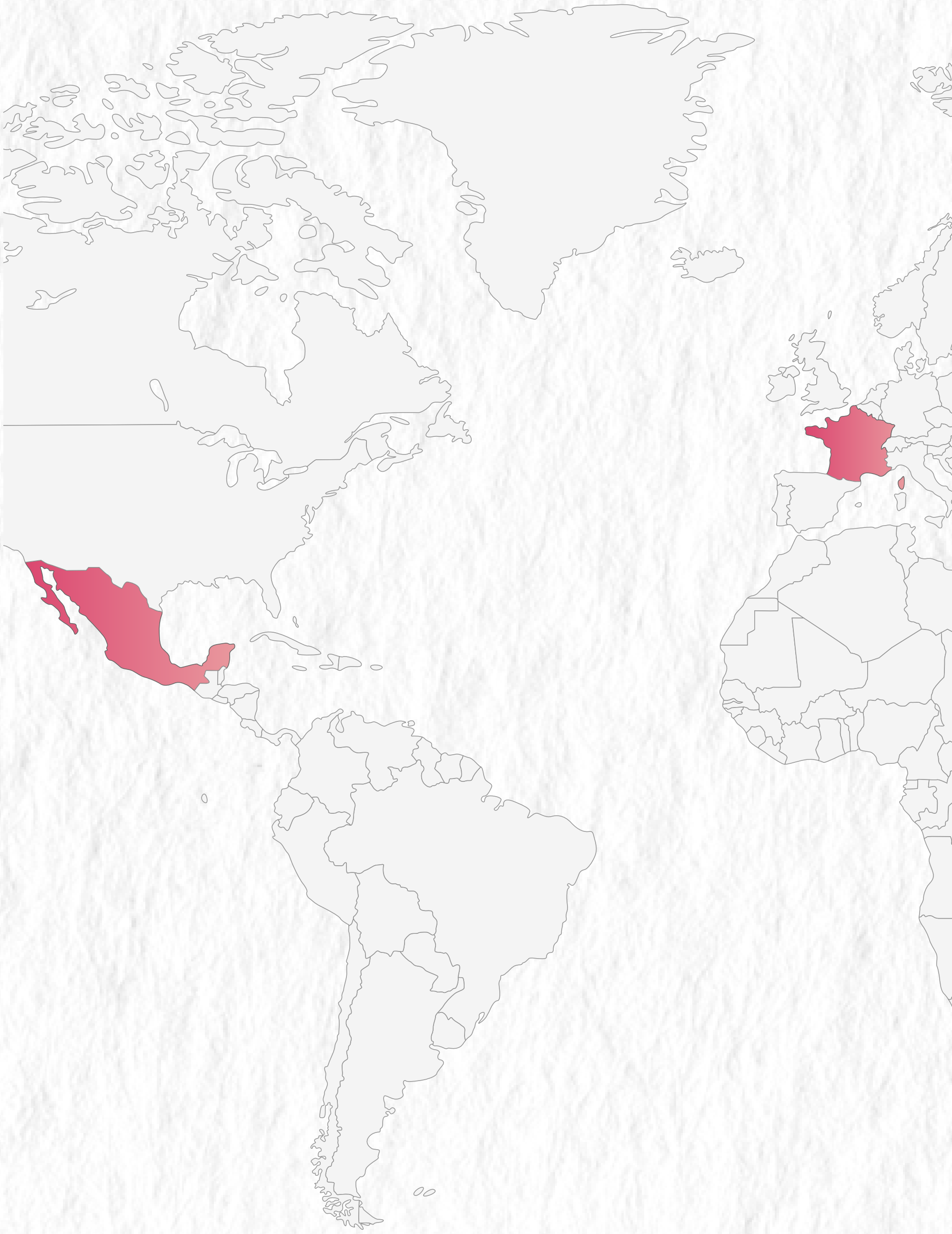
In the face of rising competition, the Group emphasises prudent cost management and maintaining the quality of our products to uphold our position as one of the preferred and major lingerie manufacturers in the industry.

EXECUTIVE CHAIRMAN'S STATEMENT

PROSPECTS AND OUTLOOK

Looking ahead to the new financial year, the Group anticipates a continued competitive and challenging operating environment, compounded by higher operational costs brought on by rising raw material costs.

The Group has been consistently striving to boost the manufacturing sales by expanding its market presence to countries like Europe, Canada, USA, Turkey, Hong Kong and South Africa. During the financial period, the Group has also entered into a business cooperation to set up a manufacturing plant in Indonesia to increase its production capacity and distribution line. The Group continuously assess our market position to align with market trends and consumer demand.

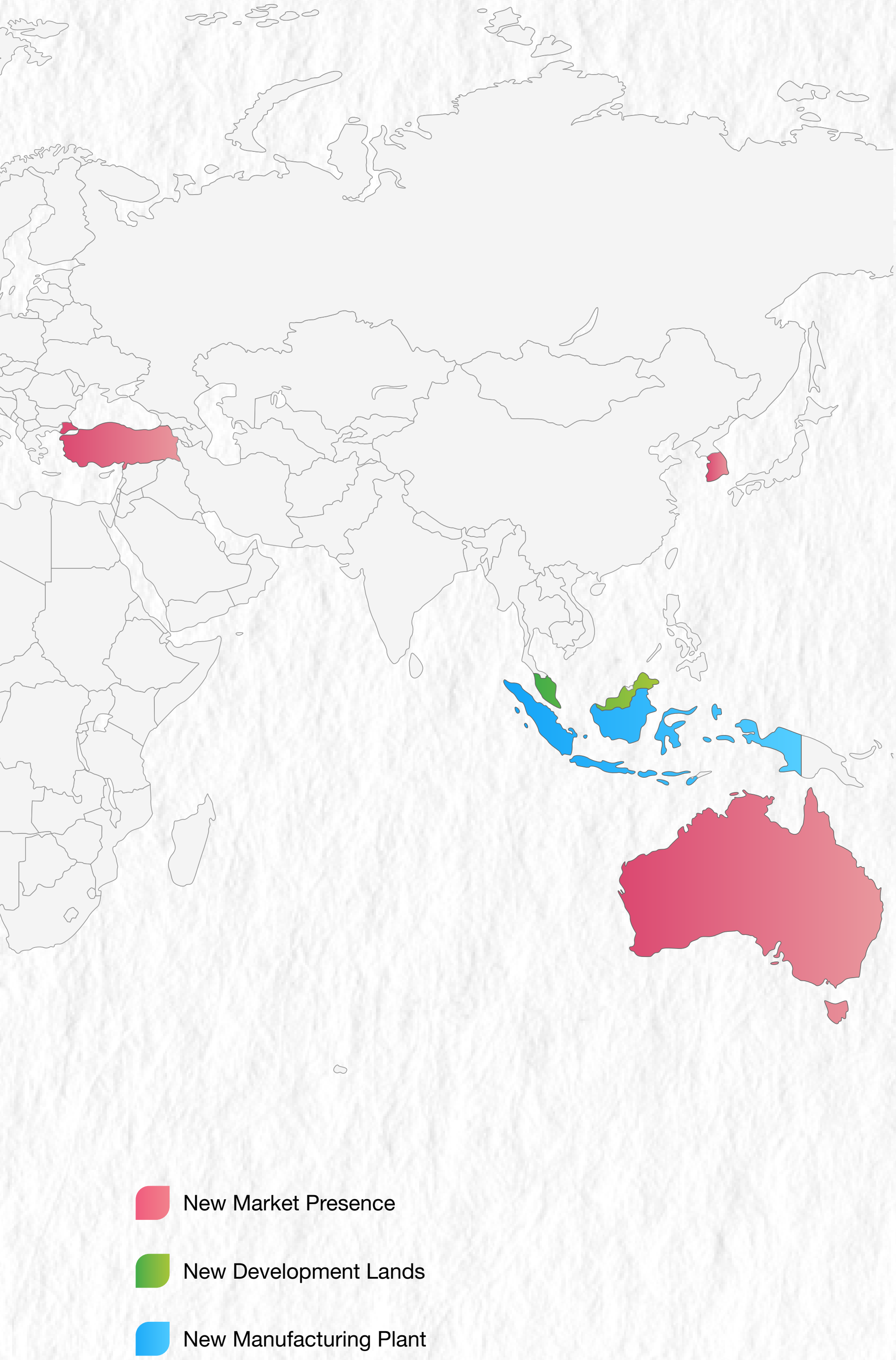


- Turkey
- Japan
- Europe
- South Africa
- Mexico

Furthermore, the Group has recently acquired a property development subsidiary for its development project in Bentong, Pahang ("Bentong Project") and a development land in Kinta, Perak ("Kinta Land"). These acquisitions are in line with the Group's intention to revive and expand its property development and construction business for better prospects via various other initiatives, such as acquisition of companies that involved in the property development and construction business, as well as acquisition of investment properties in strategic locations or acquiring land banks for potential development in strategic locations with high development value. The Group recognises the potential in this sector and is committed to exploring opportunities that will enhance the Group's presence in the property development and construction segment while reducing its dependency on its core business.

Going forward, in light of the prevailing challenges in the manufacturing and property development industry, the Board will continue to manage the business with diligence, remain cautious and prudent in our approach and ventures. In addition to this, the Board will also closely monitor developments in the property market by remaining vigilant about customer preferences as well as supply and demand conditions.

EXECUTIVE CHAIRMAN'S STATEMENT



ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my sincere appreciation to the management team as well as all employees of the Group for their dedication, enthusiasm, contribution, and commitment to the Group's success.

I also wish to thank all our shareholders, bankers, customers, suppliers, business associates, governmental authorities, regulatory authorities and our shareholders for their continuous support and confidence in the Group.

Last and but not least, I wish to recognise and extend my gratitude to my fellow Board of Directors for their unwavering commitment, invaluable counsel, and contributions in steering the Group towards greater heights.

As we move forward, please rest assured that the new management is deeply committed to the best interests of the company and its shareholders. We pledge to work tirelessly to navigate the challenges and seize opportunities, and we look forward to a brighter future for Classita Holdings Berhad.

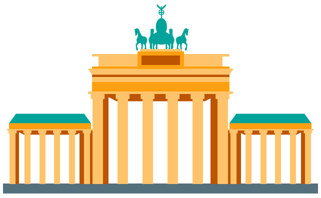
Mr. Ng Keok Chai
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

In the face of challenging headwinds, Classita Holdings Berhad (Formerly known as Caely Holdings Bhd) ("Classita" or "the Company") has demonstrated resilience and adaptability in its operations. The Group has deployed some strategies to cope with the global business environment changes.

The Group hereby present the performance for the financial year ended 30 June 2023 ("FYE2023").

MANAGEMENT DISCUSSION AND ANALYSIS



Largest export market for undergarments: Europe

Revenue

RM **32.31** MILLION

15-month period ending
30 June 2022 : RM49.39 mil

GROUP BUSINESS OPERATIONS AND PERFORMANCE

GROUP BUSINESS OPERATIONS

Classita's core business encompasses the manufacturing and sales of undergarments, direct and retail selling products of mother care, baby care and accessories, and undergarments. In 2013, the Group diversified our revenue base by entering the property development and construction industries.

In November 2022, the Group through its wholly-owned subsidiary, Classita (M) Sdn Bhd incorporated a joint venture company in Indonesia for the purpose of carrying the business of lingerie manufacturing. During the financial year, the Group also expanded its portfolio in the property development and construction; and property investment segments by acquiring two new subsidiaries namely, Kepayang Heights Sdn Bhd and Longhorn Capital Sdn Bhd respectively. These strategic acquisitions align with our Group's overarching strategy to increase our income streams and to capitalise on the potential recovery in the property market.

Our Group's largest export market for undergarments is Europe, contributing approximately RM32.31 million in sales in FYE2023 (compared to RM49.39 million in the 15-month financial period ending 30 June 2022). The decrease in sales value of women's undergarments is attributed to the weak global economy and the impact of the Covid-19 pandemic, which affected consumer spending on discretionary items.

Caely (M) Sdn Bhd ("Caely M") is principally engaged in property development and construction activities, property management, and direct sales. Within our diversified operations, the property segment plays a pivotal role in overseeing the complete execution of construction projects, which encompasses the engagement of subcontractors and ensuring project success.

Notably, Caely M holds the prestigious status of being a registered Grade G7 contractor with the Construction Industry Development Board of Malaysia (CIDB). This distinction empowers Cealy M to bid for projects without any limitation on their value across various categories, including general buildings, general civil engineering, and mechanical works. This certification underscores our commitment to excellence and our capacity to take on significant and diverse projects in these sectors.

CLASSITA'S PRODUCTS

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP BUSINESS OPERATIONS AND PERFORMANCE

GROUP FINANCIAL PERFORMANCE

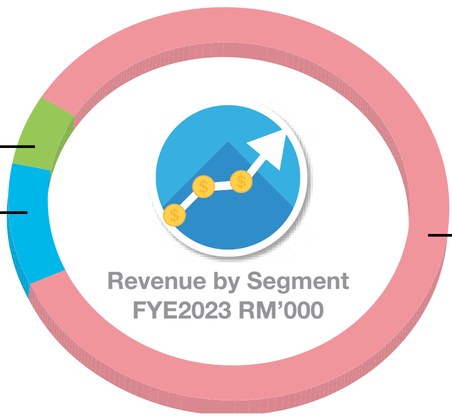
Overall, the Group generated RM44.79 million in revenue for FYE2023. The decline in revenue was mainly due to lower demand from customers in the export markets, the direct selling/retail segment and the reversal of revenue due to revocation of units sold from property development and construction segment.

Revenue

RM **44.79** MILLION

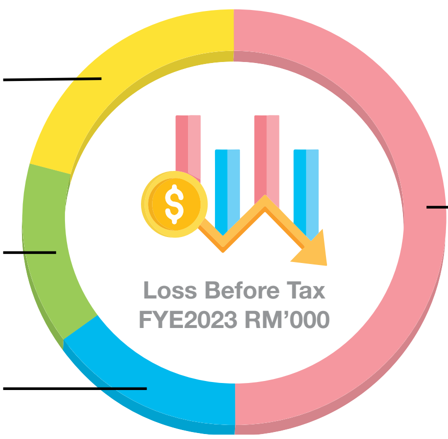
2022 : RM75.83 mil

Revenue by Segment



Loss Before Taxation

The loss before taxation of RM9.49 million was primarily stemmed from lower sales of the manufacturing segments and the allowance for impairment losses provided for property development cost of RM7.82 million and finished goods of RM0.34 million in the property development and construction segment respectively.



According to the Bank Negara Malaysia Quarterly Bulletin, in 2023, the Malaysian economy is expected to continue its expansion amid slower external demand. The growth will be driven by robust domestic demand, supported by improving labour market conditions, higher tourism activity and further progress of multiyear investment projects. Furthermore, the domestic financial conditions also remain conducive for facilitating financial intermediation.

BUSINESS SEGMENTS

i. Manufacturing Segment

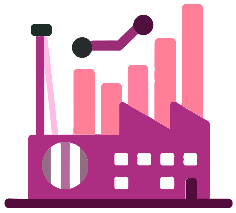
Classita is one of the largest lingerie manufacturers and exporters in Malaysia, specialising in Original Equipment manufacturing ("OEM"). The Group supplies its OEM products to renowned customers worldwide, including Viania Dessous, George Walmart, Calaire France, Breezies, Lilianne Lingerie, LC Waikiki and more, which carries its own respective designs and requirements.

In FYE2023, the manufacturing segment achieved in revenues of RM44.30 million, with RM31.40 million coming from exports to the German market. The lower revenue was mainly due to lower demand from customers from export markets.

The undergarment manufacturing industry is labour-intensive, and the Group faces stiff competition from countries with competitive labour rates such as Thailand, Myanmar, Indonesia, Bangladesh, Vietnam, and China. Rising factory overhead costs and globalisation trends have also impacted our earnings potentials.

To address these challenges, Classita Group is continuingly seeking to increase revenue in OEM manufacturing sales. The management has intensified efforts to source new customers from countries such as Turkey, Japan, France, Mexico and South Africa while maintaining a focus on cost consciousness in our operations, emphasising increased productivity through improved handling and methods.

Additionally, the Group has subcontractors in foreign countries, including Myanmar, and has established a plant in Indonesia to leverage lower labor costs and import duty exemptions. Classita's manufacturing facilities in Malaysia will continue to focus on high-margin orders and research and development activities to create new designs and fittings.

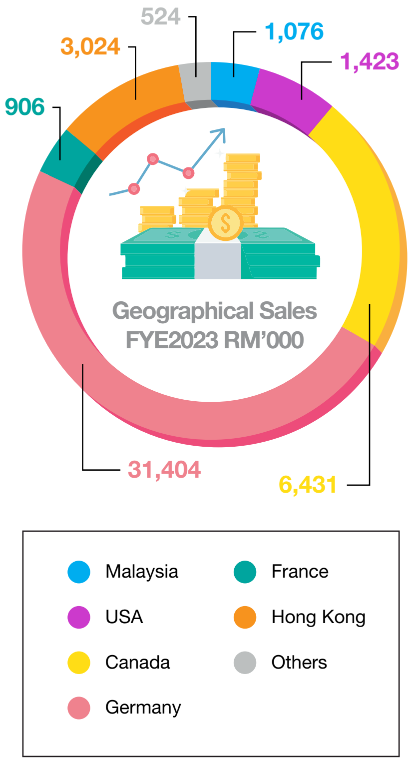


Manufacturing revenue

RM **44.30** MILLION

Revenue by Geographical Region

The geographical breakdown of manufacturing revenue is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL PERFORMANCE (CONT'D)

ii. Property Development and Construction Segment

The performance of the Malaysia property market performance is expected to align with the moderately lower economic growth projected for 2023 given the unpredictable external environment. Nonetheless, our outlook remains positive, thanks to accommodative policies, continuous government support, the effective execution of planned measures outlined in the revised Budget 2023, and the proper implementation of strategies and initiatives under the 12th Malaysian Plan, all of which are expected to bolster the property sector.

In line with our growth strategy, the Group has recently acquired Kepayang Heights Sdn Bhd for its Bentong Project and the Kinta Land. The Bentong Project is strategically located, approximately 1.2 kilometers from the commercial hub of Kampung Bukit Tinggi, where shops, restaurants, and a marketplace selling local farm produce are situated. This project offers a competitive advantage due to its strategic location and proximity to the commercial area of Kampung Bukit Tinggi, setting it apart from other nearby developments. It is easily accessible from Kuala Lumpur City Centre via the Kuala Lumpur – Karak highway and is approximately 1 kilometer from the exit of Jalan Genting Sempah – Bentong.

The Kinta Land is strategically situated near industrial areas such as Tungzen Industrial Park, Ipoh Raya Integrated Park, and Gopeng Light Industrial Park. These areas house significant establishments like the Lotus's Distribution Centre, Rural Transformation Centre (RTC) Gopeng, Akademi KEMAS Gopeng, Mydin Wholesale Hypermarket, and the J&T Express Gateway Perak hub. The Kinta Land is also conveniently accessible via the North-South Highway, specifically the Simpang Pulai toll exit.

To further advance our property development and construction segment, our strategy involves acquiring companies already engaged in property development and construction, investing in properties located in strategic areas, and procuring land banks with the potential for high-value development in key locations.

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

Property Development & Construction	FYE2023 RM'000	FPE2022 RM'000	Change Increase/ (Decrease) RM'000	%
Property Development	(2,460)	63	(2,523)	-4,012.77

During the financial year under review, the property development and construction segment recorded a negative revenue of RM2.46 million due to revocation of the sale of 10 units of shop houses. In line with these Sales and Purchase Agreement cancellations, the Company has simultaneously recovered an amount that had previously been impaired in the preceding financial year.

The segment incurred a loss before tax of RM6.24 million, primarily attributed to impairment losses recognised for property development cost of RM7.82 million in property development segment. However, the decrease in losses was partially offset by the reversal of impairment loss on trade receivables.

Kampung Bukit Tinggi, Pahang. The location of the Bentong Project is 1.2 km away from Kampung Bukit Tinggi.

The Kinta Land is strategically located near Ipoh Raya Integrated Park.

MANAGEMENT DISCUSSION AND ANALYSIS

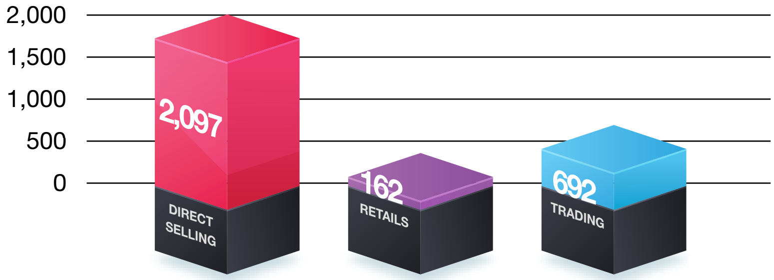
GROUP FINANCIAL PERFORMANCE (CONT'D)

iii. Direct Selling and Retail Segment

The direct selling and retail segment involves the marketing of the Group's in-house brands, which include ladies' undergarments, childcare items, maternity products, and various other consumer goods. These products are marketed through a combination of direct sales channels and local retail outlets.

The breakdown of direct selling and retail revenue generated by segment is presented as follows:

Direct Selling & Retail
FYE2023 RM'000



The direct selling and retail segment generated revenue of RM2.95 million amidst lower consumer spending on non-essential items. This segment also faced longer sales cycles resulting in higher cost of sales. The segment also encountered difficulties related to price-sensitive consumers and the growing trend of direct-to-consumer brands. Recognising the evolving consumer purchase behaviour, especially the increased preference for online shopping in the post-pandemic era, the Group has strategically ventured into e-commerce to capitalise on this emerging trend.

Risks

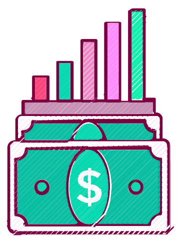
Classita Group are cognisant of the challenging operating environment going forward and are consistently monitoring underlying risks that could adversely impact our performance.

Liquidity and Capital Resources

The Group has periodically undergone reviews and assessments of its financial stability and flexibility, as well as the efficiency of the Group's working capital management and its ability to comfortably meet its short-term and long-term financial obligations and commitments. At the end of the current financial period, the Classita Group recorded net current assets of RMRM80.49 million.

Total equity attributable to shareholders grew from RM78.81 million to RM105.24 million as of 30 June 2023.

The cash and cash equivalents of the Group at the end of the financial year 2023 amounted to RM81.11 million. The Group generated positive net cash from operations totaling RM48.73 million in FYE2023.



Net Current Assets

RM **80.49** MILLION

2022 : RM60.48 mil

Shareholder's Equity

RM **105.24** MILLION

2022 : RM78.81 mil

Cash and Cash Equivalents

RM **81.11** MILLION

2022 : RM25.31 mil

MANAGEMENT DISCUSSION AND ANALYSIS

POTENTIAL RISKS

We are primarily engaged in the manufacturing and trading of ladies' undergarment products, as well as property development and construction. Consequently, our operations are exposed to certain inherent risks associated with these businesses. Our operating environment is directly influenced by the overall health of the economy and its effects on the consumer market. We are consistently working to mitigate the challenges and risks associated with the global and domestic economy as we strive for success.

These risks, inter-alia, include:

Financial Risks

The Group is exposed to financial risks such as credit risk, foreign currency risk, liquidity risk and interest rate risk.

Supply & Labour Risks

Labour shortages is one of the major challenges faced by the Group's operations in Malaysia. The inflationary trend, including higher minimum wages, foreign workers levies and other human-resource related costs observed in Malaysia, are growing concerns that affects our business activities.

We are dedicated to addressing these risks through ongoing reviews and assessments of our operations and strategies, as well as through the implementation of prudent business policies. We remain committed to exploring opportunities to broaden our customer base and improve our operational efficiency and effectiveness. Despite being primarily oriented towards exports, we also import a considerable amount of materials for our manufacturing segment. Consequently, we manage our foreign exchange risk through our Foreign Currency Account. We maintain a constant vigil for additional sources of revenue and seek to optimise the utilisation of our company's resources.

FORWARD-LOOKING STATEMENT

Malaysia experienced a 4.2% growth in the first half of 2023, while inflation moderated to 2.4% in June[1] indicating the government's successful navigation of global economic challenges. As markets normalise and domestic consumption strengthens, demand growth potential is likely to materialise for consumer products. In tandem with the market prospects, we are looking at avenues to expand manufacturing sales revenue by broadening our market presence.

During the recent financial period, the Group initiated a strategic business partnership to establish a manufacturing plant in Indonesia, with the aim of augmenting production capacity and enhancing the distribution network. The Group maintains a vigilant stance on monitoring market dynamics and consumer demand to adapt to evolving trends.

In Q2 2023, the construction sector registered a strong growth of 6.2%[2], signalling bright prospects for the property industry. Aligned with these market prospects, the Group intends to pursue a growth strategy in its property development and construction segment, which will encompass diverse initiatives, including acquiring companies engaged in property development and construction, procuring investment properties in strategic locales, and securing land banks for potential development in high-value areas.

Looking ahead, recognising the persistent challenges in both the manufacturing and property development sectors, the Board remains committed to diligent management. The Board's approach will prioritise prudence and cost-efficiency in all ventures. Additionally, the Board is dedicated to closely monitoring the property market, attuned to evolving customer preferences, as well as supply and demand conditions.

[1] https://www.mof.gov.my/portal/en/news/press-release/domestic-demand-anchored-second-quarter-economic-performance-amidst-global-uncertainty

[2] https://www.mof.gov.my/portal/en/news/press-release/domestic-demand-anchored-second-quarter-economic-performance-amidst-global-uncertainty

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This report aims to present the progress and performance of Classita Holdings Berhad (Formerly known as Caely Holdings Bhd) ("Classita" or "the Company") sustainability journey in integrating the Economic, Environmental and Social ("EES") activities and initiatives throughout our business and operations.

We are committed to conducting our business in a sustainable manner as we work in harmonious partnership with our stakeholders, who include our directors, management, employees, customers, suppliers, community and the government. We strive to achieve uninterrupted growth in the Group's financial performance, and ultimately to maximise shareholders' investments and long-term value for all our stakeholders. We remain firmly dedicated to fulfil our sustainability commitments and strengthen the trust we have built.

This report serves as a guiding document to communicate the Group's sustainability objectives, ongoing initiatives, and the progress made. It also outlines the Group's continued efforts to create sustainable value and make a positive impact on society and the environment.

SUSTAINABILITY STATEMENT

REPORTING FRAMEWORK

This Statement has been prepared in accordance with the Main Market Listing Requirements ("MMLR"), Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the United Nations Sustainability Development Goals ("UNSDG"). The accuracy of the Sustainability Statement's content has been assessed by the Sustainability Committee and presented to the Board for approval. Although it has not been externally verified, all data collected, analysed, and systematically presented aligns with industry standards.

REPORTING PERIOD

This statement covers our Group's sustainability performance for the financial year ended 30 June 2023, unless otherwise specified and if relevant to the Report. Where possible, information from previous financial period have been included to provide comparative data.

FORWARD LOOKING STATEMENT

This Sustainability Statement contains forward-looking statements on the Group's targets, future plans, operations and performance based on reasonable assumptions on current business trajectories. Given that our business, much like all businesses, is susceptible to unforeseen risks, readers are encouraged to consider a balanced perspective when assessing these statements.

REPORTING SCOPE & BOUNDARIES

This Sustainability Statement provides disclosures regarding the Group's primary operations in Malaysia, specifically in the segments of Investment Holdings, Manufacturing, Property Development & Construction and Direct Selling & Retail. Unless specified otherwise, the sustainability information presented in the statement is limited to the principal operating activities of all subsidiaries under the Group, which are outlined as follows:

Company	Segment
Classita (M) Sdn Bhd	• Manufacturing
Caely (M) Sdn Bhd	• Direct Selling & Retail • Property Development & Construction
Marywah Industries (M) Sdn Bhd	• Manufacturing
Caely Ecommerce Sdn Bhd	• Online Sales
Longhorn Capital Sdn Bhd	• Investment Holdings
Kepayang Heights Sdn Bhd	• Property Development & Construction
PT Classita Indonesia Intimate	• Manufacturing

SUSTAINABILITY STATEMENT

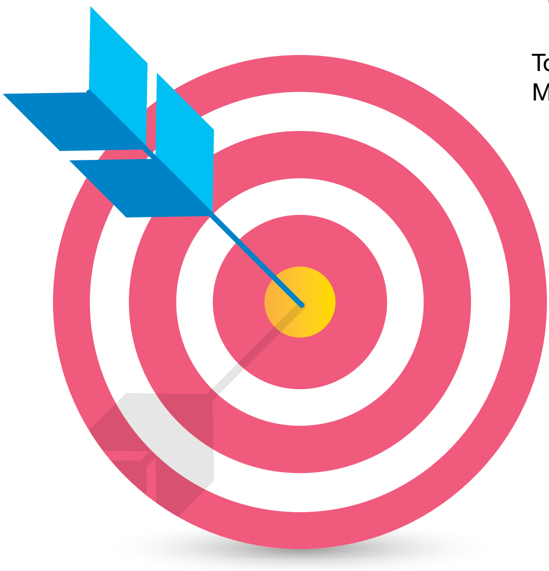
FEEDBACK AND COMMENTS

The Group welcomes stakeholders' feedback and concerns to improve the sustainability measures and reporting standards. You may direct your feedback, enquiries or details to info@classita.com.my.

SUSTAINABILITY HIGHLIGHTS

FYE2023 KEY HIGHLIGHTS

ECONOMIC PILLAR	ENVIRONMENTAL PILLAR	SOCIAL PILLAR
Revenue: **RM44.79 million** **Incidence of Corruption, Whistleblowing or bribery:** **ZERO**	Energy Consumption: **1,091,832 kWh per year** Water Usage: **82,854 m3 per year** Waste generated: **3T per year**	Total Workforce: **451** Work-related fatalities: **ZERO** Lost time incident rate: **ZERO** Number of employees trained on health and safety standards: **100%** Incidence of customer data breaches: **ZERO** Suppliers assessed for environmental and social impact: **80%**



VISION

To be the No.1 International Lingerie Manufacturer in Malaysia and the region.

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.

SUSTAINABILITY STATEMENT

ECONOMIC

Creating economic value for our stakeholders and conducting business ethically.

- Financial Performance
- Supply Chain Management
- Ethics & Integrity

SOCIAL

Creating positive impacts on social systems internally and externally.

- Occupational Safety & Health
- Employee Welfare & Well-being
- Compliance
- Human Rights & Labour Practices
- Training & Development
- Diversity & Equal Opportunity
- Supply Chain Assessment
- Corporate Social Responsibility

ENVIRONMENT

Contributing positively to the environment.

- Energy Management
- Water Management
- Material & Waste Management
- Noise Management
- Air Emissions Management

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT	FREQUENCY
Investors & Shareholders	• Annual & Extraordinary General Meetings • Corporate Website • Analyst Briefings/Meetings • Announcements	• Annually & when necessary • Timely updates • When necessary • When necessary
Government & Regulators	• Business Meetings • Group Announcements	• When necessary • When necessary
Suppliers & Vendor	• Vendor Onboarding • Contract renewal process • Performance evaluation • Quality Assurance Audit	• Evaluation form, visit supplier factory once a year for large volume suppliers • On order for every new PO to supplier (per job basis) • Once a year • Incoming material QC
Employees	• Orientation & Employee • Handbook • Townhalls • Performance Reviews • Internal & Departmental • Meetings	• On the website • Annually and as and when required • When necessary

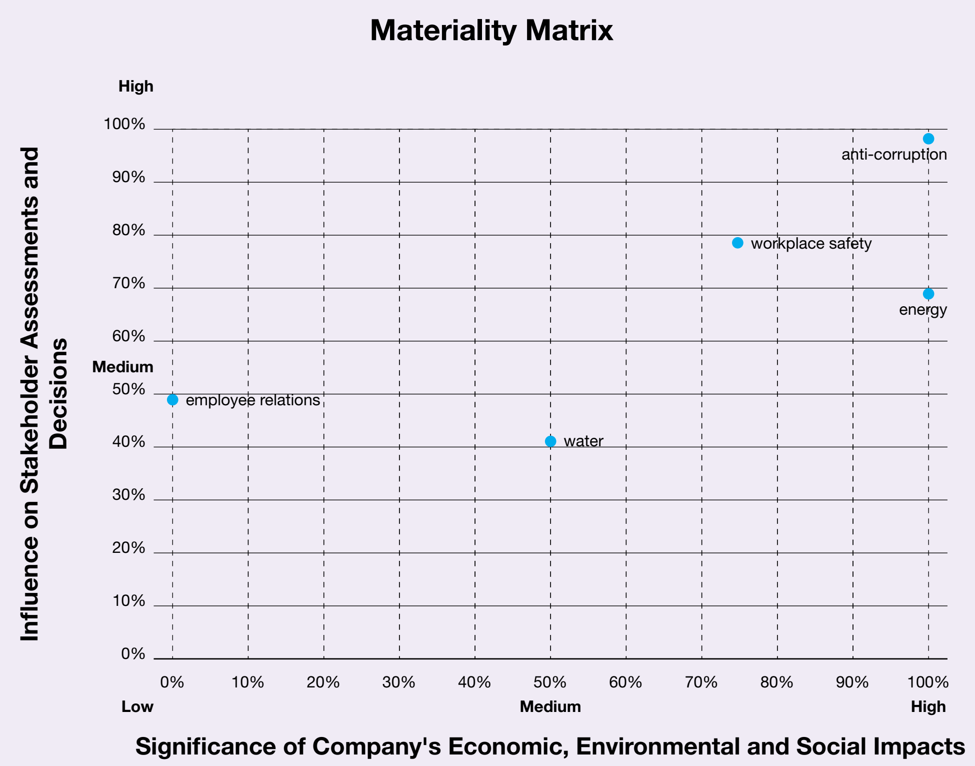
SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT	FREQUENCY
Customers	• Corporate Website • Business meetings • Customer Satisfaction Surveys	• www.classitaholdings.com • Occossionally via digital device and visit to respective buyer's office • Review conducted every year
Local Communities	• Charity & Welfare Activities • Job Creation/Job Matching (fairs or direct employment)	• Occasionally • Occasionally

MATERIALITY MATRIX

To prioritise each key matter, we used a scale of 0% to 40% as low priority and 75% to 100% as high priority. We have selected five (5) key material matters to focus our efforts and to set targets for the year 2023 and beyond. Moving forward, we will continue to review our material sustainability matters against the evolving business environment, stakeholder opinions, as well as the emerging trends that affect our operations.



SUSTAINABILITY STATEMENT

ENVIRONMENTAL, SOCIAL, GOVERNANCE

Classita emphasises on the safety of employees and environment by implementing Environment Management System (EMS).

Classita also priortises on recycling of materials, usage of organic materials & ensures consumer safety through the compliance on standards certifications.

ECONOMIC PILLAR

Classita is steadfast in meeting our sustainability agenda by fostering economic growth and creating long-term value by promoting job opportunities, supporting local entrepreneurship, and investing in sustainable industries. In addition, we are committed to taking an ethical approach to business in all areas, including corporate governance, risk management, and compliance with applicable laws and regulations.

The Group operates across diverse business sectors, including manufacturing, trade, retail, exports, property development, construction, and the sale of undergarments, mother care products, baby care products, personal care products, and household items. Within the manufacturing segment, we proudly remain as Malaysia's foremost undergarment manufacturer. Serving both domestic and international markets, we offer our own branded products alongside Original Equipment Manufacturer (OEM) brands. Our flagship product, the nursing bras have garnered international acclaim for their exceptional quality and design. We continue to seek new markets and expand our presence in existing markets while leveraging technological advancements to stay competitive and mitigate identified risk inherent to our operations.

In direct sales and retail, we are intensifying our efforts to reach a wider customer base through the e-commerce platform, apart from the traditional marketing channels. Meanwhile, the property development division remains focused on the small to mid-scale residential and commercial developments that enhance the well-being of local communities.

In the FYE2023, the Group recorded a total revenue of RM44.79 million, with manufacturing operations contributing more than 80%. We continue to create best value and strive to generate wealth for our stakeholders.

Revenue

RM **44.79** MILLION

The Classita Group maintains a strategy to drive profitable and sustainable growth, aligned to achieving long-term success as a listed company. We are mindful that our performance has an impact on our ability to meet financial obligations to our stakeholders, such as paying salaries to employees, disbursing taxes to government, providing economic returns to shareholders, procuring from suppliers and contributing donations, sponsorships and internship opportunities for communities.

More details on the Group's business and financial performance can be found in this report's Management Discussion and Analysis section on page 14.

SUSTAINABILITY STATEMENT

ECONOMIC PILLAR (CONT'D)

ii. Supply Chain Management

Our core business revolves around the manufacturing and exporting of lingerie in Malaysia. We operate a large facility that utilises modern manufacturing facilities supporting innovation in designs, styles, computerised pattern and marker systems. This gives us a competitive edge against other lingerie manufacturers. A key factor contributing to our continued success is our ability to source high-quality fabric to meet our innovative designs and functionality. Presently, the components and fabrics are sourced from a mix of local and overseas suppliers.

SUPPLIER MIX	%
Local	3.12
Foreign	96.88

In line with the Group's overall agenda of shifting towards promoting a more sustainable supply chain, we are working to increase our procurement from local sources. We believe that a robust local procurement and supply chain management system can create more job opportunities within the community, reduce poverty levels, stimulate local industries, and collaborate with suppliers to reduce pollution levels. Our continuous improvement and efforts in sourcing of quality raw materials will create more value to the customers.

For the trading and retail segment, we source our products both locally and from overseas. In our sourcing practices, prioritising customers' value and satisfaction is paramount. In the property development and construction segment, we have increased our procurement of materials from local suppliers in order to boost the local economy and reduce exposure to foreign exchange rate risks and supply chain disruptions.

iii. Ethics and Integrity

The Group is committed to conducting our business in accordance with the highest standards of business ethics and complying with the laws, rules and regulations. Integrity is deeply rooted as a fundamental business philosophy in our corporate culture, prioritising ethics and integrity in all aspects of our operations. The company adheres to a strong code of conduct that prohibits bribery, corruption, and unethical practices. All directors and employees are required to adhere to the integrity policies. Comprehensive policies and training programmes are implemented to ensure compliance and promote ethical behaviour in the organisation.

Some of the Group policies established are:

- **Anti Bribery Corruption Policies**
- **Board Charter**
- **Directors' Fit & Proper Policy**
- **Remuneration Policy**
- **Code of Conduct and Ethics Policy**
- **Shareholder Rights Policy**
- **Sustainability Policy**
- **Whistle Blowing Policy**
- **Nomination Policy**
- **Remuneration Committee**
- **Corporate Disclosure Policy**
- **Risk Management And Audit Policy**

SUSTAINABILITY STATEMENT

ENVIRONMENTAL PILLAR

We are deeply committed to minimising our operational impact on the environment through a comprehensive approach that focuses on responsible resource management, waste reduction, and environmental preservation. To achieve this goal, we invest in cutting-edge technologies and adhere to industry best practices to optimise resource allocation and promote energy efficiency throughout our operations.

Our involvement in property development underscores our dedication to environmentally friendly initiatives. We have integrated environmental considerations into every facet of our operations, implementing eco-conscious practices at all organisational levels. Moreover, stringent measures are in place at all our construction sites and workplaces to prevent any adverse environmental impacts.

Recognising the global climate challenges stemming from carbon dioxide emissions and greenhouse gases, we are taking proactive steps as a mitigation measure. In the upcoming financial year, FYE2024, we are exploring an opportunity to measure and disclose our emissions in accordance with the guidelines and regulations to better serve our stakeholders' interests and in alignment with the ambitious targets outlined in the Paris Agreement. Additionally, we intend to formally express our commitment to the United Nations Sustainable Development Goals (UNSDG) in our reporting standards.

Our unwavering commitment to environmental sustainability extends to a comprehensive strategy that includes mitigating climate change-related risks, responsible management of finite resources through reduction, reuse, and recycling initiatives, and active engagement across our supply chain to minimise our environmental footprint. We are steadfast in our efforts to continually optimise our environmental impact and contribute to a greener, more sustainable future.

i. Energy Management

The Group has implemented several energy saving strategies to reduce our energy consumption, particularly the electricity consumption at our office, manufacturing plants and project sites. The following strategies are mandatory at all our subsidiaries:

- Switch off centralised air-conditioning during the lunch hours and after office hours.
- Encourage the employees to adopt an energy-savvy behaviour - set the air-conditioner temperature at optimum temperature of 24 degree Celsius and switch off the lights and other electrical equipment during lunch hours and when the employee/s are not in the office.
- Encourage the employees to suggest energy and resource-saving initiatives.

Moving forward, we are determined to seek more energy-saving methods to mitigate electricity consumption, especially when it comes to office power usage and related electronic equipment in them.

Our Group's energy consumption is as follows:

	FYE2023	FYE2022	SAVINGS
Energy Consumption	1,091,832 kWh	1,158,954 kWh	67,122 kWh

SUSTAINABILITY STATEMENT

ENVIRONMENTAL PILLAR (CONT'D)

ii. Water Management

The Group is also looking into methods to better monitor and mitigate water consumption at our office, manufacturing plants and project sites. We are cognisant of the amount of water used in our operations and its impact on the environment at large. We constantly remind our employees about the importance of conserving water and encourage feedback on conservation initiatives.

Our Group's water consumption is as follows:

	FYE2023	FYE2022	SAVINGS
Water Consumption	82,854 m^3	83,365 m^3	511 m^3

iii. Material and Waste Management

We acknowledge the importance of responsible waste management in achieving sustainability goals. The Group strives to manage waste and materials produced by our operations to reduce our waste generation and ensure that they are disposed of/ discharged in a responsible manner in compliance with the regulations and standards established by the Department of Environment, Malaysia.

The Group's operations generate approximately 3 tonnes of waste every year, comprising fabric waste as well as daily waste such as paper and housekeeping waste. We are committed to minimising environmental impact at all our operations, and promote a circular economy by practicing reduce, reuse, recycle programmes at all our manufacturing plants and project sites. In order to reduce our waste generation, we encourage reprinting on reverse side and all fully utilised papers are recycled.

Moving forward, the Group will evaluate the feasibility of measuring the amount of material and waste disposal from all our operations. In FYE2024, we intend to establish a waste management system that will promote cradle-to-cradle initiatives, especially with regard to waste generated from our property development activities. We will also seek to enhance the recyclability of fabric generated from our manufacturing plants. During the FYE2023 under review, no non-compliance incidents were reported with regard to material and waste management.

Waste generated from the Group's activities is as follows:

	FYE2023	FYE2022	SAVINGS
Fabric Waste	3 tonnes	4 tonnes	1 tonne
SW110	0.0149	NA	NA
SW305	0.0883	0.2	0.1117

iv. Noise Management

The Group's operations do not contribute to any noise pollution at the moment.

v. Air Emissions Management/ Climate Change

The Group currently does not implement any measures to control or manage emissions and climate change impact.

Electronic Waste

Work with Licensed Contractor for waste disposal

SUSTAINABILITY STATEMENT

SOCIAL PILLAR

At Classita, we believe that our sustainability responsibility is essential to our identity as a global manufacturing firm. We resolve to maintain a balance between driving innovation, enhancing efficiency and profitability, and upholding our genuine commitment to our employees and the communities we serve. We are unwavering in our dedication to maintaining a performance-driven culture. To achieve this, we provide comprehensive skills training and robust career development programmes to empower our workforce. We recognise the importance of employee engagement and continually energise our diverse team through various initiatives. Concurrently, we are steadfast in upholding labour rights, fostering good governance, and maintaining the highest standards of occupational health and safety.

As a responsible organisation, we also actively engage with the local communities surrounding our diverse locations. This engagement takes the form of philanthropic initiatives and partnerships aimed at creating a brighter future for all. Together, we are working tirelessly to make meaningful contributions to the lives of our employees and the communities we are privileged to be a part of.

i. Occupational Safety and Health

We place the health, safety, and well-being of our employees as a top priority. Classita has proactively instituted an Occupational Safety and Health (OSH) committee, entrusted with the critical task of steadfastly upholding our safety and health policies and practices.

We have fostered a partnership with the local fire and rescue department which allows us to conduct fire drills at least twice a year with the aim of enhancing our emergency preparedness. These drills encompass comprehensive training on the use of firefighting equipment, first-aid techniques, CPR protocols, orderly evacuation procedures, and a spectrum of precautionary measures aimed at averting potential hazards. Our commitment to ensuring a secure environment for our workforce remains unwavering. The Group has fostered a culture of shared accountability for occupational health and safety, where everyone plays a role in maintaining workplace safety. Various activities and procedures focused on safety and health have been introduced to create a positive work environment. We believe that all occupational injuries and work-related illnesses are preventable. Hence, our target is to prevent incidences as well as disruptions in the workplace.

In FYE2023, Classita did not experience any work-related fatalities or lost time incidents.

WORK RELATED FATALITIES	LOST TIME INCIDENT RATE	EMPLOYEES TRAINED IN OSH
ZERO	ZERO	100%

SUSTAINABILITY STATEMENT

SOCIAL PILLAR (CONT'D)

ii. Employee Welfare and Well-being

The Group recognises the pivotal role of our employees in delivering excellent products and services to our customers. To prioritise staff welfare and development, we implemented a range of initiatives aimed at promoting a healthy lifestyle for employees and fostering relationships. During the review period of FYE2023, we celebrated all festivals with a spirit of unity. We regularly conduct Annual Dinners and Family Day events to reinforce teamwork, cohesiveness and engagement within our workforce.

Additionally, to motivate our factory staff and enhance their sense of belonging, we provide free-of-charge transportation to facilitate their safe and comfortable travel to work and back. We provide top-notch hostel accommodations for all our foreign workers continuing our legacy in this area following our certification by Jabatan Tenaga Kerja for excellence in enlivening facilities. The Group remains steadfast in safeguarding our employees' welfare and ensuring their well-being is taken care of.

iii. Compliance

As a globally renowned manufacturer in the undergarment segment, Classita is steadfast in ensuring it complies with the International Social Practice Standards. The Group exports substantially to the European markets and the United States of America ("USA") which practice stringent requirements of social practice and accountability standards that champion employee well-being and strictly repulse forced labour and child labour. These include the Worldwide Responsible Accredited Production ("WRAP") for USA and Business Social Compliance Initiative ("BSCI") for European countries.

To retain the certification standards, the Group undergoes regular mandatory and rigorous audits, and we have successfully met the criteria through the years. We have applied for the globally recognised SA8000 certification, with a higher level of compliance requirement to notch up our standards in the industry. The certification is expected to be awarded in December this year. This will then position Classita as the sole recipient of the certification in Malaysia, and among the select few in Southeast Asia region.

We have upheld a strong record of regulatory compliance and we have not received any summons across our operations during FYE2023 due to diligent adherence to requirements. The Group is committed to ensuring that our business activities consistently align with applicable laws and guidelines. We continuously monitor the evolving legal landscape to assess potential impacts on our operations.

iv. Human Rights and Labour Practice

The Group adheres to all relevant laws and regulations regarding employment practices and upholds the belief that human rights are universally applicable. Aligned to the internationally recognised standards such as the United Nations ("UN") Guiding Principles on Business and Human Rights, the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights, we strive provide a harmonious and safe workplace for our employees. No human rights violation complaints have been reported during the year under review.

Minimum Wage

Following the issuance of the Minimum Wages Order 2022, the Group has revised the minimum monthly salary of our employees to RM1,500. We will continue to monitor the regulatory landscape and adhere to changes as required.

Benefits

Our employees are accorded the full benefits of annual leave, sick leave, emergency leave, paternity/maternity leave as provided in the law. We are also in compliance with the government employment welfare requirements and provide Employee Provident Fund ("EPF"), Social Security Organisation ("SOCSO") and Employee Insurance System ("EIS").

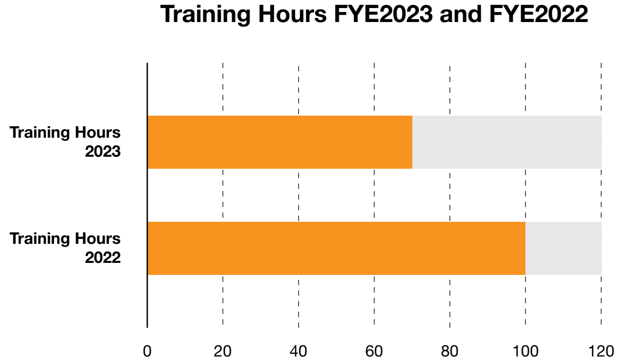
SUSTAINABILITY STATEMENT

SOCIAL PILLAR (CONT'D)

v. Training and Development

Talent development is an integral aspect of our Group's growth and success. We are focused on upskilling and reskilling our workforce as well as encouraging continuous learning activities to build leadership, self-confidence and enhance personal and work competencies. Throughout the years, we conducted 40 in-house training sessions, utilising a varied range of methodologies for enhanced learning such as classroom, on-the-job or action-based training. Total training hours were 100 hours.

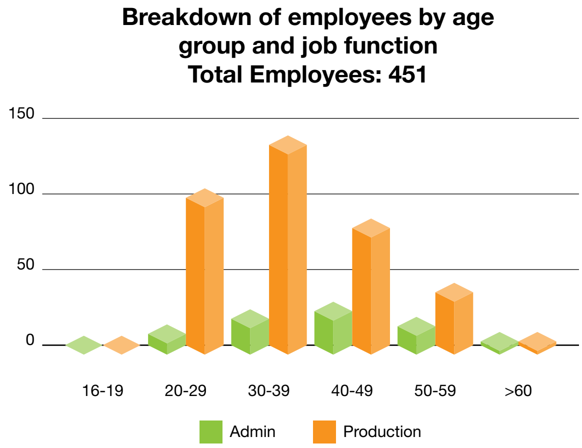
TRAINING HOURS	TRAINING PROGRAMMES	TRAINING SOURCE
100	40	Internal



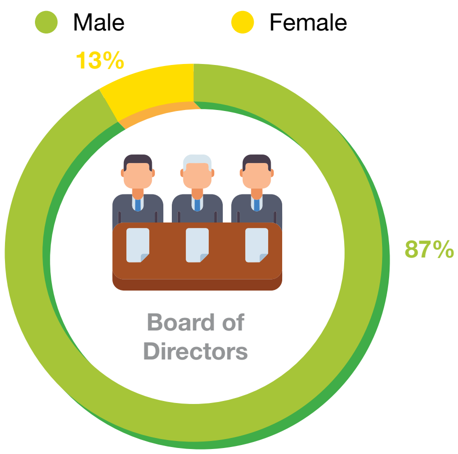
vi. Diversity and Equal Opportunity

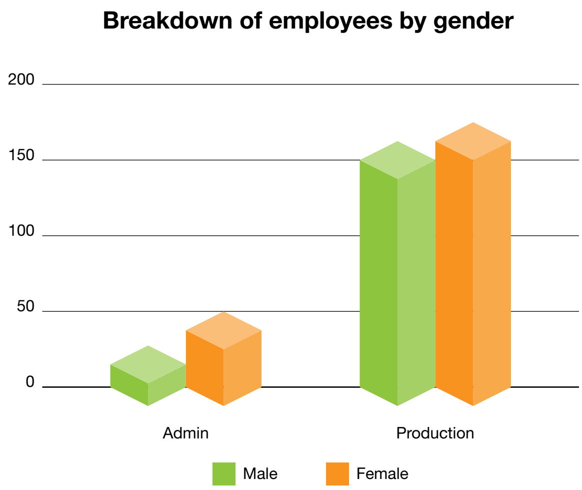
Classita is steadfast in ensuring our workplace is inclusive and comprises a diverse spectrum of employees from the perspective of ethnicity, age, religion and gender. Promoting inclusiveness and diversity within the workplace fosters an open-minded company culture, which is essential to the Group's success. The Group is committed to providing equal opportunities to all qualified individuals in recruitment, career development, promotion, training and reward, regardless of their nationality, gender, race, age, religion, ethnicity, sexual orientation or physical ability.

The Group has a total workforce of 451 as at 30 June 2023. During the review period, 45% of the Group's workforce comprises contract workers or temporary staff, while in FYE2022, contract workers made up 40% of the workforce. Employee turnover was 4% in FYE2023, compared to 3% in the previous period.



Board Diversity





SUSTAINABILITY STATEMENT

SOCIAL PILLAR (CONT'D)

vii. Supply Chain Assessment

We are committed to ensuring that all our activities will not have a significant impact to the environment. As an exporter, our manufacturing segment complies with the stringent requirements set by the overseas buyers. This includes ethical social practices and raw materials used should be free from harmful substances and in compliance with the Oeko-Tex Standard 100, a worldwide independent testing and certification of raw, semi-finished and finished textile products.

As such, the Group requires all our suppliers to comply with this standard as a testament of our unwavering focus on the sustainability agenda. Before securing a supplier, both foreign and local, we screen them to ensure commitment to conducting fair and ethical business in accordance with laws and regulations. 80% of our new suppliers have been screened and approved based on adherence to environmental impact and criteria. In the previous financial year, the Group had screened 78% of its suppliers. These suppliers have also been assessed and approved to be in compliance with all social issues such as labour rights and standards, including non-discrimination, safety and health standards, working hours and fair wages.

Supplier Assessment

	FYE2022	FYE2021
Suppliers screened Environmental Compliance & Impact	80%	78%
Suppliers screened for Social Compliance and Impact	80%	78%

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.

In the case that a supplier breaches laws and regulations, we reserve the right to immediately terminate business transactions and blacklist them from future contracts.

viii. Corporate Social Responsibility

The Group places a strong emphasis on fostering engagement with the community in which it operates, and strive for the betterment of their socio-economic status. We consistently organise outreach programmes every year to uplift the community. Some of the Group's initiatives involve employing members of Bathany Home (an OKU organisation) in our factory to provide them with an opportunity to earn income .

<u>Offer employment opportunities to individuals with special needs.</u>



CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia.

This statement gives the shareholders an overview of the corporate governance practices of Classita Holdings Berhad (Formerly known as Caely Holdings Bhd) ("Classita" or "the Company") during the financial year ended 30 June 2023 ("FYE2023") and it is to be read together with the Corporate Governance Report which is available at the Company's website (www.classitaholdings.com.my)

In FYE2023, the Company had applied the following key principles of good corporate governance in the MCCG:

- Board leadership and effectiveness
- Effective audit and risk management
- Integrity in corporate reporting and meaningful relationship with stakeholders.

The Company had also adopted 42 out of the total 43 recommended practices in the MCCG.

The recommended practice not adopted is related to Practice 5.9 - The board comprises at least 30% women directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Roles and Responsibilities of the Board

The Board has established a governance structure where certain areas of responsibilities are delegated to the Board Committees and Executive Management respectively for better efficiency.

The Board Committees namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") perform their respective duties according to the terms of reference established by the Board. The Chairman of the respective Board Committees will report to the Board in respect of his Committee's recommendations, decisions and significant deliberations if any.

The Executive Management comprising the executive chairman and executive directors are responsible for overseeing the day-to-day operations and affairs of the Group. The Executive Chairman also ensures smooth and effective functioning within the Board.

The non-executive directors, both independent and non-independent, are responsible in providing insights, objective and independent views and judgement in the decision making process of the Board.

The above governance structure is governed by a defined organisational chart, terms of reference, framework, policies and the Limits of Authorities ("LOA") approved by the Board.

The Board policies which serve as a guide to strengthen the governance and internal control of the Company are as follows:-

- Board Charter
- Whistle Blowing Policy
- Code of Conducts and Ethics
- Corporate Disclosure Policy
- Anti-Bribery And Anti-Corruption Policy

The above policies are to be reviewed annually by the Board or as and when required. Copies of the above policies are available on Company's website at www.classitaholdings.com

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board responsibilities (Cont'd)

Board Succession

The Board through the NC reviews the succession plan annually to ensure the Group is well positioned to deliver on its value proposition to shareholders and stakeholders of the Company.

The Board supported the NC's recommendation that the current structure has the capabilities and leaderships expected from them in spearheading the Group in the best interest of the Company, shareholders and its stakeholders.

Supply of Information

All the directors have access to any information pertaining to the Company and the Group including direct access to the management and the company secretary. The directors may also seek independent professional advice necessary in discharging their duties at the Company's expense but subject to prior approval by of the Board.

The Board is provided with meeting agendas and board papers at least 7 days before the meeting to enable them to participate actively in the meeting. The Board may also invite management who are not directors of the Company to provide explanations or to provide information on matters that may be raised by the directors in the meeting.

The minutes of meetings are kept at the registered office of the Company and are accessible by all directors during office working hours.

Company Secretaries

The Board is supported by a company secretary who has tertiary education and is qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.

The company secretary is responsible for proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company. The company secretary attends all the Board, Board Committees and General meetings of the Company and records the minutes of the said meetings.

2. Composition of the Board

The Board of Directors consists of one (1) executive chairman, two (2) executive directors, four (4) independent non-executive directors. Collectively, the directors have a good combination of experience as well as skills and knowledge in manufacturing, property development, operations, finance, law and general management.

The profile of each director is set out in the Directors' Profile section of this Annual Report.

The Company complies with the requirement of the MMLR of Bursa Securities where at least two (2) directors or one-third (1/3) of the Board members, whichever is higher are independent directors. The Company also complies with the MCCG that at least half of the Board are independent.

In the event of any vacancy in the Board, resulting in non-compliance with the total number of independent non-executive directors, the Company will ensure that the vacancy is filled within 3 months. If the number of directors is not 3 or a multiple of 3, then the number nearest to 1/3 will be used to determine the number of independent non-executive directors of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Composition of the Board (Cont'd)

Upon the recent assessment, the NC and the Board was satisfied with the independence of the current independent non-executive directors of the Company based on the following justifications:

i) All the independent non-executive directors complied with the MMLR of Bursa Securities;
ii) None of independent non-executive directors participated in any business dealings with the Group in FY2023;
iii) All the independent non-executive directors had no conflict of interest that could affect their independent judgement or ability to act in the best interest of the Company;
iv) All the independent non-executive directors had devoted sufficient time commitment in fulfilling their role as independent directors adequately in FY2023; and
v) All the independent non-executive directors had demonstrated objective participations in Board discussions.

Gender Diversity

The Board embraces gender diversity as essential combination to strengthen the composition of the Board. In this respect, the Board has established a policy to have at least one female director represented on the Board.

As at 30 June 2023, the Company complies with the requirement of the MMLR of Bursa Securities to have at least one female director on the Board.

Age and Ethnicity Diversity

As at 30 June 2023, the Company's boardroom comprised directors of diverse age and ethnicity as the Board believes that such composition is able to provide a different perspective and bring vibrancy to the Group's strategy and decision making process.

Tenure of Independent Directors

The Board does not have a policy that limits the tenure of its independent non-executive directors to 9 years. The Board however, adopts Practice 5.3 of the MCCG as any independent non-executive director who has served on the Board beyond 9 years will subject to annual shareholders' approval should the Board intends to retain the independent non-executive director beyond the 9 years.

Notwithstanding the above, the Board is mindful of the amended MMLR of Bursa Securities which now places an outright limit of 12 years on the tenure of independent non-executive director.

Re-elections and Appointments

In accordance with the Company's Constitution, 1/3 of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires.

The NC had assessed the performance and contribution of each retiring directors namely Mr. Krishnan A/L Dorairaju, Datuk Kuan Poh Huat, Datuk Aureen Jean Nonis and Mr. Lester Chin Kent Lake who are seeking for re-election at the forthcoming annual general meeting ("AGM") and was satisfied therewith. The Board had endorsed the NC's recommendation to seek shareholders' approval for the re-election of the retiring directors at the forthcoming AGM of the Company.

The retiring directors had abstained from deliberations and decisions on their respective re-election at the NC and Board meetings.

The NC also tasked to assess and recommend new appointments to the Board. The Board will consider the recommendations of the NC and make its final decision as to the appointment.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Composition of the Board (Cont'd)

Annual Assessments

The NC performs annual assessments to review the effectiveness of the Board as a whole, the Board Committees, the AC and its members, and makes its recommendations to the Board. Additionally, the NC also assesses the contributions of individual directors and the independence of the independent directors and makes their recommendations to the Board.

The assessment of the Board as a whole, Board Committees, the AC and its members are carried out by way of evaluation questionnaires. The responses are then compiled and presented to the NC for evaluation and consideration. The NC will evaluate and table its recommendations to the Board. The director's concern shall abstain from deliberating on his own assessment.

The assessments of directors and senior management are carried out by way of self-assessment questionnaires. The self-assessment questionnaires include amongst others the character, integrity, contributions in meetings, quality of input, and understanding of role, time commitment and so forth.

The NC met twice during the FY2023 and their summary of works are as follows:-

- Assessed the composition and effectiveness of the Board and Board Committees
- Assessed the contribution and performance of each individual directors
- Assessed the Directors due for retirement at the AGM
- Assessed the independence of the Independent Directors
- Assessed the effectiveness and objectivity of the AC and each of its members
- Assessed the trainings attended by the directors and the trainings required
- Assessed the boardroom skill matrix and diversity
- Assessed the effectiveness of Environmental, Social and Governance ("ESG") factors
- Assessed candidates for appointment as directors

Time Commitment

The Board has committed to meet at least 4 times a year with additional meetings to be held when need arises to consider urgent proposals or matters that required expeditious decision or deliberation of the Board. The Board also approves certain matters of the Company via circular resolutions to be signed by a majority of directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Since 29 August 2022, a total of eight (8) meetings were held and the details of the directors' attendance are as follows:-

Directors	Number of Meetings Attended
Ng Keok Chai (Appointed on 15 June 2022)	8/8
Dato' Kang Chez Chiang (Appointed on 15 June 2022)	8/8
Krishnan A/L Dorairaju (Appointed on 15 June 2022)	8/8
Dato' Pahlawan Mior Faridalathrash Bin Wahid (Appointed on 27 September 2023)	5/6
Chong Seng Ming (Appointed on 27 September 2022)	5/6
Datuk Kuan Poh Huat (Appointed on 22 December 2022)	2/2
Datuk Aureen Jean Nonis (Appointed on 01 June 2023)	1/1
Leong Seng Wui (Resigned on 11 April 2023)	7/7
Kenny Khow Chuan Wah (Resigned on 01 February 2023)	4/4
Datin Fong Nyok Yoon (Resigned on 15 September 2022)	4/4

Directors' Trainings

All the directors had attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities. In addition to the MAP, Board members are encouraged to attend structured training programmes conducted by professional firms or the regulatory authorities.

During FYE2023, the trainings attended by the directors are as follows:

Directors	Seminar/Training Programmes Attended
Ng Keok Chai	- Sustainability Reporting
Dato' Pahlawan Mior Faridalathrash Bin Wahid	- Sustainability Reporting
Datuk Kuan Poh Huat	- Sustainability Reporting
Dato' Kang Chez Chiang	- Sustainability Reporting
Chong Seng Ming	- Sustainability Reporting
Datuk Aureen Jean Nonis	- Sustainability Reporting

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration

The RC is empowered by the Board with the terms of reference to review and recommend the remunerations of the executive and non-executive directors. The director's concern shall abstain from deliberating on his own remunerations. The directors' fees and benefits as determined by the Board are subject to annual shareholders' approval at the AGM.

The RC, in discharging its duties will consider among others the executive directors' responsibilities, accomplishments and the financial performance of the Group before making its recommendations to the Board. The objective of the RC is to ensure there is a competitive remuneration package is in place.

The RC also reviews the remuneration to be paid to non-executive directors based on their level of responsibilities and commitment required and makes its recommendations to the Board. The Board then determines and recommends the remuneration of the non-executive directors to shareholders for approval at the AGM of the Company.

The RC met 3 times in FYE2023 to review and recommend the remunerations of executive and non-executive directors of the Company.

Details of the Directors' remuneration for FYE2023 are as follows:-

The Company	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Director					
Ng Keok Chai	84,000	18,414	1,000	-	103,414
Dato' Pahlawan Mior Faridalathrash Bin Wahid	21,000	4,753	2,500	-	28,253
Datuk Kuan Poh Huat	-	11,742	-	-	11,742
Dato' Kang Chez Chiang	30,000	-	3,500	-	33,500
Krishnan A/L Dorairaju	45,000	-	3,500	-	48,500
Chong Seng Ming	30,000	-	3,000	-	33,000
Datuk Aureen Jean Nonis	3,000	-	-	-	3,000
Leong Seng Wui (Resigned on 11 April 2023)	-	18,089	-	-	18,089
Kenny Khow Chuan Wah (Resigned on 01 Feb 2023)	-	1,500	-	-	1,500
Total	**213,000**	**54,498**	**13,500**	**-**	**280,998**

* Inclusive of defined contribution plan

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration (Cont'd)

The Group	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Director					
Ng Keok Chai	84,000	82,458	1,000	-	167,458
Dato' Pahlawan Mior Faridalathrash Bin Wahid	21,000	31,431	2,500	-	54,931
Datuk Kuan Poh Huat	-	77,854	-	-	77,854
Dato' Kang Chez Chiang	30,000	-	3,500	-	33,500
Krishnan A/L Dorairaju	45,000	-	3,500	-	48,500
Chong Seng Ming	30,000	-	3,000	-	33,000
Datuk Aurren Jean Nonis	3,000	-	-	-	3,000
Leong Seng Wui (Resigned on 11 April 2023)	-	112,005	-	-	112,005
Kenny Khow Chuan Wah (Resigned on 01 Feb 2023)	-	17,792	-	-	17,792
Datin Fong Nyok Yoon (Resigned on 15 Sept 2022)	-	-	-	15,000	15,000
Total	**213,000**	**321,540**	**13,500**	**15,000**	**563,040**

* Inclusive of defined contribution plan

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The AC was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently to review and monitor the Group's financial, audit processes, statutory and regulatory compliances, corporate governance and other matters which the Board may delegate to them from time to time and when necessary.

As at 30 June 2023, the AC of the Company comprised wholly Independent Non-Executive Directors. The AC was chaired by Mr. Krishnan A/L Dorairaju, a member of the Malaysian Institute of Accountants.

The AC had held 6 meetings in FYE2023 and the summary of their activities including the internal audit functions are set out in the AC Report section of this Annual Report.

External Auditors

The Board maintains a formal and transparent relationship with the Company's external auditors. The external auditors report their audit findings including any other matters of concern arising from the audits of the Company and the Group. The AC will then report to the Board on matters that necessitate the Board's attention.

The current external auditors, Messrs. PKF PLT had confirmed to the AC that they had complied with the ethical requirements regarding independence with respect to the audit of the Company and its subsidiaries in accordance with the International of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conducts and Practice.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

External Auditors (Cont'd)

The AC, upon its recent annual assessment carried out, is satisfied with the work done, resources, size and independence of the existing external auditors and had recommended to the Board, their re-appointment at the Company's forthcoming AGM.

2. Risk Management and Internal Control Framework

Risk Management

The Board had set up a RMC with the objective to identify, manage and mitigate risk at an acceptable level and to safeguard the assets of the Group as well as the shareholders' interest.

The RMC reviews the adequacy of the Group's risk management framework, the processes of identifying, measuring and mitigating key risks in the Group's businesses and operations. The RMC reports directly to the Board.

The Board had received assurance from the management that the Group's risk management and internal control had been operating adequately in FYE2023.

Internal Audit Function

The Board acknowledges its responsibilities to maintain an appropriate system of internal control to safeguard shareholders' interests and the assets of the Group.

The Company had outsourced its internal audit function to an independent firm of professionals to audit and monitor the compliance of the Group's policies, procedures and the effectiveness of the Group's internal control systems. The internal auditors report directly to the Audit Committee.

Further details are set out in the Statement on Risk Management & Internal Control and AC Report sections of this Annual Report.

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

1. Communication with Stakeholders

The Board had adopted a Corporate Disclosure Policy to ensure accurate and timely disclosures to the regulatory authorities, shareholders and stakeholders of the Company. This policy sets out the procedures for the Group to observe including but not limited to disclosures of information that conforms with the rules and regulations of Bursa Securities, press releases, updating the information published on the Company's websites and so forth.

All pertinent information is disseminated or communicated to shareholders, stakeholders and investment community through:-

- Announcements and disclosures to Bursa Securities
- Annual Report of the Company
- Circulars to Shareholders
- Press conferences and corporate briefings
- Company's website

A copy of the Corporate Disclosure Policy is available at the Company's website at www.classitaholdings.com

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

2. Conduct of General Meetings

The Company's AGM is a vital forum for interactions with shareholders. The Annual Report of the Company together with the notice of AGM is sent to shareholders at least 28 days before the date of the AGM.

Each item of special business included in the notice of AGM will be accompanied by explanatory statement to facilitate a full understanding and evaluation of the proposed resolution. All the resolutions set out in the notice of meeting would be put to vote by poll.

The Board supports and encourages active shareholders' participation at AGM and any other general meetings. In accordance with the Company's Constitution, any member may appoint up to a maximum of 2 proxies to attend and vote on his behalf in any general meeting. The proxy need not be a member of the Company.

At the AGM of the Company, the Chairman will invite shareholders to raise questions pertaining to the proposed resolution which are to be addressed during the Q&A session and before putting the motion to vote by poll. Board members and senior management will be present to respond to any questions raised from members or proxies present. The Company's external auditors will are also be present at the AGM to address issues relating to the audits and the auditors' reports.

Before the commencement of poll voting, the Company Secretary will brief members and proxies present on the poll voting procedures and instructions. The Polling Administrator will conduct the polling process and the Independent Scrutineer will undertake the vote counting verification.

The Company Secretary will announce the results of the poll and the outcome of the meeting to Bursa Securities via the Bursa LINK and the said announcement can also be accessed via the Company's website.

During FYE2023, the Company had held 2 general meetings virtually through live streaming and online participation and voting using remote participation and voting ("RPV") facilities.

All the resolutions set out in the notice of the AGM dated 31 October 2022 and the notice of the EGM dated 09 March 2023 were voted upon by poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities using the RPV facilities.

This Statement is issued in accordance with a resolution of the Board dated 27 October 2023.

AUDIT COMMITTEE REPORT

COMPOSITIONS

The Audit Committee ("AC") comprises of four (4) Directors, all of whom are Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board. This meets with the requirements of paragraph 15.09(1) (a) and (b) of the Main Market Listing Requirements of Bursa Securities since its been detired in the corporate governance section and Practice 8.1 of the MCCG.

The current members of the AC are as follows:

Names	Directorate
Krishnan A/L Dorairaju (Chairman)	Independent Non-Executive Director
Dato' Kang Chez Chiang	Independent Non-Executive Director
Chong Seng Ming	Independent Non-Executive Director
Datuk Aureen Jean Nonis	Independent Non-Executive Director

TERMS OF REFERENCE

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

ATTENDANCE AT MEETINGS

The AC held five (5) meetings during the financial year ended 30 June 2023 and the details of attendance are as follows:

Name of AC members	Number of Meetings Attended
Krishnan A/L Dorairaju (Chairman)	5/5
Dato' Kang Chez Chiang	5/5
Chong Seng Ming (Appointed on 28 September 2022)	4/4
Dato' Pahlawan Mior Faridalathrash Bin Wahid (Appointed on 28 September 2022 and Resigned on 11 April 2023)	3/3

The External Auditors, Messrs. PKF PLT had attended three (3) out of five (5) meetings held during the financial year 2023 without the presence of the Executive Directors and the Management of the Company.

SUMMARY OF WORK

The works carried out by the AC during FYE2023 are summarised as follows:-

1. **Financial Reporting**

   a. On 30 August 2022, the AC reviewed the unaudited consolidated financial results for the financial period from 01 April 2021 to 30 June 2022 and recommended to the Board for approval.

   b. On 20 October 2022, the AC reviewed the Company's annual audited financial statements for the financial period ended 30 June 2022 and recommended to the Board for approval.

   c. On 28 November 2022, 24 February 2023 and 31 May 2023 respectively, the AC reviewed the unaudited consolidated financial results for the 1st, 2nd and 3rd quarters of the financial year ending 30 June 2023 and recommended to the Board for approval.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK (CONT'D)

The works carried out by the AC during FYE2023 are summarised as follows (Cont'd):-

2. External Audit

a. On 30 August 2022, the AC reviewed with the External Auditors, the External Audit Status Update Memorandum.

b. On 20 October 2022, the AC reviewed with the External Auditors, the External Audit Review Memorandum in relation to the financial audits of the Company and the Group for the financial period ended 30 June 2022.

c. On 20 October 2022, the AC held a private session with the External Auditors without the presence of the Executive Directors and the Management in relation to the financial audits of the Company and the Group for the financial period ended 30 June 2022.

d. On 20 October 2022, the AC carried out the annual assessment on the performance of the External Auditors via a set of questionnaires. Based on the assessment, the AC was satisfied with amongst others their independence, adequacy of resources and experience to perform their duties in accordance with approved professional auditing standards and applicable regulatory and legal requirements and had recommended them to the Board for re-appointment as the Company's External Auditors for the ensuing year.

e. On 31 May 2023, the AC reviewed with the External Auditors, the External Audit Planning Memorandum for the financial year ending 30 June 2023 which include amongst others the engagement responsibilities and reporting responsibilities, the audit approach, areas of audit emphasis, legal updates, engagement team, proposed reporting schedule and proposed fees.

f. On 31 May 2023, the AC held a private session with the External Auditors without the presence of the Executive Directors and the Management in relation to the financial audits of the Company and the Group for financial year ending 30 June 2023.

3. Internal Audit

a. On 28 November 2022, the AC reviewed with the Internal Auditors, the Internal Audit Plan for the financial years 2023 to 2025 to ensure adequate coverage of key functional areas and activities of the Group.

b. On 24 February 2023, the Internal Auditors reported to the AC, the Internal Audit Report and revised Internal Audit Plan of the financial year ending 30 June 2023.

c. On 31 May 2023, the AC deliberated on the letter of resignation dated 05 May 2023 received from the previous Internal Auditors, RSM Corporate Consulting (Malaysia) Sdn Bhd and accepted their reason for resigning due to internal resource constraints.

d. On 31 May 2023, the AC invited Kloo Point Risk Management Services Sdn Bhd to present their proposal for internal audit services and after deliberation, the AC resolved to appoint them as the Internal Auditors of the Company in place of RSM Corporate Consulting (Malaysia) Sdn Bhd..

4. Related Party Transaction

a. At every quarterly meeting, the AC reviewed the report by the Management in respect of any recurrent related party transactions of revenue or trading nature to ensure all related party transactions were undertaken on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies, which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK (CONT'D)

The works carried out by the AC during FYE2023 are summarised as follows (Cont'd):-

5. Annual Report

a. On 20 October 2022, the AC reviewed the Statement on Risk Management and Internal Control and Audit Committee Report and recommended to the Board for inclusion in the annual report for financial year ended 30 June 2023.

6. Forensic Audit

a. On 20 October 2022, Virdos Lima Consultancy (M) Sdn Bhd, the Forensic Auditors presented to the AC, their progress updates in relation to the forensic audit.

b. During the financial year ended 30 June 2023, the AC had been following up on the progress of forensic audits with the Management and Forensic Auditors.

INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to an independent service provider to assist the AC in ensuring the adequacy and effectiveness of the Company's internal control systems. The Internal Auditors report directly to the AC.

For the financial year ended 30 June 2023, the Internal Auditors had reviewed the systems of internal control covering the following business processes of sales management, billing management and human resource management:

- Adherence to relevant policies and procedures relating to sales and billings
- Issuance of quotations
- Price setting mechanism
- Evaluation of customers
- Packing and shipments
- Billing processes
- Customers' service and complaints process
- Staff planning and needs identification
- Recruitment and selection process
- Records keeping and safeguarding of staff personnel files
- Payroll process and staff's benefits
- Termination and exit procedures
- Performance management and evaluation
- Training and development

The Internal Auditors had also carried out a risk assessment review and reported the business processes, identified risk descriptions, risk ratings, residual risks including the management actions for control effectiveness to the AC.

Total cost incurred for internal audit function in respect of financial year ended 30 June 2023 was RM16,000.

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

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEE

The amount of audit fees and non-audit fees paid or payable to the external auditors or a firm or corporation affiliated to the auditor firm by the Company and the Group for the financial year ended 30 June 2023 is as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	222	78
Non-audit Fees	18	7
Non-Audit fees paid or payable to an affiliated firm of the external auditors for tax compliance and tax advisory services	26	4
Total	**266**	**89**

2. MATERIAL CONTRACTS

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

3. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during the financial year ended 30 June 2023.

4. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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

5. REVALUATION POLICY ON LANDED PROPERTIES

The Group had applied the 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 which were last revalued on 30 June 2023. Valuation will be 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors of Classita Holdings Berhad ("Formerly known as 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 Classita Holdings Berhad ("the Group") for the financial year ended 30 June 2023.

This Statement is prepared pursuant to paragraph 15.26(b) of the MMLR 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 cognisant 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

Classita 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 Classita 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 Classita 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 Classita 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. INTERNAL AUDIT FUNCTION

During the financial year under review, Classita Group has engaged an independent consultancy firm, to review and evaluate the internal control system of Classita Group. The external consultant has provided their independent opinion on the effectiveness and efficiency of Classita Group's system and report directly to the Audit Committee members ("AC") on their internal audit findings.

During the financial year ended 30 June 2023, the Group's internal audit function is outsourced to RSM Corporate Consulting (Malaysia) Sdn Bhd and Kloo Point Risk Management Services Sdn Bhd, The scope of the internal audit focused on the Sales to Billing Management and Human resources management process by the respective internal audit company. The AC received the internal audit report 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 year ended 30 June 2023, 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 year ended 30 June 2023 was approximately RM16,000 (Newly appointed) (2022: RM42,027).

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

Classita 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 Classita 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 and RMC meetings and thereafter tabled to the Board of Directors' Meeting for consideration and approval.
- The AC and RMC and the Board of Directors are committed to identify any significant risks faced by Classita Group and shall assess the adequacy of financial and operational controls in place to address these risks.
- The AC and RMC will review the external auditors' recommendations on internal controls arising from the statutory audit.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Classita Group's risk management and internal control system have the following key elements (Cont'd):-

- The AC and RMC holds meetings to deliberate on the findings and recommendations for improvement presented by both the internal and external auditors on Classita Group's internal control system and to report the AC and RMC'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 year ended 30 June 2023 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 year ended 30 June 2023 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 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 41 and 42 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 an d internal control system including the assessment and opinion by the Directors and Management.

7. CONCLUSION

For the financial year ended 30 June 2023, 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 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 was made in accordance with the resolution of the Board dated 27 October 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is required by the Companies Act, 2016 in to prepare financial statements for each financial year for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of the results and cashflows for the year then ended. In preparing the financial statements, the Directors had:

- Applied appropriate approved accounting standards consistently,
- Made judgements and estimates that are reasonable and prudent,
- Prepared financial statements on a going concern basis.

The Directors had ensured the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group to enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors also had taken steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is issued in accordance with a resolution of the Directors dated 27 October 2023.

FINANCIAL REPORT

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

Principal activity

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 14 to the financial statements.

Change of name

On 9 December 2022, the Company changes its name from Caely Holdings Bhd. to Classita Holdings Berhad.

Results

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the Company	9,115,904	1,258,959
Non-controlling interests	234,548	-
	9,350,452	1,258,959

Reserves and provisions

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

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend any dividend payment in respect of the current financial year.

Directors

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

Ng Keok Chai	
Krishnan A/L Dorairaju	
Dato' Kang Chez Chiang	
Chong Seng Ming	- Appointed on 27 September 2022
Dato' Pahlawan Mior Faridalathrash Bin Wahid	- Appointed on 27 September 2022
Datuk Kuan Poh Huat	- Appointed on 22 December 2022
Datuk Aureen Jean Nonis	- Appointed on 1 June 2023
Lester Chin Kent Lake	- Appointed on 1 August 2023
Leong Seng Wui	- Resigned on 11 April 2023
Kenny Khow Chuan Wah	- Appointed on 27 September 2022 & resigned on 1 February 2023
Datin Fong Nyok Yoon	- Resigned on 15 September 2022

DIRECTORS' REPORT

Directors (Cont'd)

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

Choo Peng Hung	- Appointed on 1 May 2023
Datin Fong Nyok Yoon	- Resigned on 16 August 2023
Hor Weng Kuan	- Appointed on 12 September 2022 & resigned on 1 May 2023
Lim Chee Pang	- Appointed on 4 August 2022 & resigned on 1 September 2022
Dato' Loh Ming Choon	- Appointed on 4 August 2022 & removed on 3 November 2022
Wong Siaw Puie	- Appointed on 4 August 2022 & removed on 3 November 2022

Directors' interests in shares

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 30 June 2023 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 1.7.2022	**Bought**	**Sold**	**Balance as at 30.6.2023**
In the Company				
Direct interest				
Ng Keok Chai	-	13,863,200	(13,863,200)	-

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

Directors' benefits

Since the end of previous financial period, 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 31 to the financial statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' remuneration and fee

Directors' remuneration of the Group and of the Company amounted to RM335,040 and RM67,998 respectively as disclosed in Note 6 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM213,000 and RM213,000 respectively as disclosed in Note 6 to the financial statements.

Indemnity and insurance for Directors, officers and auditor

The Company maintains a liability insurance paid amounted to RM9,000 which provide appropriate insurance cover for the Directors and officers of the Company and its subsidiaries.

No other indemnity has been given or insurance premium paid by the Company and its subsidiaries, during the financial year/period, for any person who is or has been Director, officer and auditors of the Company and its subsidiaries.

DIRECTORS' REPORT

Issue of shares and debentures

During the financial year, the issued and fully paid-up ordinary share of the Company increased from 258,242,604 to 352,211,704 by way issuance of 93,969,100 new ordinary shares pursuant to 93,969,100 units of warrant exercised at an exercise price RM0.35 each for cash.

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

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

Options granted over unissued shares

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

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 year and which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

Significant events

Details of significant events during the financial year are disclosed in Note 39 to the financial statements.

Subsequent event

Details of subsequent event after the financial year are disclosed in Note 41 to the financial statements.

Auditors

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

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2023 amounted to RM222,000 and RM78,000 respectively.

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

NG KEOK CHAI	DATUK KUAN POH HUAT

Kuala Lumpur

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

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 61 to 143 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 2023 and of their financial performances and their cash flows for the financial year ended on that date.

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

____________________________	____________________________
NG KEOK CHAI	DATUK KUAN POH HUAT

Kuala Lumpur

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

I, CHOO YEN WAH, being the Primary Officer responsible for the financial management of CLASSITA HOLDINGS BERHAD (formerly known as 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 61 to 143 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)

____
CHOO YEN WAH
Financial Controller

Before me,

____
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF CLASSITA HOLDINGS BERHAD (FORMERLY KNOWN AS CAELY HOLDINGS BHD) ("CLASSITA" OR "THE COMPANY")

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CLASSITA HOLDINGS BERHAD (formerly known as CAELY HOLDINGS BHD.), which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 61 to 143.

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 2023, 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 2023, property development cost stated at cost and net realisable value amounted to RM45,608,767.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF CLASSITA HOLDINGS BERHAD (FORMERLY KNOWN AS CAELY HOLDINGS BHD) ("CLASSITA" OR "THE COMPANY")

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(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 RM53,860,522. 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 reversal of impairment of RM6,880,601 were made during the current financial year, resulted in total impairment of RM13,898,779 was made against trade receivable balances of RM18,832,341 as at the financial year ended 30 June 2023.

The net reversal of impairment mainly due to revoked of sales of completed properties made in the financial year 30 June 2023 amounted to RM5,313,280. The Group had adjusted for impairment of these sales in the financial year 31 March 2021. As a result of the revoked sales agreement, a reversal of the revenue and cost of sales recognition and the reversal of impairment of trade receivables amounted to RM5,313,280 was adjusted in the current financial year.

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; and
(d) Review the revoked sales transactions.

(iv) Forensic investigations

(Refer to Notes 39 to the financial statements)

As disclosed in Note 39 to the financial statements, the Company had 7 April 2022 appointed the Forensic Auditor to carry out an independent forensic audit on allegations of suspicious and irregular transactions at Caely (M) Sdn. Bhd.. The forensic investigation was completed and the Fact-based Investigation Report dated 23 October 2023 has been provided to the management.

The scope of the forensic investigation has been stated in Note 39 of the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF CLASSITA HOLDINGS BERHAD (FORMERLY KNOWN AS CAELY HOLDINGS BHD) ("CLASSITA" OR "THE COMPANY")

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(iv) Forensic investigations (Cont'd)

The Directors has assessed the impact to the financial statements of the Group based on the Fact-based Investigation Report. The relevant financial impact has been considered and adjusted in the financial statements, either in the previous years or the current financial year.

The Directors had exercised significant judgement when assessing the impact of the Report. Therefore, we consider the estimation and judgement made by the Directors to be an area of audit focus.

Our procedures included:

(a) Obtained Fact-based Investigation Report; and
(b) Reviewed and discussed with the management on the assessment on the findings and impact to the financial statements from the Fact-based Investigation Report.

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 Corporate Governance Overview Statement, Risk Management and Audit Committee Report, Statement on Risk Management and Internal Control 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF CLASSITA HOLDINGS BERHAD (FORMERLY KNOWN AS CAELY HOLDINGS BHD) ("CLASSITA" OR "THE COMPANY")

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

- 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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
		1.7.2022 to 30.6.2023	1.4.2021 to 30.6.2022	1.7.2022 to 30.6.2023	1.4.2021 to 30.6.2022
	Note	RM	RM	RM	RM
Revenue	3	44,787,875	75,827,230	-	587,800
Cost of sales	4	(43,332,794)	(61,525,517)	-	-
Gross profit		1,455,081	14,301,713	-	587,800
Other operating income	5	2,257,986	2,332,358	1,455,656	158,306
Selling and distribution costs		(1,297,488)	(1,326,820)	-	-
Administrative expenses		(18,004,661)	(13,226,928)	(2,717,945)	(3,979,042)
Net gain/(loss) on impairment of financial assets		6,880,601	(2,733,235)	-	-
Loss from operations		(8,708,481)	(652,912)	(1,262,289)	(3,232,936)
Finance costs	7	(785,997)	(1,104,913)	-	-
Loss before tax for the year/period	8	(9,494,478)	(1,757,825)	(1,262,289)	(3,232,936)
Tax income/(expenses)	9	144,026	(5,444,414)	3,330	(11,118)
Loss after tax for the year/period		(9,350,452)	(7,202,239)	(1,258,959)	(3,244,054)
Other comprehensive income:					
Transfer from revaluation reserve		102,812	106,845	-	-
Foreign currency translation		254,718	-	-	-
Total comprehensive (loss)/income for the financial year/period		(8,992,922)	(7,095,394)	(1,258,959)	(3,244,054)

	Note	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Loss attributable to:			
Owners of the Company		(9,115,904)	(7,202,239)
Non-controlling interests	22	(234,548)	-
		(9,350,452)	(7,202,239)
Total comprehensive loss attributable to:			
Owners of the Company		(8,860,261)	(7,095,394)
Non-controlling interests	22	(132,661)	-
		(8,992,922)	(7,095,394)
Loss per share (sen)			
- Basic	10	(3.23)	(3.54)
- Diluted	10	(3.23)	(3.54)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	27,074,128	23,766,723	179,494	50,602
Right-of-use assets	12	277,504	364,252	-	-
Investment properties	13	9,093,678	4,100,000	4,250,000	4,100,000
Investment in subsidiaries	14	-	-	45,127,326	26,627,226
Goodwill	15	2,255,140	-	-	-
		38,700,450	28,230,975	49,556,820	30,777,828
Current assets					
Inventories	16	73,870,629	56,596,693	-	-
Receivables, deposits and prepayments	17	9,966,135	10,353,832	54,391,254	40,481,879
Tax recoverable		1,262,779	298,358	17,425	17,425
Fixed deposit with licensed banks	18	-	9,196,829	-	-
Cash and bank balances	19	81,105,273	16,114,822	73,308,042	307,679
		166,204,816	92,560,534	127,716,721	40,806,983
TOTAL ASSETS		204,905,266	120,791,509	177,273,541	71,584,811
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	104,668,120	71,778,935	104,668,120	71,778,935
Other reserves	21	13,098,668	10,544,482	1,851,511	1,851,511
Accumulated losses		(12,522,595)	(3,509,503)	(5,048,542)	(3,789,583)
		105,244,193	78,813,914	101,471,089	69,840,863
Non-controlling interests	22	1,462,892	-	-	-
Total equity		106,707,085	78,813,914	101,471,089	69,840,863
Non-current liabilities					
Lease liabilities	23	192,658	260,519	-	-
Term loans	24	6,838,976	8,188,645	-	-
Deferred tax liabilities	25	5,447,994	1,442,923	147,214	150,544
		12,479,628	9,892,087	147,214	150,544

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Current liabilities					
Payables and accrued liabilities	26	83,591,501	22,612,816	75,655,238	1,593,404
Contract liabilities	27	374,123	393,170	-	-
Provisions	28	258,354	258,354	-	-
Tax payable		-	359,018	-	-
Lease liabilities	23	70,348	70,348	-	-
Term loans	24	1,270,566	1,758,347	-	-
Short term bank borrowings:	29				
- Bank overdrafts		153,661	4,753,314	-	-
- Others		-	1,880,141	-	-
		85,718,553	32,085,508	75,655,238	1,593,404
Total liabilities		98,198,181	41,977,595	75,802,452	1,743,948
TOTAL EQUITY AND LIABILITIES		204,905,266	120,791,509	177,273,541	71,584,811

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

STATEMENTS OF CHANGES IN EQUITY

AS AT 30 JUNE 2023

		<--------- Equity attributable to the owners of the parent --------->							
Group	**Note**	**Share capital RM**	**Reserve on consolidation RM**	**Revaluation reserve RM**	**Foreign translation reserve**	**Retained profits/ (Accumulated losses) RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 April 2021		59,559,261	80,344	10,570,983	-	4,873,089	75,083,677	(218,944)	74,864,733
Exercise of warrants	20	4,284,674	-	-	-	-	4,284,674	-	4,284,674
Exercise of private placement	20	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	30	-	-	-	-	(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
Exercise of warrants	20	32,889,185	-	-	-	-	32,889,185	-	32,889,185
Loss for the financial year		-	-	-	-	(9,115,904)	(9,115,904)	(234,548)	(9,350,452)
Acquisition of subsidiaries		-	-	-	-	-	-	1,595,553	1,595,553
Revaluation surplus (net of tax)		-	-	2,504,167	-	-	2,504,167	-	2,504,167
Transfer of reserve		-	-	(102,812)	-	102,812	-	-	-
Foreign currency translation		-	-	-	152,831	-	152,831	101,887	254,718
At 30 June 2023		104,668,120	80,344	12,865,493	152,831	(12,522,595)	105,244,193	1,462,892	106,707,085

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

STATEMENTS OF CHANGES IN EQUITY
AS AT 30 JUNE 2023

	Note	Non-distributable Share capital RM	Revaluation reserve RM	Distributable Retained profits/ (Accumulated losses) RM	Total equity RM
Company					
At 1 April 2021		59,559,261	1,851,511	741,669	62,152,441
Exercise of warrants	20	4,284,674	-	-	4,284,674
Exercise of private placement	20	7,935,000	-	-	7,935,000
Total comprehensive loss for the financial period		-	-	(3,244,054)	(3,244,054)
Dividend	30	-	-	(1,287,198)	(1,287,198)
At 30 June 2022		71,778,935	1,851,511	(3,789,583)	69,840,863
Exercise of warrants	20	32,889,185	-	-	32,889,185
Total comprehensive loss for the financial year		-	-	(1,258,959)	(1,258,959)
At 30 June 2023		104,668,120	1,851,511	(5,048,542)	101,471,089

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 1.7.2022 to 30.6.2023 RM	Group 1.4.2021 to 30.6.2022 RM	Company 1.7.2022 to 30.6.2023 RM	Company 1.4.2021 to 30.6.2022 RM
Cash flows from operating activities					
Loss before tax		(9,494,478)	(1,757,825)	(1,262,289)	(3,232,936)
Adjustments for:					
Depreciation of property, plant and equipment		874,560	929,287	29,016	23,866
Depreciation of right-of-use assets		86,748	99,036	-	-
Depreciation of investment property		56,322	-	-	-
Gain on disposal of property, plant and equipment		(10,000)	(60,000)	-	-
Gain on disposal of right-of-use assets		-	(79,050)	-	-
Impairment loss on investment in subsidiaries		-	-	-	212,813
Impairment loss on receivables		185,162	5,363,190	-	-
Reversal of impairment loss on receivables		(7,065,763)	(2,629,955)	-	-
(Reversal of provision)/ provision for liquidated ascertained damages		(19,047)	260,903	-	-
Interest expense		731,499	990,758	-	-
Interest income		(84,214)	(195,807)	-	(6)
Amortisation of government grant		-	(453,600)	-	-
Inventories written down		8,163,598	855,924	-	-
Gain on disposal of subsidiary		-	(227,879)	-	-
Fair value changes in investment properties		(150,000)	-	(150,000)	-
Waiver of debts		(1,185,756)	-	(1,185,756)	-
Unrealised foreign exchange gain		(374,788)	(148,766)	-	-
Operating (loss)/profit before working capital changes		(8,286,157)	2,946,216	(2,569,029)	(2,996,263)
Increase in inventories		(5,793,557)	(3,274,229)	-	-
Decrease/(Increase) in receivables		7,287,947	2,130,984	(399,961)	(108,325)
Increase in payables		57,164,780	9,959,920	73,896,781	1,418,548
Increase in Housing Development Accounts		(3,473)	(2,051)	-	-
Cash generated from/ (used in) operations		50,369,540	11,760,840	70,927,791	(1,686,040)
Liquidated ascertained damages and compensation paid		-	(228,128)	-	-
Interest paid		(196,580)	(128,060)	-	-
Tax paid		(1,443,910)	(1,803,135)	-	(14,211)
Tax refunded		-	424	-	-
Net cash from/(used in) operating activities		48,729,050	9,601,941	70,927,791	(1,700,251)
Cash flows used in investing activities					
Acquisition for property, plant and equipment		(1,462,266)	(861,952)	(157,908)	(14,900)
Acquisition of right-of-use asset	(iii)	-	(264,138)	-	-
Acquisition of subsidiaries		(15,833,753)	-	(18,500,100)	(399,990)
Proceeds from disposals of property, plant and equipment		10,000	60,000	-	-
Proceeds from disposals of right-of-use assets		-	320,000	-	-
Proceeds from disposals of subsidiary		-	(36,154)	-	-
Advance to subsidiaries		-	-	(13,509,414)	(2,992,774)
Interest received		84,214	195,807	-	6
Net cash used in investing activities		(17,201,805)	(586,437)	(32,167,422)	(3,407,658)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 1.7.2022 to 30.6.2023 RM	Group 1.4.2021 to 30.6.2022 RM	Company 1.7.2022 to 30.6.2023 RM	Company 1.4.2021 to 30.6.2022 RM
Cash flows from financing activities					
Withdrawal/(Placement) of deposits with licensed banks		3,196,829	(68,311)	-	-
Dividend paid		-	(1,287,198)	-	(1,287,198)
Net changes in short term bank borrowings	(ii)	(1,880,141)	103,364	-	-
Repayments of term loans	(ii)	(1,837,450)	(2,042,862)	-	-
Government grant received		-	453,600	-	-
Repayments of lease liabilities	(ii)	(67,861)	(220,523)	-	-
Repayments to a Director	(ii)	(300,137)	(183,837)	-	-
Interest paid		(534,919)	(862,698)	-	-
Proceeds from exercise of warrants		32,889,185	4,284,674	32,889,185	4,284,674
Proceeds from private placement		-	7,935,000	-	7,935,000
Repayment from/ (Repayment to) a subsidiary		-	-	1,350,809	(6,393,330)
Net cash from financing activities		31,465,506	8,111,209	34,239,994	4,539,146
Net increase/(decrease) in cash and cash equivalents		62,992,751	17,126,713	73,000,363	(568,763)
Cash and cash equivalents at 1 July 2022/1April 2021		16,944,069	(182,644)	307,679	876,442
Effect of exchange rate changes		593,880	-	-	-
Cash and cash equivalents at 30 June	(i)	80,530,700	16,944,069	73,308,042	307,679

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Note	Group 1.7.2022 to 30.6.2023 RM	Group 1.4.2021 to 30.6.2022 RM	Company 1.7.2022 to 30.6.2023 RM	Company 1.4.2021 to 30.6.2022 RM
Cash and bank balances	19	81,105,273	16,114,822	73,308,042	307,679
Deposits with licensed bank less than 3 months		-	6,000,000	-	-
		81,105,273	22,114,822	73,308,042	307,679
Less: Bank overdrafts	29	(153,661)	(4,753,314)	-	-
Less: Bank balances held under Housing Development Account	19	(420,912)	(417,439)	-	-
		80,530,700	16,944,069	73,308,042	307,679

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Notes (cont'd):

(ii) Reconciliation of liabilities arising from financing activities:

	1 July 2022 RM	Cash flows RM	Non-cash items RM	30 June 2023 RM
2023				
Group				
Lease liabilities	330,867	(67,861)	-	263,006
Term loans	9,946,992	(1,837,450)	-	8,109,542
Short term bank borrowings (excluding bank overdrafts)	1,880,141	(1,880,141)	-	-
Amount owing to a Director	300,137	(300,137)	-	-
	12,458,137	(4,085,589)	-	8,372,548
Company				
Amount owing to a subsidiary	-	1,350,809	-	1,350,809

	1 April 2021 RM	Cash flows RM	Non-cash changes Liabilities held for sale RM	30 June 2022 RM
2022				
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)	-	-

(iii) Acquisition of right-of-use asset

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

	Group 1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Acquisition of right-of-use asset:	361,163	630,738
Less: Lease arrangement	(361,163)	(366,600)
Cash payment on acquisition of right-of-use asset	-	264,138

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2023

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 realization 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 July 2022, 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 2022:

Description

- Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework
- Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018 – 2020 cycle
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 16, *Leases*
  - Amendments to MFRS 141, *Agriculture*

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
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 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 16, *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101, *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments*: Disclosures – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121, *The effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability	1 January 2025

1. Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (Cont'd)

Description	Effective for annual periods beginning on or after
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.

(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.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful life 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 life 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.

1. Basis of preparation (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

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 (Cont'd):

(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.

- 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 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 (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

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 (Cont'd):

(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.

The economic uncertainties 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.

1. Basis of preparation (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

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 (Cont'd):

(ix) Recognition of Construction Contracts Profits (Cont'd)

The economic uncertainties 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.

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 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).

1. Basis of preparation (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

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 (Cont'd):

(xii) Leases (Cont'd)

(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 (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations

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

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

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

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

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

(iii) Non-controlling interests

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

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

(iv) Transactions with non-controlling interests

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

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

(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.

2. Summary of significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(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 of 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.

(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:

	2023 RM	**2022 RM**
Assets		
1 United States Dollar	4.6650	4.4080
1 Euro	5.0564	4.6024
100 Indonesian Rupiah	0.0311	0.0296

2. Summary of significant accounting policies (Cont'd)

(b) Foreign currencies (Cont'd)

(ii) Foreign currencies transactions (Cont'd)

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows (Cont'd):

	2023 RM	2022 RM
Liabilities		
1 United States Dollar	4.6650	4.4080
1 Euro	5.0564	4.6024
100 Indonesian Rupiah	0.0311	0.0296
100 Hong Kong Dollars	59.5352	56.1883
100 Chinese Renminbi	64.2000	65.8500

(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 range from cash on delivery to 75 days from 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 is 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 from delivery.

No element of financing is deemed present as the sales are made with credit term ranging from 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 (Cont'd)

(c) Revenue and other income (Cont'd)

(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.

(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) Interest income

Interest income is recognised using the effective interest method.

(vi) Dividend income

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

2. Summary of significant accounting policies (Cont'd)

(c) Revenue and other income (Cont'd)

(vii) Rental income

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

(viii) Management fees

Management fees are recognised when services are rendered.

(d) Employee benefits expense

(i) Short-term benefits

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

(ii) Defined contribution plans

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

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

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

(f) Tax expense

(i) Current tax

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

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

(ii) Deferred tax

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

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

2. Summary of significant accounting policies (Cont'd)

(f) Tax expense (Cont'd)

(ii) Deferred tax (Cont'd)

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.

(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.

2. Summary of significant accounting policies (Cont'd)

(g) Impairment (Cont'd)

(i) Financial assets (Cont'd)

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

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

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

(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.

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.

2. Summary of significant accounting policies (Cont'd)

(h) Property, plant and equipment (Cont'd)

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.

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 Group recognises such parts as individual assets with specific useful life 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 life of the assets at the following annual rates:

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

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

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

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

2. Summary of significant accounting policies (Cont'd)

(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.

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.

2. Summary of significant accounting policies (Cont'd)

(j) Leases (Cont'd)

(i) Initial recognition and measurement (Cont'd)

(a) As a lessee (Cont'd)

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.

(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.

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.

2. Summary of significant accounting policies (Cont'd)

(j) Leases (Cont'd)

(ii) Subsequent measurement (Cont'd)

(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.

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.

2. Summary of significant accounting policies (Cont'd)

(k) Inventories (Cont'd)

(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.

(l) Contract asset/(liability)

Contract assets are 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 liabilities are 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 (Cont'd)

(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.

- *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

2. Summary of significant accounting policies (Cont'd)

(n) Financial assets (Cont'd)

(ii) Subsequent measurement (Cont'd)

- *Fair value through other comprehensive income ("FVOCI") (Cont'd)*

  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.

- *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 (Cont'd)

(p) Financial liabilities (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2023

2. Summary of significant accounting policies (Cont'd)

(p) Financial liabilities (Cont'd)

(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.

(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) Earning per ordinary share

The Group presents basic and diluted earning per share ("EPS") data for its ordinary shares.

2. Summary of significant accounting policies (Cont'd)

(t) Earning per ordinary share (Cont'd)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(u) 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.

(v) 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.

(w) 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.

3. Revenue

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

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Revenue from contract customers	44,787,875	75,827,230	-	587,800

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	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Revenue from contract customers				
Finished goods:				
- Direct sales and retail	2,969,199	403,770	-	-
- Manufacturing and export	44,278,792	75,360,386	-	-
Property development:				
- Completed development units	(2,460,116)	63,074	-	-
Management fee charged to subsidiaries	-	-	-	587,800
	44,787,875	75,827,230	-	587,800
Geographical markets				
Malaysia	1,076,471	6,149,990	-	587,800
United States of America	1,422,857	4,004,058	-	-
Canada	6,430,783	13,650,443	-	-
Germany	31,404,000	48,784,627	-	-
France	906,864	95,673	-	-
Hong Kong	3,023,955	2,418,869	-	-
Netherlands	-	349,868	-	-
Myanmar	7,050	147,873	-	-
Czech	-	155,658	-	-
Singapore	-	3,345	-	-
Other countries	516,891	66,826	-	-
	44,787,875	75,827,230	-	587,800
Timing of revenue recognition				
At a point in time	44,787,875	75,827,230	-	587,800

4. Cost of sales

	Group	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Property development costs	1,283,119	573,041
Cost of finished goods sold	42,049,675	60,952,476
	43,332,794	61,525,517

5. Other operating income

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Rental income	135,560	194,550	119,900	158,300
Waiver of debts	1,185,756	-	1,185,756	-
Fair value changes in investment properties	150,000	-	150,000	-
Accommodation	111,155	173,630	-	-
Interest income	84,214	195,807	-	6
Gain on disposal of property, plant and equipment	10,000	60,000	-	-
Gain on disposal of right-of-use assets	-	79,050	-	-
Realised gain on foreign exchange	175,748	403,840	-	-
Unrealised foreign exchange gain	374,788	148,766	-	-
Other income	30,765	1,076,715	-	-
	2,257,986	2,332,358	1,455,656	158,306

6. Employee benefits expense

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Staff costs:				
- salaries, wages and bonus	12,356,918	17,262,105	341,773	901,575
- defined contribution plan and social security contribution	1,053,136	1,197,525	26,239	118,424
- other short term employee benefits	1,068,446	2,034,250	4,731	6,095
Total staff costs	14,478,500	20,493,880	372,743	1,026,094

6. Employee benefits expense (Cont'd)

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Executive Directors:				
- fees	84,000	173,400	84,000	174,300
- allowances	1,000	68,800	1,000	8,800
- salaries and bonus	298,135	781,266	50,643	-
- defined contribution plan and social security contribution	23,405	115,385	3,855	-
	406,540	1,138,851	139,498	183,100
Non-executive Directors:				
- fees	129,000	153,600	129,000	153,600
- allowances	12,500	13,500	12,500	13,500
	141,500	167,100	141,500	167,100
Total Directors' remuneration	548,040	1,305,951	280,998	350,200
Total employee benefits expense	15,026,540	21,799,831	653,741	1,376,294
Monetary value of benefits-in-kind given to certain Directors	15,000	17,400	-	-

7. Finance costs

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Term loan interests	458,734	790,173	-	-
Overdraft interests	196,580	128,060	-	-
Lease liability interests	12,373	19,656	-	-
Interests on other borrowings	63,812	52,869	-	-
Total interest expense	731,499	990,758	-	-
Commitment fees	54,498	114,155	-	-
	785,997	1,104,913	-	-

8. Loss before tax

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Loss before tax is arrived at after charging/(crediting):				
Auditors' remuneration	222,000	257,600	78,000	91,000
Other non-statutory services	18,000	15,000	7,000	6,000
Inventory written down	8,163,598	855,924	-	-
Impairment loss on receivables	185,162	5,363,190	-	-
Reversal of impairment loss on receivables	(7,065,763)	(2,629,955)	-	-
Gain on disposal of plant, property and equipment	(10,000)	(60,000)	-	-
Gain on disposal of right-of-use assets	-	(79,050)	-	-
Depreciation of property, plant and equipment	874,560	929,287	29,016	23,866
Depreciation of right-of-use assets	86,748	99,036	-	-
Depreciation of investment property	56,322	-	-	-
(Reversal of provision)/ Provision for liquidated ascertained damages	(19,047)	260,903	-	-
Interest income	(84,214)	(195,807)	-	(6)
Interest expense	731,499	990,758	-	-
Impairment loss on investment in a subsidiary	-	-	-	212,813
Government grant	-	(453,600)	-	-
Fair value changes in investment properties	(150,000)	-	(150,000)	-
Rental expenses	492,825	-	-	-
Rental income	(135,560)	(194,550)	(119,900)	(158,300)
Waiver of debts	(1,185,756)	-	(1,185,756)	-
Unrealised foreign exchange gain	(374,788)	(148,766)	-	-
Realised foreign exchange loss/(gain)	9,901	(403,840)	-	-

9. Tax (income)/expenses

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	1.4.2021 to 30.6.2022 RM
Current tax:				
- current year/period	121,271	1,458,181	-	-
- underprovision in prior year/period	-	31,154	-	14,211
	121,271	1,489,335	-	14,211
Crystallisation of revaluation reserve	(33,385)	(33,174)	-	-
- current year/period	(376,599)	3,959,257	7,500	(3,093)
- under/(over) provision in prior year/period	144,687	28,996	(10,830)	-
	(265,297)	3,955,079	(3,330)	(3,093)
	(144,026)	5,444,414	(3,330)	11,118

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9. Tax (income)/expenses

Reconciliation of tax expense

	Group		Company	
	1.7.2022 to 30.6.2023 RM	**1.4.2021 to 30.6.2022 RM**	**1.7.2022 to 30.6.2023 RM**	**1.4.2021 to 30.6.2022 RM**
Loss before tax	(9,494,478)	(1,757,825)	(1,262,289)	(3,232,936)
Tax calculated at statutory tax rate of 24%	(2,278,675)	(421,878)	(302,949)	(775,905)
Non-deductible expenses	854,654	1,133,745	338,949	772,812
Non-taxable income	(11,956)	(117,111)	-	-
Effect of changes in tax rate	(28,500)	-	(28,500)	-
Double deduction expenses	-	(8,097)	-	-
Crystallisation of revaluation reserve	(33,385)	(33,174)	-	-
Utilisation of deferred tax asset not recognised	1,209,149	4,830,779	-	-
	(288,713)	5,384,264	7,500	(3,093)
Underprovision of current tax in prior year/period	-	31,154	-	14,211
Under/(Over)provision of deferred tax in prior year/period	144,687	28,996	(10,830)	-
	(144,026)	5,444,414	(3,330)	11,118

The Group has unutilised tax losses and unabsorbed capital allowance amounted to RM18,232,818 and RM1,303,753 (2022: RM14,209,708 and RM979,815) 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 2020	7,122,902	YA 2030
YA 2021	5,117,254	YA 2031
YA 2022	134,440	YA 2032
YA 2023	5,858,222	YA 2033
	18,232,818	

10. 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 Company by the weighted average number of ordinary shares in issue during the financial year/period.

(a) Basic loss per share

	Group 2023	Group 2022
Net loss for the financial year/period attributable to owners of the Company (RM)	(9,115,904)	(7,202,239)
Weighted average number of ordinary shares in issue (units)	281,836,667	203,559,128
Basic loss per share (sen)	(3.23)	(3.54)

(b) Diluted loss per share

	Group 2023	Group 2022
Net loss for the financial year/period attributable to owners of the Company (RM)	(9,115,904)	(7,202,239)
Weighted average number of ordinary shares in issue (units)	281,836,667	203,559,128
Effect of exercise of Warrants (units) *	-	-
Weighted average number of ordinary shares in issue (units)	281,836,667	203,559,128
Diluted loss per share (sen)	(3.23)	(3.54)

* Nil due to anti-dilute effect.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2023

11. Property, plant and equipment

2023	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 July 2022	7,630,000	14,291,099	8,037,163	7,124,584	1,163,471	2,584,481	40,830,798
Acquisition of subsidiary	-	-	-	98,478	-	-	98,478
Additions	-	-	742,158	248,091	454,342	17,675	1,462,266
Disposal	-	-	-	-	(245,423)	-	(245,423)
Revaluation	2,410,000	282,456	-	-	-	-	2,692,456
At 30 June 2023	10,040,000	14,573,555	8,779,321	7,471,153	1,372,390	2,602,156	44,838,575
Accumulated depreciation							
At 1 July 2022	-	2,076,213	7,652,985	6,194,482	1,140,395	-	17,064,075
Acquisition of subsidiary	-	-	-	71,235	-	-	71,235
Charge for the year	-	412,342	171,139	266,203	24,876	-	874,560
Disposal	-	-	-	-	(245,423)	-	(245,423)
At 30 June 2023	-	2,488,555	7,824,124	6,531,920	919,848	-	17,764,447
Carrying amount							
At 30 June 2023	10,040,000	12,085,000	955,197	939,233	452,542	2,602,156	27,074,128
Representing:							
At cost	-	-	955,197	939,233	452,542	2,602,156	4,949,128
At valuation	10,040,000	12,085,000	-	-	-	-	22,125,000
	10,040,000	12,085,000	955,197	939,233	452,542	2,602,156	27,074,128

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2023

11. Property, plant and equipment (Cont'd)

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 2023	7,630,000	14,291,099	8,037,163	7,124,584	1,163,471	2,584,481	40,830,798
Accumulated depreciation							
At 1 April 2021	-	1,560,784	7,477,185	5,863,708	1,702,279	-	16,603,956
Charge for the 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 2023	-	2,076,213	7,652,985	6,194,482	1,140,395	-	17,064,075
Carrying amount							
At 30 June 2023	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
AS AT 30 JUNE 2023

11. Property, plant and equipment (Cont'd)

	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Company			
2023			
Cost			
At 1 July 2022	602,331	-	602,331
Addition	-	157,908	157,908
At 30 June 2023	602,331	157,908	760,239
Accumulated depreciation			
At 1 July 2022	551,729	-	551,729
Charge for the year	21,120	7,896	29,016
At 30 June 2023	572,849	7,896	580,745
Carrying amount			
At 30 June 2023	29,482	150,012	179,494

	Furniture, fittings and equipment RM	Total RM
2022		
Cost		
At 1 April 2021	587,431	587,431
Additions	14,900	14,900
At 30 June 2022	602,331	602,331
Accumulated depreciation		
At 1 April 2021	527,863	527,863
Charge for the period	23,866	23,866
At 30 June 2022	551,729	551,729
Carrying amount		
At 30 June 2022	50,602	50,602

11. Property, plant and equipment (Cont'd)

(a) The land and buildings of the Group were last revalued on 30 June 2023 based on valuations carried out by an external independent professional valuer as follow:

Description	Valuation method	Valuation amount RM
Freehold land	Comparison method	10,040,000
Buildings	Comparison method	12,085,000
		22,125,000

(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 2023 RM	Group 2022 RM
Freehold land	1,019,735	1,019,735
Buildings	8,985,061	9,298,546
	10,004,796	10,318,281

Carrying amount of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 24 and Note 39 to the financial statements are RM21,945,000 (2022: RM19,683,751).

(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.

12. Right-of-use assets

	Motor vehicles RM	Total RM
Group		
2023		
Cost		
At 1 July 2022	433,738	433,738
Addition	-	-
At 30 June 2023	433,738	433,738
Accumulated depreciation		
At 1 July 2022	69,486	69,486
Charge for the year	86,748	86,748
At 30 June 2023	156,234	156,234
Carrying amount		
At 30 June 2023	277,504	277,504

12. Right-of-use assets (Cont'd)

	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Group				
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 2022	-	-	433,738	433,738
Accumulated depreciation				
At 1 April 2021	32,292	69,300	416,500	518,092
Charge for the period	-	-	99,036	99,036
Disposal	-	-	(446,050)	(446,050)
Transfer	(32,292)	(69,300)	-	(101,592)
At 30 June 2022	-	-	69,486	69,486
Carrying amount				
At 30 June 2022	-	-	364,252	364,252

The Group leases various of assets which are motor vehicles, plant and machinery and furniture, fitting and equipment. The contract terms ranging from of 3 to 7 years (2022: 5 to 7 years) that may not come together with an extension option of renewal of contract which ranging from 3 to 7 years.

The Group has entered into finance lease arrangement in acquiring the asset as disclosed in Note 23 to the financial statements with a carrying amount of the asset amounted to RM277,504 (2022: RM364,252).

13. Investment properties

	Freehold land RM	Leasehold building RM	Total RM
Group			
2023			
At cost/fair value			
At 1 July 2022	2,900,000	1,200,000	4,100,000
Acquisition of subsidiary	-	4,900,000	4,900,000
Fair value adjustment	404,805	(254,805)	150,000
At 30 June 2023	3,304,805	5,845,195	9,150,000

	Freehold land RM	Leasehold building RM	Total RM
Accumulated depreciation			
At 1 July 2022	-	-	-
Charge for the year	-	56,322	56,322
At 30 June 2023	-	56,322	56,322
Carrying amount			
At 30 June 2023	3,304,805	5,788,873	9,093,678
Representing:			
At cost	-	4,843,678	4,843,678
At fair value	3,304,805	945,195	4,250,000
	3,304,805	5,788,873	9,093,678
Group and Company			
2022			
At fair value			
At 1 April 2021/30 June	2,900,000	1,200,000	4,100,000

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Recognised in profit or loss:				
Rental income from investment properties	135,560	194,550	119,900	158,300
Direct operating expenses relating to investment properties that generate rental income	(19,715)	(42,294)	(19,715)	(42,294)

The investment properties of the Group and of the Company are stated at fair value of RM4,250,000 (2022: RM4,100,000) based on valuations (using comparison valuation method) carried out by an independent professional valuer on 23 August 2023.

14. Investment in subsidiaries

	Company 2023 RM	Company 2022 RM
Unquoted shares at cost	62,204,486	62,204,486
Addition during the year	18,500,100	-
	80,704,586	62,204,486
Less: Impairment loss		
At 1 July 2022/1 April 2021	(35,577,260)	(35,364,447)
Addition during the financial year/period	-	(212,813)
At 30 June	(35,577,260)	(35,577,260)
Carrying amount	45,127,326	26,627,226

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

Name of subsidiaries	Percentage of equity held (%) 2023	Percentage of equity held (%) 2022	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.
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.
Kepayang Heights Sdn. Bhd.	97.24	-	Business of property development and construction.
Longhorn Capital Sdn. Bhd.	100	-	Investment holdings.
Subsidiary of Classita (M) Sdn. Bhd.			
PT Classita Indonesia Intimates*	60	-	Manufacture and sales of undergarments.

* The unaudited management accounts of the subsidiary were used in the consolidation of the Group results. This subsidiary was incorporated on 7 December 2022.

14. Investment in subsidiaries (Cont'd)

14.1 Impairment of investment in subsidiaries

In the current reporting year

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

No impairment of investment in subsidiaries for the current year.

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 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.

14.2 Acquisition of subsidiaries

On 1 November 2022, the Company had acquired a new subsidiary named Kepayang Heights Sdn. Bhd. ("KHSB") and has entered into a share sales agreement with Harvest Miracle Capital Berhad to acquire 100,000 ordinary shares in KHSB which represents 3.4% of the entire issued and paid-up share capital in KHSB for a total cash consideration of RM17,000,000. The Company had entered into a subscription agreement with KHSB for the issuance and allotment of 100,000,000 ordinary shares in KHSB representing 97.14% of the enlarge total number of issued shares in KHSB for a total subscription price of RM1,500,000. KHSB become a 97.24% owned subsidiary of the Company on 9 December 2022.

On 29 May 2023, the Company had entered into a shares sales agreement to acquire 500,000 ordinary shares representing 100% of the equity interest in Longhorn Capital Sdn Bhd for a total consideration of RM100. The acquisition was completed on 16 June 2023.

On 7 December 2022, Classita (M) Sdn Bhd, a subsidiary of the Company, had subscribed 6,000 ordinary shares representing 60% of the equity interests in PT Classita Indonesia Intimates for a total cash consideration of IDR6,000,000 (approximately RM1,699,490).

Consideration transferred for acquisition of subsidiaries

	Group 2023 RM	Company 2023 RM
Fair Value of consideration transferred		
Purchase consideration in cash	20,199,590	18,500,100

14. Investment in subsidiaries (Cont'd)

14.2 Acquisition of subsidiaries (Cont'd)

Identifiable assets acquired and liabilities assumed

	Kepayang Heights Sdn. Bhd. RM	Longhorn Capital Sdn. Bhd. RM	PT Classita Indonesia Intimates RM	Total RM
Fair value recognised on acquisition				
Net assets as at date of acquisition:				
Property, plant and equipment	27,243	-	-	27,243
Investment properties	-	4,900,000	-	4,900,000
Land held for development	18,500,000	-	-	18,500,000
Inventories	1,143,977	-	-	1,143,977
Other receivables	300	800	-	1,100
Cash and bank balances	1,500,275	33,078	2,832,484	4,365,837
Other payables and accruals	(330,320)	(4,985,755)	-	(5,316,075)
Deferred tax liability	(4,082,079)	-	-	(4,082,079)
	16,759,396	(51,877)	2,832,484	19,540,003
Non-controlling interests	(462,559)	-	(1,132,994)	(1,595,553)
Goodwill	2,203,163	51,977	-	2,255,140
Cash outflow for acquisition	18,500,000	100	1,699,490	20,199,590
Less: Cash and bank balances	(1,500,275)	(33,078)	(2,832,484)	(4,365,837)
Net cash outflow/(inflow) on acquisition	16,999,725	(32,978)	(1,132,994)	15,833,753

15. Goodwill

	Group 2023 RM	2022 RM
Arising from acquisition of subsidiaries	2,255,140	-
Less: Impairment loss		
At 1 July 2022/1 April 2021	-	(357,964)
Disposal of subsidiary	-	357,964
At 30 June	-	-
	2,255,140	-

The goodwill arose from the acquisition of the new subsidiaries during the year which the amount of RM2,203,163 for Kepayang Heights Sdn. Bhd. and RM51,977 for Longhorn Capital Sdn. Bhd..

15. Goodwill (Cont'd)

Impairment test for goodwill

At the reporting date, the Company conducted an impairment review on goodwill in accordance with MFRS 136 Impairment of Assets. The Directors' assessment of the recoverable amount of the goodwill is based on the fair value less cost of disposal of cash generating unit ("CGU").

The recoverable amount of the respective subsidiaries is higher than goodwill generated as a result there were no impairment made for goodwill. The management estimating the fair value, which is the net assets of the subsidiaries as there is no readily available market value, less cost of disposal of these subsidiaries.

16. Inventories

	Note	Group 2023 RM	Group 2022 RM
At cost:			
Property development costs	(a)	38,682,337	24,759,683
Completed development units		9,910,027	7,056,863
Raw materials		4,188,363	7,261,615
Work in progress		692,410	2,257,240
Finished goods		2,601,047	4,207,383
		56,074,184	45,542,784
At cost/net realisable value			
Property development costs	(a)	6,926,430	-
Completed development units		10,581,700	10,581,700
Finished goods		288,315	472,209
		17,796,445	11,053,909
Total		73,870,629	56,596,693
Recognised in profit or loss:			
Inventories recognised as cost of sales		43,332,794	61,525,517
Inventories written down:			
- property development cost		7,818,625	-
- finished goods		344,973	855,924

The following inventories have been charged to banks to partially secure the borrowings referred to Note 24 to the financial statements below:

	Group 2023 RM	Group 2022 RM
Completed development units	3,516,805	3,516,805

16. Inventories (Cont'd)

(a) Property development costs

	Group 2023 RM	As restated 2022 RM
At cost/net realisable value		
At 1 July 2022/1 April 2021		
Leasehold land	24,833,067	7,824,405
Development costs	19,608,151	16,522,284
	44,441,218	24,346,689
Costs incurred during the financial year/period:		
- Land costs	9,000,000	-
- Development costs	(13,826)	986,036
- Costs recognised in profit and loss in current financial year/period	(7,818,625)	(573,042)
At 30 June	45,608,767	24,759,683

Property development costs are analysed as follows:

	Group 2023 RM	As restated 2022 RM
At cost		
Leasehold land	33,833,067	7,824,405
Development costs	4,849,270	16,935,278
	38,682,337	24,759,683
At cost/net realisable value		
Development costs	6,926,430	-
	45,608,767	24,759,683

A total of 88 (2022: 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 2023.

Included in leasehold land as at 30 June 2023 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

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Trade receivables	(a)	18,832,341	29,236,302	-	-
Less: Impairment		(13,898,779)	(20,779,380)	-	-
		4,933,562	8,456,922	-	-

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-trade receivables	(b)	2,646,356	1,397,634	-	-
Less: Impairment		(837,628)	(837,628)	-	-
		1,808,728	560,006	-	-
Amounts owing by subsidiaries	(c)	-	-	53,860,522	40,351,108
Deposits		1,706,178	223,678	9,686	9,686
Prepayments		715,009	310,568	521,046	121,085
Advances to sub-contractors	(d)	1,204,435	1,204,435	-	-
Less: Impairment		(401,777)	(401,777)	-	-
		802,658	802,658	-	-
Total		9,966,135	10,353,832	54,391,254	40,481,879

(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 (2022: cash on delivery to 75 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Group 2023 RM	Group 2022 RM
Loss allowance		
At 1 July 2022/1 April 2021	20,779,380	18,646,028
Addition	185,162	4,763,307
Reversal of allowance for impairment	(7,065,763)	(2,629,955)
At 30 June	13,898,779	20,779,380

17. Receivables, deposits and prepayments (Cont'd)

(b) Non-trade receivables

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

	Group	
	2023 RM	2022 RM
Loss allowance		
At 1 July 2022/1 April 2021	837,628	237,745
Addition	-	599,883
At 30 June	837,628	837,628

(c) Amounts owing by subsidiaries

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

(d) Advances to sub-contractors

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

	Group	
	2023 RM	2022 RM
Loss allowance		
At 1 July 2022/1 April 2021/30 June	401,777	401,777

18. Fixed deposit with licensed banks

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

The fixed deposits with licensed banks of the Group amounted to RM Nil (2022: RM3,196,829) 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	2023 RM	2022 RM	2023 RM	2022 RM
Cash in hand		30,094	9,869	-	-
Cash at bank		80,654,267	15,687,514	73,308,042	307,679
Bank balances held under Housing Development Accounts	(a)	420,912	417,439	-	-
		81,105,273	16,114,822	73,308,042	307,679

(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. Share capital

	Group and Company			
	2023 Number of shares	2022 Number of shares	2023 RM	2022 RM
Issued and fully paid:				
At 1 July 2022/ 1 April 2021	258,242,604	213,367,900	71,778,935	59,559,261
Issuance of shares pursuant to:				
- private placement	-	23,000,000	-	7,935,000
- warrants	93,969,100	21,874,704	32,889,185	4,284,674
At 30 June	352,211,704	258,242,604	104,668,120	71,778,935

(1) During the financial year ended 30 June 2023, the Company increased its issued and paid-up share capital by issuance of 93,969,100 new shares from exercise of Warrants B at exercise price of RM0.35 each.

(2) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at all shareholders' meetings of the Company. All ordinary shares rank pari-passu with regards to the residual assets of the Company.

(3) The bonus issue of warrants 2021/2024 ("Warrants B") which were quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") were issued during the financial year 2021. The Warrants B entitle the holders to subscribe for one (1) new ordinary share for every Warrant B held at an exercise price of RM0.35 per ordinary shares during the exercise period which is expiring on 22 December 2024.

The other salient features of the Warrants B were as follows:

(i) the exercise price of RM0.35 and number of Warrants B 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 Warrant B that was 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 B 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 2023, 33,947,702 (2022: 127,916,802) Warrants B were still unexercised.

Pursuant to the adjustment arising from the Proposed Rights Issue undertaken by the Company as disclosed in Note 41, the number of 33,947,702 Warrants B has been adjusted into 72,654,397 Warrants B whereby the additional 38,706,695 Warrants B were listed and quoted on the Main Market of Bursa Securities on 14 July 2023. The exercise price of the outstanding Warrants B was adjusted from RM0.35 to RM0.16 on 14 July 2023.

21. Other reserves

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Reserve on consolidation		80,344	80,344	-	-
Revaluation reserve	(a)	12,865,493	10,464,138	1,851,511	1,851,511
Foreign translation reserve	(b)	152,831	-	-	-
		13,098,668	10,544,482	1,851,511	1,851,511

(a) Revaluation reserve

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Revaluation reserve	11,660,164	11,800,183	1,991,225	1,991,225
Add: Addition during the year /period	6,774,534	-	-	-
Less: Crystallisation of revaluation reserve	(136,196)	(140,019)	-	-
	18,298,502	11,660,164	1,991,225	1,991,225
Deferred tax (Note 25)	(1,196,026)	(1,229,200)	(139,714)	(139,714)
Add: Addition during the year /period	(4,270,368)	-	-	-
Less: Crystallisation of deferred tax	33,385	33,174	-	-
	(5,433,009)	(1,196,026)	(139,714)	(139,714)
Revaluation reserve, net of tax	12,865,493	10,464,138	1,851,511	1,851,511
Revaluation surplus in respect of:				
- land and buildings (under property, plant and equipment)	11,013,982	8,612,627	-	-
- investment property (prior to transfer of owner-occupied to investment property)	1,851,511	1,851,511	1,851,511	1,851,511
	12,865,493	10,464,138	1,851,511	1,851,511

(b) Foreign translation reserve

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Attributable to:				
Owners of the Company	152,831	-	-	-
Non-controlling interests	101,887	-	-	-
	254,718	-	-	-

22. Non-controlling interests

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

	Kepayang Heights Sdn. Bhd.	PT Classita Indonesia Intimates	Total
2023			
NCI percentage of ownership interest and voting interest (%)	2.76	40	
Carrying amount of NCI (RM)	461,995	1,000,897	1,462,892
Loss allocated to NCI (RM)	(564)	(233,984)	(234,548)
Total comprehensive loss to NCI (RM)	(564)	(132,097)	(132,661)

Summarised financial information before intra-group elimination:

	Kepayang Heights Sdn. Bhd.	PT Classita Indonesia Intimates	Total
2023			
Non-current assets	15,754	726,854	742,608
Current assets	3,805,648	1,861,564	5,667,212
Current liabilities	(9,030)	(86,177)	(95,207)
Net assets	3,812,372	2,502,241	6,314,613
Loss for the financial year	(20,441)	(584,961)	(605,402)
Total comprehensive loss for the financial year	(20,441)	(584,961)	(605,402)
Cash flow used in operating activities	(13,979)	(2,152,527)	(2,166,506)
Cash flow used in investing activities	-	(782,862)	(782,862)
Cash flow from financing activities	1,251,833	2,832,484	4,084,317

23. Lease liabilities

	Group	
	2023 RM	2022 RM
Representing:		
Current liabilities	70,348	70,348
Non-current liabilities	192,658	260,519
	263,006	330,867
Repayable:		
Within one year	70,348	70,348
More than one year but less than five years	169,356	260,519
More than five years	23,302	-
	263,006	330,867

23. Lease liabilities (Cont'd)

	Group 2023 RM	Group 2022 RM
Recognised in profit or loss:		
Interest expense on lease liabilities	12,373	19,656

The total cash outflow for leases of the Group for the financial year/period is RM80,234 (2022: RM240,179).

The effective interest rates of lease liabilities ranging from 3.99% to 4.07% (2022: 3.99% to 4.07%) per annum.

24. Term loans

	Group 2023 RM	Group 2022 RM
Secured:		
Current	1,270,566	1,758,347
Non-current	6,838,976	8,188,645
	8,109,542	9,946,992

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

	Group 2023 RM	Group 2022 RM
Repayable:		
Within one year	1,270,566	1,758,347
More than one year but less than five years	2,957,595	4,141,199
More than five years	3,881,381	4,047,446
	8,109,542	9,946,992

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

24. Term loans (Cont'd)

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

The term loans of the Group bear interest at a range of 4.68% to 10.18% (2022: 6.23% to 9.23%) per annum and secured by:

(i) a fixed charges over freehold land and buildings of certain subsidiaries as disclosed in Note 11 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 4.68% (2022: 3.73%) 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.

25. Deferred tax (assets)/liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax liabilities:				
- subject to income tax	4,089,564	982,568	-	10,830
- subject to real property gains tax	1,358,430	460,355	147,214	139,714
	5,447,994	1,442,923	147,214	150,544
Deferred tax liabilities (net)	5,447,994	1,442,923	147,214	150,544

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 July 2022/1 April 2021	1,442,923	(2,512,156)	150,544	153,637
Recognised in profit or loss (Note 9)	(265,297)	3,955,079	(3,330)	(3,093)
Recognised directly in equity	4,270,368	-	-	-
At 30 June	5,447,994	1,442,923	147,214	150,544

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25. Deferred tax (assets)/liabilities (Cont'd)

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

	Property, plant and equipment RM	Revaluation reserve RM	Total RM
Group			
2023			
Deferred tax liabilities			
At 1 July 2022	1,155,238	1,196,026	2,351,264
Recognised in profit or loss (Note 9)	(12,136)	(25,885)	(38,021)
Recognised directly in equity	-	4,270,368	4,270,368
At 30 June	1,143,102	5,440,509	6,583,611
2022			
Deferred tax liabilities			
At 1 April 2021	1,093,663	1,229,200	2,322,863
Recognised in profit or loss (Note 9)	61,575	(33,174)	28,401
At 30 June	1,155,238	1,196,026	2,351,264

	Unabsorbed capital allowance RM	Unutilised tax losses RM	Provisions RM	Property, plant and equipment RM	Others RM	Total RM
Group						
2023						
Deferred tax assets						
At 1 July 2022	(57,303)	(98,497)	(813,194)	-	60,653	(908,341)
Recognised in profit or loss (Note 9)	(38,355)	(301,776)	27,549	-	85,306	(227,276)
At 30 June	(95,658)	(400,273)	(785,645)	-	145,959	(1,135,617)
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 9)	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)

25. Deferred tax (assets)/liabilities (Cont'd)

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

	Property, plant and equipment RM	Revaluation reserve RM	Total RM
Company			
2023			
Deferred tax liabilities			
At 1 July 2022	10,830	139,714	150,544
Recognised in profit or loss (Note 9)	(10,830)	7,500	(3,330)
At 30 June	-	147,214	147,214
2022			
Deferred tax liabilities			
At 1 April 2021	13,923	139,714	153,637
Recognised in profit or loss (Note 9)	(3,093)	-	(3,093)
At 30 June	10,830	139,714	150,544

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Provision	24,128,262	23,684,462	-	-
Unabsorbed capital allowances	905,177	741,052	-	-
Unutilised tax losses	16,565,010	13,767,528	-	-
	41,598,449	38,190,042	-	-

26. Payables and accrued liabilities

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	(a)	5,265,084	14,524,909	-	-
Non-trade payables	(b)	2,821,851	3,438,684	103,883	112,346
Deposit received	(c)	73,051,686	28,000	72,988,604	28,000
Accrued liabilities		2,452,880	4,321,086	1,211,942	1,453,058
Amount owing to a Director	(d)	-	300,137	-	-
Amount owing to a subsidiary	(e)	-	-	1,350,809	-
		83,591,501	22,612,816	75,655,238	1,593,404

26. Payables and accrued liabilities (Cont'd)

(a) Trade payables

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2022: cash on delivery to 90 days).

(b) Non-trade payables

Included in non-trade payables of the Group is the sales and services tax payable of RM7,570 (2022: RM30,474) in respect of sales and services tax/goods and services tax.

(c) Deposits received

Included in deposits received of the Group and of the Company amounted to RM72,934,204 being monies received pursuant to subscription of Rights Shares with Warrants C at an issue price of RM0.10 per share as disclosed in Note 41. The Right Shares with Warrants C was listed and quoted on the Main Market of Bursa Securities on 14 July 2023.

(d) Amount owing to a Director

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

(e) Amount owing to a subsidiary

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

27. Contract liabilities

	Group	
	2023	**2022**
	RM	**RM**
Contract liabilities	374,123	393,170
At 1 July 2022/1 April 2021	393,170	360,395
Consideration paid to customers	-	(228,128)
Provision relating to liquidated ascertained damages	-	296,493
Reversal of provision for liquidated ascertained damages	(19,047)	(35,590)
At 30 June	374,123	393,170

28. Provisions

	Group	
	2023	**2022**
	RM	**RM**
Provision for compensation claims		
At 1 July 2022/1 April 2021/30 June	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.

29. Short-term bank borrowings

	Group 2023 RM	Group 2022 RM
Secured:		
Bank overdrafts	153,661	4,753,314
Foreign currency revolving credit	-	1,880,141
	153,661	6,633,455
Representing:		
Bank overdrafts	153,661	4,753,314
Others	-	1,880,141
	153,661	6,633,455

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 11 to the financial statements;

(ii) deposits pledged with a licensed bank of a subsidiary as disclosed in Note 18 to the financial statements in financial period 2022;

(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 2023 %	Group 2022 %
Weighted average effective interest rates per annum:		
- bank overdrafts	7.68 to 10.18	6.73 to 9.23
- foreign currency revolving credit	-	3.04

	Days	Days
The range of credit periods of these short-term borrowings are as follows:		
- foreign currency revolving credit	-	181

30. Dividend

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

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31. 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 directl indirectly.

(b) Related party transactions

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

	Group	
	2023 RM	2022 RM
Transaction with Directors:		
- Disposal of property, plant and equipment	-	(30,000)
Transaction with subsidiaries:		
Caely (M) Sdn. Bhd.		
- management fees received	-	(52,492)
Classita (M) Sdn. Bhd.		
- management fees received	-	(509,452)
Marywah Industries (M) Sdn. Bhd.		
- management fees received	-	(25,284)
Caely Ecommerce Sdn. Bhd.		
- management fees received	-	(572)
Transactions with related parties:		
Ingenieur EPCM Sdn. Bhd.		
- renovation work	175,000	-

The balances outstanding with related parties in respect of the above transactions are disclosed in Notes 17 and 26 to the financial statements.

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

31. Related party disclosures (Cont'd)

(c) Key management compensation

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fees	213,000	327,000	213,000	327,000
Salaries, bonus and allowances	311,635	1,328,341	64,143	112,466
Defined contribution plan expenses and social security contribution	23,405	177,920	3,855	16,260
	548,040	1,833,261	280,998	455,726
Monetary value of benefits-in-kind	15,000	17,400	-	-

32. Financial guarantees

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Corporate guarantees given to financial institution for banking facilities granted to certain subsidiaries	-	-	8,263,203	16,580,447
Bank guarantee given to Tenaga Nasional Berhad for banking facilities granted	-	85,000	-	-
Bank guarantee given to Ketua Pengarah Kastam Malaysia for credit facilities granted	-	300,000	-	-
	-	385,000	8,263,203	16,580,447

33. Segment reporting

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

- Property development and construction activities.
- Manufacturing and sales of undergarments under Original Equipment Manufacturer arrangements ("OEM") mainly to Europe, Canada and United States of America and under own brand to cater for direct selling and retail business.
- Direct selling and retail - involving multi-level marketing of undergarments, garments, leather good, sportswear and household products and retailing of undergarments and garments.
- Investment holding activities undertaken by the Company.

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.

33. Segment reporting (Cont'd)

(a) Analysis of results and financial position

	Property development and construction RM	Manufacturing sales RM	Direct selling/ retail RM	Investment holding RM	Total RM
Group					
2023					
Revenue					
Total revenue	(2,460,116)	45,348,824	2,969,199	-	45,857,907
Intersegment revenue	-	(1,052,023)	(18,009)	-	(1,070,032)
External revenue	(2,460,116)	44,296,801	2,951,190	-	44,787,875
Results					
Loss from operations	(5,993,664)	(1,311,285)	(96,868)	(1,306,664)	(8,708,481)
Finance costs	(245,421)	(540,576)	-	-	(785,997)
Loss before tax	(6,239,085)	(1,851,861)	(96,868)	(1,306,664)	(9,494,478)
Tax expenses					144,026
Loss for the year					(9,350,452)
Segment assets					
Unallocated corporate assets	76,262,459	41,785,500	202,517	85,392,011	203,642,487
Current tax recoverable	158,777	1,085,777	-	18,225	1,262,779
					204,905,266
Segment liabilities					
Unallocated corporate liabilities	11,839,819	6,572,182	26,957	74,311,229	92,750,187
Deferred tax liabilities	4,163,891	1,136,889	-	147,214	5,447,994
					98,198,181
Capital expenditure	36,405	1,267,953	-	157,908	1,462,266
Included in loss from operations are:					
Interest income	(3,433)	(80,648)	(133)	-	(84,214)
Depreciation for property, plant and equipment	29,583	813,917	2,044	29,016	874,560
Depreciation for right-of-use asset	-	86,748	-	-	86,748
Depreciation for investment property	-	-	-	56,322	56,322
Inventories written down:					
- properties development cost	7,818,625	-	-	-	7,818,625
- finished goods	-	329,977	14,996	-	344,973

33. Segment reporting (Cont'd)

(a) Analysis of results and financial position (Cont'd)

	Property development and construction RM	Manufacturing sales RM	Direct selling/ retail RM	Investment holding RM	Total RM
Group					
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 costs	(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
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
					41,977,596
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
Inventories written down	435,000	420,924	-	-	855,924

33. Segment reporting (Cont'd)

(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	
	2023	**2022**
	RM	**RM**
Malaysia	1,076,471	6,149,990
United States of America	1,422,857	4,004,058
Canada	6,430,783	13,650,443
Germany	31,404,004	48,784,627
France	905,864	95,673
Hong Kong	3,023,955	2,418,869
Netherlands	-	349,868
Myanmar	7,050	147,873
Czech	-	155,658
Singapore	-	3,345
Other countries	516,891	66,826
	44,787,875	75,827,230

For the financial year, the total manufacturing segment revenue is RM44,296,801 (2022:RM70,460,135) of which the revenue of 4 (2022: 4) customers had contributed more than 76% (2022: 74%). The total revenue of these major customers is RM33,584,307 (2022: RM55,896,742).

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

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities are consistent with the basis used for the statements of comprehensive income of the Group for the financial year ended 30 June 2023 and the statements of financial position as at 30 June 2023. The components of the segment assets and liabilities include all classes of assets and liabilities disclosed in the consolidated statement of financial position.

34. Operating lease arrangements

The Group and the Company as lessor

The Company has entered into operating lease agreements to lease out certain of its investment properties. The future minimum lease payments receivable under operating leases contracted for as of the reporting date but not recognised as receivables, are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Not later than one year	271,200	135,560	175,200	119,900
More than one year	110,500	285,700	110,500	285,700
	381,700	421,260	285,700	405,600

34. Operating lease arrangements (Cont'd)

The Group and the Company as lessee

The Company has entered into operating lease agreements for the use of land, premises and road access. The future aggregate minimum lease payments under operating leases contracted for as of the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Not later than one year	-	16,575	-	-

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").

	Carrying amount RM	AC RM
Group		
2023		
Financial assets		
Receivables and deposits (excluding prepayments and advances to sub-contractors)	8,448,468	8,448,468
Cash and bank balances	81,105,273	81,105,273
	89,553,741	89,553,741
Financial liabilities		
Term loans	8,109,542	8,109,542
Short term bank borrowings	153,661	153,661
Lease liabilities	263,006	263,006
Payables and accrued liabilities (excluding statutory liabilities)	83,583,931	83,583,931
	92,110,140	92,110,140
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

35. Financial instruments (Cont'd)

Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM
Company		
2023		
Financial assets		
Receivables and deposits	53,870,208	53,870,208
Cash and bank balances	73,308,042	73,308,042
	127,178,250	127,178,250
Financial liability		
Payables and accrued liabilities	75,655,238	75,655,238
2022		
Financial assets		
Receivables and deposits	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

Net gains/(losses) arising from financial instruments

	Group	
	2023 RM	**2022 RM**
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Impairment loss on receivables	(185,162)	(5,363,190)
Reversal of impairment loss on receivables	7,065,763	2,629,955
Interest income	84,214	195,807
Unrealised foreign exchange gain	358,511	148,766
	7,323,326	(2,388,662)
Financial liability measured at amortised cost		
Interest expenses	(731,499)	(990,758)
Unrealised foreign exchange gain	16,277	-

35. Financial instruments (Cont'd)

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 of 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.

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.

<u>Credit risk arising from OEM</u>

The Group exports of its undergarment's products mostly to Europe, Canada, , Hong Kong, 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.

<u>Credit risk arising from property development activities</u>

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.

<u>Credit risk arising from construction activities</u>

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 (Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

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 RM8,263,203 (2022: RM16,580,447) 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 organisation; or
- The disappearance of an active market for a security because of financial difficulties.

35. Financial instruments (Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

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	Carrying amount RM
Group			
2023			
Not past due	3,970,556	-	3,970,556
1 to 60 days	200,291	-	200,291
61 to 120 days	30,203	-	30,203
More than 121 days	732,512	-	732,512
	4,933,562	-	4,933,562
Credit impaired			
Individually impaired	13,898,779	(13,898,779)	-
	18,832,341	(13,898,779)	4,933,562
2022			
Not past due	4,369,387	-	4,369,387
1 to 60 days	2,793,421	-	2,793,421
61 to 120 days	985,530	(34,457)	951,073
More than 121 days	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

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.

Generally, the Company considers loans and advances to inter-companies 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.

35. Financial instruments (Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

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			
2023			
Amount due from subsidiaries	53,860,522	-	53,860,522
2022			
Amount due from subsidiaries	40,351,108	-	40,351,108

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
2023		
Variable rate instruments		
Financial liabilities		
Lease liabilities	3.99 - 4.07	(263,006)
Bank overdrafts	7.68 - 10.18	(153,661)
Term loans	4.68 - 10.18	(8,109,542)
Net exposure		(8,526,209)

35. Financial instruments (Cont'd)

Financial risk management objectives and policies (Cont'd)

Interest rate risk (Cont'd)

	Effective interest rate per annum %	Carrying amount RM
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 - 4.07	(330,867)
Foreign currency revolving credit	3.04	(1,880,141)
Bank overdrafts	6.73 - 9.21	(4,753,314)
Term loans	3.73 - 9.32	(9,946,992)
		(16,911,314)
Net exposure		(7,714,485)

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:

	2023 (Decrease)/ Increase RM	2022 (Decrease)/ Increase RM
Effects on profit after taxation:		
Increase by 10 basis points	(6,480)	(5,863)
Decrease by 10 basis points	6,480	5,863

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 (Cont'd)

Financial risk management objectives and policies (Cont'd)

Liquidity risk (Cont'd)

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:

	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Group					
2023					
Payables and accrued liabilities	83,583,931	83,583,931	83,583,931	-	-
Lease liabilities	263,006	289,227	68,772	196,904	23,551
Term loans	8,109,542	10,633,462	1,858,237	3,556,755	5,218,470
Short term bank borrowings	153,661	153,661	153,661	-	-
	92,110,140	94,660,281	85,664,601	3,753,659	5,242,021
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
Company					
2023					
Payables and accrued liabilities	75,655,238	75,655,238	75,655,238	-	-
Financial guarantee contract	-	8,263,203	-	-	-
	75,655,238	83,918,441	75,655,238	-	-
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	-	-

35. Financial instruments (Cont'd)

Financial risk management objectives and policies (Cont'd)

Foreign currency risk

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

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

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

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

	RMB RM	USD RM	Euro RM	IDR RM	Total RM
Group					
2023					
Financial assets					
Receivables, deposits and prepayments	-	2,945,900	695,813	1,709,751	5,351,464
Cash and bank balances	-	3,338,797	455	151,813	3,491,065
	-	6,284,697	696,268	1,861,564	8,842,529
Financial liability					
Payables and accrued liabilities	(558,735)	(649,900)	20,634	(86,177)	(1,274,178)
Net currency exposure	(558,735)	5,634,797	716,902	1,775,387	7,568,351

	RMB RM	USD RM	Euro RM	Total RM
Group				
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 liability				
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

35. Financial instruments (Cont'd)

Financial risk management objectives and policies (Cont'd)

Foreign currency risk (Cont'd)

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:

	2023 Increase/ (Decrease) RM	2022 Increase/ (Decrease) RM
Group		
Effects on profit after taxation:		
RMB/RM		
Strengthen by 5% (2022: 5%)	(21,232)	(133,432)
Weaken by 5% (2022: 5%)	21,232	133,432
USD/RM		
Strengthen by 5% (2022: 5%)	214,122	394,066
Weaken by 5% (2022: 5%)	(214,122)	(394,066)
Euro/RM		
Strengthen by 5% (2022: 5%)	27,242	170,832
Weaken by 5% (2022: 5%)	(27,242)	(170,832)
IDR/RM		
Strengthen by 5% (2022: 5%)	67,465	-
Weaken by 5% (2022: 5%)	(67,465)	-

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 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2023				
Non-financial assets				
Property, plant and equipment	-	-	22,125,000	22,125,000
Investment properties	-	-	4,250,000	4,250,000

36. Fair values (Cont'd)

Fair value hierarchy (Cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2023				
Non-financial assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	-	4,100,000	4,100,000
Company				
2023				
Non-financial asset				
Investment properties	-	-	4,250,000	4,250,000
2022				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000

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 11 and investment properties as disclosed in Note 13 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 RM30 to RM150 (2022: 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% (2022: 5%) increase in unobservable input in price per square feet would lead to an increase of RM502,000 (2022: 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 year.

37. Capital management

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

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2023.

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 Company.

37. Capital management (Cont'd)

The gearing ratios of the Group is as follows:

	Group	
	2023 RM	2022 RM
Term loan	8,109,542	9,946,992
Short term bank borrowings	153,661	6,633,455
Lease liabilities	263,006	330,867
Less: Cash and bank balances	(81,105,273)	(16,114,822)
Net debt	(72,579,064)	796,492
Total equity	106,707,085	78,815,312
Total capital	34,128,021	79,611,804
Gearing ratio	N/A	1.00%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Securities, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 30 June 2023.

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

38. Material litigation

(i) Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn. Bhd. ("Plaintiffs (i)") v Classita ("Defendant (i)") - Suit pertaining to the regularity of EGM 15 June 2022 (Suit 732).

This Originating Summons was filed by Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn. Bhd. On 17 June 2022 pertaining to the regularity of the EGM 15 June 2022.

On 29 August 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 June 2022 are valid save and except for Resolution No. 1 (withdrawn) and Resolution No. 2 (not carried out);*

4. *A declaration that the Resolutions approved at the continued EGM on 15 June 2022 as per prayer 3 shall l take effect on 15 June 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 June 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;*

38. Material litigation (Cont'd)

(i) Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn. Bhd. ("Plaintiffs (i)") v Classita ("Defendant (i)") - Suit pertaining to the regularity of EGM 15 June 2022 (Suit 732). (Cont'd)

On 29.8.2022, the Court granted an order as follows (Cont'd):

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 allocator.

As a result of Order dated 29 August 2022, a new board of Directors of the Company was appointed.

On 5 December 2022, leave of the High Court has been granted to the Defendant to commence committal proceedings against Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria and Koo Chen Yeng (Proposed Contemnors) in respect of breaches of the Order. The Defendant had on 14 December 2022 filed the Notice of Application to commence committal proceedings against the Proposed Contemnors in respect of breaches of the Order (Enclosure 129).

Enclosure 129 is currently fixed for hearing on 30 November 2023.

The Defendant's solicitors are of the opinion that Defendant has put forth good grounds in support of Enclosure 129.

(ii) Classita, Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria, Koo Chen Yeng ("Appellants") v Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn Bhd ("Respondents") – Appeal against decision of Suit 732

On 20 September 2022, the Appellants lodged an appeal to the Court of Appeal against the decision of the High Court in Suit 732.

On 8 November 2022, Classita discontinued the appeal against the Respondents.

On 26 April 2023, the other Appellants discontinued the appeal against the Respondents.

(iii) Classita, Caely (M) Sdn Bhd, a wholly-owned subsidiary of Classita ("Plaintiffs (iii) ") v Datin Fong Nyok Yoon, Dato' Chuah Chin Lai, Siow Hock Lee, Ooi Say Teik, Hem Kan @ Chan Hong Kee, Ng boon Kang, Tan Loon Cheang, Dato' Wira Ng Chun Hau, Lim Chee Pang, Lim say Leong, Beh Hong Shien, Gok Ching Hee ("Defendants (iii)") - Suit pertaining to misappropriation of funds in Caely (M) Sdn. Bhd ("Caely-M") against12 previous Directors, chief executive officers and chief financial officers (Suit 133).

This is a suit filed by the Company and Caely M on 19 October 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.

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38. Material litigation (Cont'd)

(iii) Classita, Caely (M) Sdn Bhd, a wholly-owned subsidiary of Classita ("Plaintiffs (iii) ") v Datin Fong Nyok Yoon, Dato' Chuah Chin Lai, Siow Hock Lee, Ooi Say Teik, Hem Kan @ Chan Hong Kee, Ng boon Kang, Tan Loon Cheang, Dato' Wira Ng Chun Hau, Lim Chee Pang, Lim say Leong, Beh Hong Shien, Gok Ching Hee ("Defendants (iii)") - Suit pertaining to misappropriation of funds in Caely (M) Sdn. Bhd ("Caely-M") against12 previous Directors, chief executive officers and chief financial officers (Suit 133). (Cont'd)

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;

(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 Defendants have filed their memorandum of appearance and defence respectively.

There are also several pending interlocutory applications before the Court and they are fixed for hearing on 8 December 2023.

Suit 133 is also fixed for case management on 8 December 2023.

(iv) Dato' Wira Ng Chun Hau ("Plaintiff (iii)") v Classita, Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan A/L Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khow Chuan Wanh ("Defendants (iii)") - Suit pertaining to misappropriation of funds in Caely-M and conspiracy (Suit 78). (Suit 78 is converted to Suit 32).

This is a suit filed by the Company and Caely M on 26 August 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").

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) judgement 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 November 2022 to update the Court on the status of the matter.

38. Material litigation (Cont'd)

(iv) Dato' Wira Ng Chun Hau ("Plaintiff (iii)") v Classita, Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan A/L Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khow Chuan Wanh ("Defendants (iii)") - Suit pertaining to misappropriation of funds in Caely-M and conspiracy (Suit 78). (Suit 78 is converted to Suit 32). (Cont'd)

On 28 July 2023, the Board of Directors of Classita announced that the Suit 78 was fixed for hearing of Enclosure 22 and the Defendants" stay of proceedings application filed on 3 July 2023 ("Enclosure 25"). After hearing from the respective counsels, the Court allowed Enclosure 22 and stuck out Enclosure 25 both with no order as to costs. (Suit 78 is converted to Suit 32).

On 31 July 2023, the Board of Directors of Classita announced that the Suit 78 was fixed for case management and the Court has revoked all the pre-trial directions given previously pending the transfer of this proceeding to the Shah Alam High Court. (Suit 78 is converted to Suit 32).

On 15 August 2023, the Board of Directors of Classita announced that Suit 78 had been coverted to Shah Alam High Court and currently registered under Suit 32, which was fixed for case management on 15 August 2023. (Suit 78 is converted to Suit 32).

(v) Dato' Wira Ng Chun Hau ("Plaintiff (iv)") v Classita, Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan A/L Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khow Chuan Wah ("Defendants (iv)") - Defamation Suit (Suit 32).

This is a suit filed by the former 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.

The determination on quantum and liability arising from Suit 32 will correspondingly depend on whether the High Court finds that there have been any defamatory remarks made by the Defendants against the Plaintiff.

On 28 July the Court ordered that Suit 32 be transferred to the Shah Alam High Court hearing Suit 133.

Suit 32 is fixed for case management on 8 December 2023.

(vi) Wong Siaw Puie, Dato' JP Low Kok Chuan, Dato' Sri Tee Yam, Zhang Jia and Leow Boon Kin ("Plaintiffs (v)") v Classita ("Defendant (v)") – Case No. : WA-24NCC-136-03/2023 ("Suit 136").

Suit 136 was commenced against the Defendant (iv) whereby the Plaintiffs (iv) sought for the following reliefs:-

(i) That the Plaintiffs be granted leave to act on behalf of the Defendant ("Company") and/or take control of the conduct of the Company in relation to Ipoh High Court Civil Suit No.: AA-22NCvC-66-08/2022 ("Suit 66"), including but not limited to appointing new solicitors and/ or giving instructions to the Company's solicitors to, inter alia, reinstate and/ or file afresh Suit 66 against the defendants therein and to conduct Suit 66 and/or any appeals arising from any orders made therein;

38. Material litigation (Cont'd)

(vi) Wong Siaw Puie, Dato' JP Low Kok Chuan, Dato' Sri Tee Yam, Zhang Jia and Leow Boon Kin ("Plaintiffs (v)") v Classita ("Defendant (v)") – Case No. : WA-24NCC-136-03/2023 ("Suit 136"). (Cont'd):-

(ii) Alternatively, that the Plaintiffs be granted leave to act on behalf of the Company and/ or take control of the conduct of the Company in relation to Shah Alam High Court Civil Suit No.: BA-22NCC-133-10/2022 ("Suit 133"), including but not limited to appointing new solicitors and/or giving instructions to the Company's solicitors, to conduct Suit 133 and to, inter alia, join the following parties as defendants:-

(a) Leong Seng Wui;
(b) Goh Choon Kim;
(c) Chin Boon Long;
(d) Chong Loong Men;
(e) Kok Kwang Lim;
(f) Valhalla Capital Sdn. Bhd.;
(g) Hong Seng Capital Sdn. Bhd.;
(h) Goh Choon Heng;
(i) Luhur Sejahtera Sdn. Bhd.; and
(j) Zaidi Bin Zainudin,

and/or any appeals arising from any orders made therein;

(iii) That the Plaintiffs be granted leave to act on behalf of the Company and/ or take control of the conduct of the Company in relation to the Court of Appeal, Civil Appeal No.: W-02(NCC)(A)-1792-09/2022 ("Appeal 1792"), including but not limited to appointing new solicitors and/ or giving instructions to the Company's solicitors to conduct Appeal 1792 and/ or any appeals or leave to appeal arising from any orders made therein;

(iv) That the Plaintiffs be granted leave to initiate a legal action on behalf of the Company against Leong Seng Wui, Kang Chez Chiang, Ng Keok Chai, Krishnan A/L Dorairaju, Chong Seng Ming, Datuk Mior Faridalathrash Bin Wahid, Kenny Khow Chuan Wah, Chin Boon Long, Kepayang Heights Sdn. Bhd., Harvest Miracle Capital Berhad for breach of fiduciary duties and/ or fraud and/ or unjust enrichment and/ or conspiracy to injure the Company ("Kepayang Suit") in relation to the Company's acquisition of the shares in Kepayang Heights Sdn. Bhd. and all other related transactions arising therefrom;

(v) That the Plaintiffs be granted leave to require the Company, its agents, directors, representatives, auditors, consultants, company secretary, employees and/ or officers to provide or cause to be provided full cooperation to the Plaintiffs, including but not limited to producing any records, documents and/ or information of the Company to the Plaintiffs, and to refrain from destroying, withholding, concealing any records, documents, information and/or evidence that may be relevant to Suit 66, Suit 133, Appeal 1792 and the Kepayang Suit on behalf of the Company;

(vi) That the Plaintiffs be granted leave to require the Company, its agents, directors, representatives, auditors, consultants, company secretary, employees and/ or officers to do all acts necessary to authorise the Plaintiffs to act on behalf of the Company and to take all steps in order to conduct Suit 66, Suit 133, Appeal 1792 and the Kepayang Suit on behalf of the Company;

(vii) That Dato' IR Lim Siang Chai, Dato' JP Low Kok Chuan and Tony@ Hoo Swee Seang Mun be appointed as interim directors of the Company and to take control of the Company's conduct in respect of the said proceedings and/ or actions abovementioned, until full and final disposal of the same;

(viii) That the Company will forthwith indemnify all costs, expenses, tax and/or the legal fees reasonably incurred by the Plaintiffs for bringing into effect the abovementioned proceedings and/or actions;

(ix) That the Plaintiffs be given liberty to apply for further reliefs and/or orders;

(x) That legal costs for the relevant actions and/or proceedings abovementioned are to be borne by the Plaintiffs and/or the Company;

(xi) The costs of this action be paid by the Company to the Plaintiffs; and

38. Material litigation (Cont'd)

(vi) Wong Siaw Puie, Dato' JP Low Kok Chuan, Dato' Sri Tee Yam, Zhang Jia and Leow Boon Kin ("Plaintiffs (v)") v Classita ("Defendant (v)") – Case No. : WA-24NCC-136-03/2023 ("Suit 136"). (Cont'd):-

(xii) Any other and/or further reliefs which the Court deems just and expedient.

On 15 June 2023, the Court dismissed Suit 136 with costs of RM15,000-00 be paid by the Plaintiffs to the Defendant.

On 13 July 2023, the Plaintiffs lodged an appeal to the Court of Appeal against the decision of the High Court.

On 10 October 2023, the Board pof Directors of Classita announced that the plaintiffs have withdrawn the appeal lodged to the Court Appeal on 6 October 2023.

(vii) Dato' Sri Tee Yam, Wong Diaw Puie ("Plaintiffs (vi)") v Classita ("Defendant (vi)") Case No.: WA-22NCC-567-11/2022

On 4 November 2022, the Plaintiffs commenced this action to claim for the total sum of RM3,923,167.89 together with interest against the Defendant.

On 4 April 2023, the parties have arrived at an amicable settlement without any admission of liability and consent judgment has been recorded accordingly.

39. 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., ("Virdos Lima") forensic auditor has been appointed to carry out an independent forensic audit on allegations of suspicious and irregular transactions at Caely M.

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

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

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 Caely M;
(b) analyse and obtain factual evidence, if any, that the current and/or former personnel of Caely M have wilfully performed acts of misconduct that have compromised Caely M business operations and interest;
(c) assess the veracity of advances made by Caely M to determine any irregular and inappropriate payments;
(d) conduct a forensic accounting analysis of Caely M accounting and financial records to identify, if any, siphoning of funds from Caely M;
(e) assess and obtain factual evidence, if any, that current and/or former personnel/ of Caely M 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 Caely M in regards to its sale of properties in Bandar 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.

39. Significant events (Cont'd)

(i) Appointment of forensic auditor (Cont'd)

On 13 June 2022, the Board of Directors of the company announced that Virdos Lima 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 Caely M 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;

(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 Classita has recently discovered that Virdos Lima had on 7 April 2022 emailed a draft report of their investigation findings update dated 7 April 2022 to Classita 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 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 October 2022, the Board had announced that the legal letter dated 11 October 2022 to Virdos Lima is withdrawn with immediate effect.

The Board of the Directors of Classita announced that Virdos Lima has issued the Investigation Report on 23 October 2023.

The Company is currently seeking legal advice on the above matter.

40. Contingent liability

On 5 July 2023, Caely M, a subsidiary of the Company, had received a notice of demand dated 20 June 2023 from a creditor to claim for a sum of RM1,675,343 ("Alleged Sum") in relation to work done for a project in Perak.

Caely M has disputed on the Alleged Sum as the creditor is yet to provide any documentary proof to substantiates its claim.

41. Subsequent event

On 6 January 2023 the Company proposed to issue up to 965,398,515 new ordinary shares ("Rights Shares") on the basis of 5 Rights Shares for 2 existing ordinary shares held together with up to 579,239,109 free detachable warrant C ("Warrants C") on the basis of 3 Warrants C for every 5 Rights Shares subscribed for by the shareholders of the Company at an issue price of RM0.10 per Rights Share ("Proposed Rights Issue").

On 14 July 2023, the Proposed Rights Issue was completed following the listing and quotation of 880,529,260 Rights Shares together with 528,317,555 Warrants C on the Main Market of Bursa Securities.

Pursuant to the adjustment arising from the Proposed Rights Issue, the number of 33,947,702 Warrants B has been adjusted into 72,654,397 Warrants Berhad whereby the additional 38,706,695 Warrants B were listed and quoted on the Main Market of Bursa Securities on 14 July 2023. The exercise price of the outstanding Warrants B was adjusted from RM0.35 to RM0.16 on 14 July 2023.

42. Comparative figure

The presentation and classification of items in current year's financial statements are consistent with that of the previous year except for the following items that have been reclassified to conform with the current year's presentation:

	As per previously stated RM	Reclassification RM	As restated RM
2022			
Statement of financial position (extract)			
Property development costs:			
- leasehold land	6,894,701	929,704	7,824,405
- development costs	17,864,982	(929,704)	16,935,278

43. Change of name

On 9 December 2022, the Company changes its name from Caely Holdings Bhd. to Classita Holdings Berhad.

44. General information

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

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 14 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 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang.

The financial statements were approved and authorised for issue by the Board of Directors on 27 October 2023.

LANDED PROPERTIES

AS AT 30 JUNE 2023

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	2,303	23.08.2023	3,304,805
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building (4 storey shophouse)	Leasehold 18 years	05.04.2078	9,199	23.08.2023	945,195
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	45,466	21.08.2023	1,610,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	2-storey hostel	Freehold 27 years	-	13,821	21.08.2023	350,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 25 years	-	12,519	21.08.2023	320,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 23 years	-	28,140	21.08.2023	1,270,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	274,972	21.08.2023	8,250,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 26 years	-	70,429	21.08.2023	4,040,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 19 years	-	76,219	21.08.2023	4,975,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½-storey factory building	Freehold 16 years	-	1,981	21.08.2023	65,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 16 years	-	9,246	21.08.2023	235,000

LANDED PROPERTIES
AS AT 30 JUNE 2023

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 surau	Freehold 16 years	-	624	21.08.2023	20,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey factory building	Freehold 16 years	-	9,096	21.08.2023	405,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1- storey hostel	Freehold 15 years		9,245	21.08.2023	310,000
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	1,200	18.08.2023	180,000
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	2-storey residential property for staff accommodation	Freehold 21 years	-	1,693	18.08.2023	95,000
Tapah Road, Plot 31, 32 and 39, Mukim of Batang Padang, District of Batang Padang (Master title has been subdivided into individual subtitles)	Residential and commercial land – Development in progress	Leasehold	15-02-2112	7.04 acres	30.06.2023	3,674,235

ANALYSIS OF SHAREHOLDINGS

AS AT 05 OCTOBER 2023

Total Number of Issued Shares : 1,232,758,464 ordinary shares
Class of shares : Ordinary shares
Voting Rights : 1 vote per share
No. of Shareholders : 7,835

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 05 OCTOBER 2023

Size of shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	183	2.34	3,284	0.00
100 – 1,000	689	8.79	312,916	0.03
1,001 – 10,000	2,215	28.27	13,628,023	1.10
10,001 – 100,000	3,565	45.50	156,152,541	12.67
100,001 – less than 5% of issued shares	1,182	15.09	660,603,800	53.59
5% and above of issued shares	1	0.01	402,057,900	32.61
	7,835	100.00	1,232,758,464	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 05 OCTOBER 2023

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Hong Seng Consolidated Berhad	402,057,900	32.61	Nil	Nil

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2023

No	Name of Shareholders	No. of Shares	% of Issued Shares
1	HONG SENG CONSOLIDATED BERHAD	402,057,900	32.61
2	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Loh Lee Yin*	50,000,000	4.06
3	CSH NETWORK CAPITAL SDN BHD *Pledged Securities Account for Mysticmeka Sdn Bhd*	14,000,000	1.14
4	CGC-CIMB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Tay Hock Soon (MY1055)*	10,500,000	0.85
5	RHB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Khor Mooi Soong*	10,500,000	0.85

ANALYSIS OF SHAREHOLDINGS
AS AT 05 OCTOBER 2023

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2023 (CONT'D)

No	Name of Shareholders	No. of Shares	% of Issued Shares
6	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Loh Chun Sean*	10,003,900	0.81
7	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Kon Tek Yoong*	10,000,000	0.81
8	KENANGA NOMINESS (TEMPATAN) SDN BHD *Pledged Securities Account for Loh Yong Huat*	9,976,400	0.81
9	LEE YIH LEANG	9,500,000	0.77
10	TA SECURITIES HOLDINGS BERHAD IVT (P07)	7,000,000	0.57
11	KHOR MOOI SOONG	6,177,200	0.50
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ling Su You (E-KKU/BFT)*	6,170,000	0.50
13	TEDDY ROBIN LOJIKIM	5,500,000	0.45
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Khor Mooi Soong (E-TAI/TIN)*	5,500,000	0.45
15	AFFIN HWANG NOMINEES (ASING) SDN BHD *Tyxeros Trading Pte. Ltd. (B)*	5,040,500	0.41
16	Q HOLDINGS CAPITAL SDN BHD	5,000,000	0.41
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Yeu Ing Dee (E-KKU/BFT)*	4,960,000	0.40
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Loh Chun Sean (8060553)*	4,724,800	0.38
19	CARTABAN NOMINEES (ASING) SDN BHD *Exempt an for Barclays Capital Securities Ltd (SBL/PB)*	4,268,100	0.35
20	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Loh Teck Wei*	4,000,400	0.32
21	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Teng Yang*	4,000,400	0.32
22	RHB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Loh Yong Huat*	3,937,800	0.32
23	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Heng Ah Moi*	3,937,400	0.32
24	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Tan Boon Wooi*	3,937,400	0.32
25	LEE BEE SIN	3,900,000	0.31
26	YAK MENG HOCK	3,540,000	0.29
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Teh Bee Lan (Penang-CL)*	3,525,800	0.29
28	THONG KOK HOOW	3,500,000	0.28
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Lee Bee Sin*	3,320,000	0.27
30	TA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Alfie Gan Kong Tian*	3,310,000	0.27
TOTAL		**621,788,000**	**50.44**

ANALYSIS OF WARRANTS B HOLDINGS

AS AT 05 OCTOBER 2023

Total Number of Outstanding Warrants B	: 72,636,897
Issue Date	: 23 December 2021
Expiry date of Warrants B	: 22 December 2024
Voting Rights	: None, unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrants B	: RM0.16
No. of Shareholders	: 2,148

ANALYSIS BY SIZE OF WARRANTS B HOLDINGS AS AT 05 OCTOBER 2023

Size of shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	255	11.87	5,387	0.01
100 – 1,000	407	18.95	95,281	0.13
1,001 – 10,000	784	36.50	3,052,361	4.20
10,001 – 100,000	595	27.70	16,992,587	23.39
100,001 – less than 5% of issued shares	105	4.89	37,970,559	52.27
5% and above of issued shares	2	0.09	14,520,722	20.00
	2,148	100.00	72,636,897	100.00

SUBSTANTIAL WARRANTS HOLDERS AS PER REGISTER OF SUBSTANTIAL WARRANTS B HOLDERS AS AT 05 OCTOBER 2023

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
APEX NOMINEES (TEMPATAN) SND BHD *Pledged Securities Account for Seik Yee Kok*	10,281,000	14.15	Nil	Nil
KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Muhammad 'Izzat Afiq Bin Zainuddin*	4,239,722	5.84	Nil	Nil

THIRTY LARGEST WARRANTS B HOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2023

No	Name of Shareholders	No. of Shares	% of Issued Shares
1	APEX NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Seik Yee Kok*	10,281,000	14.15
2	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Muhammad 'Izzat Afiq Bin Zainuddin*	4,239,722	5.84
3	CHUAH KIM SEAH	2,175,849	3.00
4	FONG NYOK YOON	1,889,891	2.60
5	SU MING KEAT	1,828,040	2.52
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Soo Yoke Mun*	1,493,331	2.06

ANALYSIS OF WARRANTS B HOLDINGS
AS AT 05 OCTOBER 2023

THIRTY LARGEST WARRANTS B HOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2023 (CONT'D)

No	Name of Shareholders	No. of Shares	% of Issued Shares
7	GOH CHOON HENG	1,070,100	1.47
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Zulkifli Bin Ismail*	1,070,100	1.47
9	SOO YOKE MUN	1,041,477	1.43
10	KENANGA NOMINEES (TEMPATAN) SDN BHD *Rakuten Trade Sdn Bhd for Rinna Joyce Gomez*	1,004,100	1.38
11	MANICKAM ANIMUTHU	1,000,040	1.38
12	ABDUL KADIR BIN ALI	1,000,000	1.38
13	KENANGA NOMINEES (TEMPATAN) SDN BHD *Rakuten Trade Sdn Bhd for Wong Chee Heng*	800,000	1.10
14	RHB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Tan Mui Hing*	763,195	1.05
15	YEO CHIN KIANG	756,080	1.04
16	KENANGA NOMINEES (TEMPATAN) SDN BHD *Rakuten Trade Sdn Bhd for Hong Sow Chin*	650,000	0.89
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Hue Li Yin*	622,798	0.86
18	SUPANG LIAN @ SUPANG TALA	582,000	0.80
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Tiang Kwong Tai*	575,030	0.79
20	THARMEN ANANTHA A/L SUBRAMANIAN	558,460	0.77
21	TAN HAI CHIM	555,029	0.76
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Zulkifli Bin Ismail*	512,577	0.71
23	LAM KAM MOI	500,000	0.69
24	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Gurmit Singh A/L Surjit Singh (MM0665)*	428,040	0.59
25	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ong Soon Chai*	428,040	0.59
26	SHARIFAH FARAH IMELDA BINTI SYED FAIZAL	407,900	0.56
27	FAZILAH BINTI DAWAN	406,638	0.56
28	MOHD SUKRY BIN MOHAMED	400,000	0.55
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Lee Chee Seong*	400,000	0.55
30	KER LEONG CHUAN	400,000	0.55
TOTAL		**37,839,437**	**52.09**

ANALYSIS OF WARRANTS C HOLDINGS

AS AT 05 OCTOBER 2023

Total Number of Outstanding Warrants C	: 528,317,555
Issue Date	: 07 July 2023
Expiry date of Warrants C	: 06 July 2028
Voting Rights	: None, unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrants C	: RM0.20
No. of Shareholders	: 1,680

ANALYSIS BY SIZE OF WARRANTS C HOLDINGS AS AT 05 OCTOBER 2023

Size of shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	2	0.12	86	0.00
100 – 1,000	37	2.20	15,365	0.00
1,001 – 10,000	219	13.04	1,481,950	0.28
10,001 – 100,000	808	48.09	42,516,604	8.05
100,001 – less than 5% of issued shares	612	36.43	375,908,750	71.15
5% and above of issued shares	2	0.12	108,394,800	20.52
	1,680	100.00	528,317,555	100.00

SUBSTANTIAL WARRANTS HOLDERS AS PER REGISTER OF SUBSTANTIAL WARRANTS C HOLDERS AS AT 05 OCTOBER 2023

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Chan Swee Ying*	75,000,000	14.20	Nil	Nil
KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Keok Chai*	33,394,800	6.32	Nil	Nil

DIRECTORS' WARRANTS C HOLDINGS AS AT 05 OCTOBER 2023

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Keok Chai*	33,394,800	6.32	Nil	Nil

ANALYSIS OF WARRANTS C HOLDINGS
AS AT 05 OCTOBER 2023

THIRTY LARGEST WARRANTS C HOLDERS AS PER RECORD OF DEPOSITORS AS AT 05 OCTOBER 2023

No	Name of Shareholders	No. of Shares	% of Issued Shares
1	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Chan Swee Ying*	75,000,000	14.20
2	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Keok Chai*	33,394,800	6.32
3	CSH NETWORK CAPITAL SDN BHD *Pledged Securities Account for Chong Loong Men*	23,421,200	4.43
4	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Kon Tek Yoong*	18,400,100	3.48
5	TAN LEE CHIN	14,500,000	2.74
6	LIEW THIEN FOOK	8,600,000	1.63
7	LIM YEW CHUAN	7,500,000	1.42
8	TA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Yong Yoong Thiam*	7,000,000	1.32
9	TEOH LEH HONG	6,000,000	1.14
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Ooi Shi Han*	6,000,000	1.14
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Zulkifli Bin Ismail*	5,000,000	0.95
12	CHUA JIM HOCK	3,900,000	0.74
13	TAN SWEE BOON	3,630,000	0.69
14	BEH CHEE HAI	3,277,000	0.62
15	AFFIN HWANG INVESTMENT BANK BERHAD IVT (YKL) LEE KHEE YIP	3,174,700	0.60
16	YEOW THIAM HOOI	3,100,000	0.59
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Wong Chong Mee (E-TJJ)*	3,000,000	0.57
18	CHAN KOK CHWI	3,000,000	0.57
19	KOH ENG HONG	2,950,000	0.56
20	SIOW MIAW NOH	2,820,000	0.53
21	YONG YOONG THIAM	2,500,000	0.47
22	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Chooi Choon Wah*	2,500,000	0.47
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Fong Kok Sang (STF)*	2,400,000	0.45
24	QUAH CHOON OOI	2,377,000	0.44
25	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Liang Tek Ling*	2,300,000	0.43
26	LOW CHEW THIAM	2,220,000	0.42
27	CHOONG FOOK HON	2,205,000	0.42
28	CHANG TZUN YIK	2,100,000	0.40
29	PEH XIN ZHAO	2,000,100	0.38
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Hing Susean*	2,000,000	0.38
TOTAL		**256,269,900**	**48.51**

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th 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 Tuesday, 28 November 2023 at 10.00 am for the following purposes:-

AGENDA

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of Directors and Auditors thereon.	Please refer to Note 8
2.	To re-elect Krishnan A/L Dorairaju, 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 Datuk Kuan Poh Huat, 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 Datuk Aureen Jean Nonis, a Director who retires pursuant with Clause 102 of the Company's Constitution and who, being eligible, offers herself for re-election.	**Ordinary Resolution 3**
5.	To re-elect Lester Chin Kent Lake, 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 of not exceeding RM435,000 from the forthcoming AGM of the Company to 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 from the forthcoming AGM of the Company to the next AGM of the Company.	**Ordinary Resolution 6**
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**

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**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("**CA 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 CA 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 CA 2016.

THAT the Directors of the Company be also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") 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."

To consider and if thought fit, to pass with or without any modifications the following Ordinary Resolutions (Cont'd):-

10. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE** **Ordinary Resolution 9**

"THAT, subject to the CA 2016, the Company's Constitution, the Main Market Listing Requirement of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the authority be hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and/or trading nature ("**Proposed New Shareholders' Mandate**") as set out in Section 2.4 of the Circular to Shareholders in relation to the Proposed New Shareholders' Mandate provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that such authority shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the AGM at which the Proposed New Shareholders' Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA 2016); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

Whichever is the earlier;

AND THAT, the Directors of the Company and the subsidiary companies be and are hereby authorised to complete and do all such acts including executing any documents as may be required to give full effect to such transactions as authorised by this resolution."

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

By Order of the Board,

P'NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Company Secretary

Penang
Date: 31 October 2023

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTES ON APPOINTMENT OF PROXY

(1) A member entitled to attend and vote at the 27th 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 27th 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 27th 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 27th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 November 2023. Only a depositor whose name appears on the Record of Depositors as at 21 November 2023 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

(8) **Agenda 1 – Audited Financial Statements**
The Audited Financial Statements for the financial year ended 30 June 2023 will be laid to shareholders at the forthcoming AGM of the Company pursuant to Section 340(1)(a) of the Companies Act, 2016. Hence, the Agenda 1 is not put forward for voting.

(9) **Agenda 2 to Agenda 5 – Re-election of Directors**
The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election and was satisfied therewith. The Board had endorsed the Nominating Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming AGM are provided in the Company's Annual Report 2023.

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTES ON ORDINARY BUSINESS (CONT'D)

(10) **Agenda 6 and Agenda 7 – Directors' Fees and Benefits**
The Ordinary Resolutions 6 and 7, if passed, will enable the Company to pay Directors' fees and benefits in accordance with Section 230(1) of the Companies Act, 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Directors involved; and these benefits may comprised of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

(11) **Agenda 8 – Re-appointment of Auditors**
The Audit Committee and the Board had considered the re-appointment of Messrs. PKF PLT as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs. PKF PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities.

NOTES ON SPECIAL BUSINESS

(12) **Agenda 9 - Authority to issue shares pursuant to Companies Act, 2016**
The Ordinary Resolution 8, if passed, will enable the Directors to allot and issue 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.

(13) **Agenda 10 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature**
The Ordinary Resolution 9, if passed, will enable the Company and its subsidiaries to enter into recurrent transactions involving the interests of the related parties which are of a revenue and/or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company. Further information of the Proposed New Shareholders' Mandate is set out in the Circular to Shareholders dated 31 October 2023, a copy of which can be downloaded from the Company's website www.classitaholdings.com.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 27th 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 27th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 27th 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 27th Annual General Meeting of the Company.

2) The profiles of the Directors who are standing for re-election as in Agenda 2 to 5 of the Notice of the 27th Annual General Meeting of the Company are set out in the Profile of Directors section of this Annual Report.

3) The details of the Directors' interests in the securities of the Company as at 05 October 2023 are set out in the Analysis of Shareholdings section of this Annual Report.

4) The Ordinary Resolution 9 tabled under Special Business as per the Notice of 27th Annual General Meeting of the Company dated 31 October 2023 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 28 November 2022.

   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.

PROXY FORM

Number of Shares Held	CDS Account No.
	- -

CLASSITA HOLDINGS BERHAD
(Formerly known as 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 / Passport 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 27th 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 Tuesday, 28 November 2023 at 10.00 am or any adjournment thereof.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To re-elect Krishnan A/L Dorairaju as a Director of the Company.		
2	To re-elect Datuk Kuan Poh Huat as a Director of the Company.		
3	To re-elect Datuk Aureen Jean Nonis as a Director of the Company.		
4	To re-elect Lester Chin Kent Lake 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.		
9	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

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 __________, 2023.

____
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 27th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 November 2023. Only a depositor whose name appears on the Record of Depositors as at 21 November 2023 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 2023.

** Strike out whichever is not applicable.*

Please fold across the line and close

STAMP

The Company Secretary
CLASSITA HOLDINGS BERHAD
(Formerly known as 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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HOLDINGS BERHAD

(Formerly Known as Caely Holdings Bhd.)
Registration No.: 199601036023 (408376-U)

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

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www.classitaholdings.com