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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED BONUS ISSUE OF UP TO 128,719,802 WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN CAELY HOLDINGS BHD HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



M&A SECURITIES SDN BHD (197301001503 (15017-H))
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities provided by Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Tuesday, 30 November 2021 at 10.00 a.m. The Notice of EGM, Administrative Guide and Proxy Form are enclosed together with this Circular.

A member entitled to attend, participate and vote remotely at the EGM is entitled to appoint not more than two (2) proxies to attend, participate and vote remotely on his/her behalf. In such event, the completed and signed Proxy Form should be lodged at the Poll Administrator's office at Boardroom Share Registrars Sdn Bhd, Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than twenty-four (24) hours before the time appointed for holding the EGM or any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via email to bsr.helpdesk@boardroomlimited.com or via facsimile at +603 7890 4670. Please refer to the Administrative Guide for the EGM for further details. The lodging of the Proxy Form shall not preclude you from attending, participating and voting remotely in person at the EGM using the Remote Participation and Voting facilities, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 29 November 2021 at 10.00 a.m.
Date and time of EGM : Tuesday, 30 November 2021 at 10.00 a.m. or any adjournment thereof

This Circular is dated 2 November 2021

DEFINITION

Except where the context otherwise requires, the following definition shall apply throughout this Circular:

“Act”	: The Companies Act, 2016, as amended from time to time, and any re-enactments thereof
“Announcement”	: Announcement dated 17 September 2021 pursuant to the Proposed Bonus Issue of Warrants
“Board”	: Board of Directors of Caely
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“Caely” or “Company”	: Caely Holdings Bhd [Registration No. 199601036023 (408376-U)]
“Caely Group” or “Group”	: Caely and its subsidiaries, collectively
“Caely Share(s)” or “Share(s)”	: Ordinary share(s) in Caely
“Circular”	: This circular to shareholders of Caely dated 30 November 2021
“Covid-19”	: Coronavirus disease 2019, an infectious disease which affects the respiratory system, and it is a global pandemic
“Deed Poll”	: Deed Poll governing the Warrants to be executed by the Company and as may be supplemented from time to time
“EGM”	: Extraordinary General Meeting
“Entitled Shareholders”	: Shareholders of Caely whose names appear in Caely’s Record of Depositors on the Entitlement Date
“Entitlement Date”	: A date to be determined and announced later by the Board, as at the close of business on which the shareholders of Caely must be registered in the Record of Depositors of the Company in order to be entitled to the Proposed Bonus Issue of Warrants
“EPS”	: Earnings per Share
“FYE”	: Financial year ended/ending 31 March, as the case may be
“FPE”	: Financial period ended/ending 30 June, as the case may be
“LPD”	: 15 October 2021, being the latest practicable date prior to the date of printing of this Circular
“M&A Securities”	: M&A Securities Sdn Bhd [Registration No. 197301001503 (15017-H)]
“Main Market”	: Main Market of Bursa Securities
“MCO”	: The 2020 Malaysia movement control order, commonly referred to as the MCO, implemented as a preventive measure by the Government of Malaysia in response to the Covid-19 pandemic in the country. The MCO began on 18 March 2020 and unless otherwise specified, includes all its subsequent phases

DEFINITION

“MMLR”	: Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
“NA”	: Net assets
“Official List”	: The list specifying all securities listed on the Main Market of Bursa Securities
“Proposed Bonus Issue of Warrants”	: Proposed bonus issue of up to 128,719,802 Warrants on the basis of 1 Warrant for every 2 existing Caely Shares held by the Entitled Shareholders on the Entitlement Date
“Record of Depositors”	: A record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Warrants”	: Up to 128,719,802 warrants to be issued pursuant to the Proposed Bonus Issue of Warrants
“Warrants Holders”	: Any person for the time being holding Warrants in our Company
“5D-VWAP”	: 5-day volume weighted average market price

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to “we”, “us”, “our” and “ourselves” are to our Company save where the context otherwise requires, our subsidiaries and to “you” or “your” are to the shareholders of the Company.

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TABLE OF CONTENT

	Page
EXECUTIVE SUMMARY	
LETTER TO THE SHAREHOLDERS OF CAELY IN RELATION TO THE PROPOSED BONUS ISSUE OF WARRANTS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS	3
3. UTILISATION OF PROCEEDS	7
4. RATIONALE FOR THE PROPOSED BONUS ISSUE OF WARRANTS	8
5. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS	8
6. OUTLOOK AND PROSPECTS	11
7. APPROVALS REQUIRED AND CONDITIONALITY	16
8. HISTORICAL SHARE PRICE PERFORMANCE	16
9. ADDITIONAL INFORMATION	17
10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	19
11. DIRECTORS' STATEMENT AND RECOMMENDATION	19
12. ESTIMATED TIMEFRAME FOR COMPLETION	20
13. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING IMPLEMENTATION	20
14. EGM	20
15. FURTHER INFORMATION	20
APPENDIX	
I FURTHER INFORMATION	22
NOTICE OF EGM	ENCLOSED
ADMINISTRATIVE GUIDE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED BONUS ISSUE OF WARRANTS. SHAREHOLDERS OF CAELY ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDIX FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED BONUS ISSUE OF WARRANTS BEFORE VOTING AT THE FORTHCOMING EGM.

The Board is recommending shareholders of Caely to vote **IN FAVOUR** of the resolutions in relation to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM.

Key information	Description	Reference to Circular
Summary	: Up to 128,719,802 warrants will be issued on the basis of 1 Warrant for every 2 existing Caely Shares held by the Entitled Shareholders on the Entitlement Date.	Section 2
Exercise price	: The Warrants will be issued at no cost to the Entitled Shareholders. The exercise price of the Warrants will be determined and fixed by the Board at a later date after all relevant approvals have been obtained.	Section 2.2
Rationale	: The Proposed Bonus Issue of Warrants will: (a) enable shareholders of the Company to participate in convertible securities of the Company, which are tradeable on Main Market of Bursa Securities, without incurring any cost; (b) provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company at a pre-determined price during the tenure of the Warrants, and to allow shareholders to further participate in the future growth of the Company when the Warrants are exercised; (c) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and (d) help to strengthen the Company's capital base and shareholders' funds as well as potentially provide additional working capital for the Group, as and when the Warrants are exercised.	Section 4
Approvals required	: The Proposed Bonus Issue of Warrants is subject to the following approvals being obtained: (a) Bursa Securities, for the following: (i) admission of the Warrants to the Official List of Bursa Securities; (ii) listing of and quotation for the Warrants and new Shares to be issued arising from the exercise of the Warrants, on the Main Market of Bursa Securities;	Section 7

EXECUTIVE SUMMARY

<u>Key information</u>	<u>Description</u>	<u>Reference to Circular</u>
	(b) shareholders of Caely for the Proposed Bonus Issue of Warrants at the forthcoming EGM of the Company to be convened; and	
	(c) any other relevant authority, if required.	

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

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

2 November 2021

Directors:

Dato' Wira Ng Chun Hau (*Executive Chairman*)
Datin Fong Nyok Yoon (*Non-Independent Executive Director*)
Lim Chee Pang (*Non-Independent Non-Executive Director*)
Tan Loon Cheang (*Independent Non-Executive Director*)
Ng Boon Kang (*Independent Non-Executive Director*)
Lim Say Leong (*Independent Non-Executive Director*)
Beh Hong Shien (*Independent Non-Executive Director*)

To: Shareholders of Caely

Dear Sir / Madam,

PROPOSED BONUS ISSUE OF WARRANTS

1. INTRODUCTION

On 17 September 2021, M&A Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Bonus Issue of Warrants.

On 14 October 2021, M&A Securities had on behalf of our Board, announced that Bursa Securities had vide its letter dated 13 October 2021, approved in-principle the following:

- (a) Admission to the Official List and listing of and quotation of up to 128,719,802 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- (b) Listing of and quotation for up to 128,719,802 new Caely Shares to be issued arising from the exercise of Warrants,

on the Main Market of Bursa Securities.

EXECUTIVE SUMMARY

Bursa Securities' approval-in-principle is subject to the following conditions:

Conditions	Status of Compliance
1. Caely and M&A Securities must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To Be Complied
2. Caely and M&A Securities are required to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;	To Be Complied
3. Caely and M&A Securities are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the MMLR;	To Be Complied
4. Caely is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed;	To Be Complied
5. Caely is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Bonus Issue of Warrants; and	To Be Complied
6. Caely is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To Be Complied

The purpose of this Circular is to provide you with the details of the Proposed Bonus Issue of Warrants, to set out the Board's opinion and recommendation and to seek your approval for the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM of the Company. The Notice of EGM together with the Proxy Form are enclosed with this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED BONUS ISSUE OF WARRANTS AT THE FORTHCOMING EGM.

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2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS

2.1 Basis and number of Warrants to be issued

The Proposed Bonus Issue of Warrants will entail an issuance of up to 128,719,802 Warrants on the basis of 1 Warrant for every 2 existing Caely Shares held by the Entitled Shareholders on the Entitlement Date.

As at LPD, Caely has a total issued share capital of RM71,497,885 comprising 257,439,604 Caely Shares. The basis and number of Warrants to be issued were determined after taking into consideration the following:

- (a) the Warrants are issued at no cost to the Entitled Shareholders;
- (b) the enlarged number of Caely Shares upon exercise of the Warrants;
- (c) the dilutive effect on Caely's EPS upon exercise of the Warrants; and
- (d) the number of new Caely Shares which arise from the exercise of the Warrants must not exceed 50% of our Company's total number of issued shares at all times, in compliance with Paragraph 6.50 of the MMLR.

Fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date after all relevant approvals for the Proposed Bonus Issue of Warrants have been obtained. The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

No reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants. As such, the requirement to ensure that the Company has sufficient reserves to cover for capitalisation of the bonus issue pursuant to Paragraph 6.30(2)(b) of the MMLR is not relevant for the Proposed Bonus Issue of Warrants.

2.2 Basis of determining and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to Entitled Shareholders.

The exercise price of the Warrants will be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, after taking into consideration the following:

- (a) the historical price movement of Caely Shares;
- (b) 5D-VWAP of Caely Shares and prevailing market conditions; and
- (c) the future funding requirement of Caely Group.

For illustrative purpose only, the indicative exercise price of the Warrants is assumed to be at RM0.30, which represents a discount of approximately 9.64% to the 5D-VWAMP of Caely Shares up to and including LPD of RM0.332 per Share.

In any event, the discount of the exercise price of the Warrants shall not be more than 20% from the theoretical ex-all price of Caely Shares computed based on the 5D-VWAMP of Caely Shares up to and including the price fixing date. This discount range was determined by our Board to stimulate more demand for Caely Shares before the Entitlement Date and encourage the exercise of the Warrants.

The Board wishes to emphasise that the indicative exercise price of the Warrants of RM0.30 should not be taken as an indication of or reference to the actual exercise price of the Warrants, which will be determined and announced at the price-fixing date.

2.3 Status of the new Caely Shares to be issued from the exercise of the Warrants

The new Caely Shares to be issued and allotted arising from the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the then existing Caely Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to the shareholders, for which the record date is prior to the date of allotment of such new Caely Shares to be issued arising from the exercise of the Warrants.

2.4 Listing of and quotation for the Warrants and new Caely Shares to be issued from the exercise of Warrants

Bursa Securities had on 13 October 2021 approved:

- (a) the admission of the Warrants to the Official List of Bursa Securities; and
- (b) the listing of and quotation for the Warrants and new Caely Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

2.5 Salient terms of the Warrants

Terms	Details
Issue size	: Up to 128,719,802 Warrants
Form	: The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure	: 3 years commencing from and inclusive of the date of issuance of the Warrants (" Issue Date ").
Exercise Rights	: Each Warrant entitles the registered Warrant holder to subscribe for 1 new Caely Share at the Exercise Price at any time during the Exercise Period, subject to the provisions of the Deed Poll.
Exercise Price	: The exercise price of the Warrants shall be determined and fixed by our Board and announced at a later date, after obtaining the relevant approvals but before the announcement of the Entitlement Date.

Kindly refer to Section 2.2 of this Circular for the basis of determining the Exercise Price.

Terms	Details
Exercise Period	: The Warrants may be exercised at any time during the tenure of 3 years commencing from and including the date of issue of the Warrants commencing from the Issue Date and up to the Expiry Date. The rights attached to the Warrants which are not exercised during the Exercise Period will thereafter lapse.
Expiry Date	: The market day falling immediately before the 3rd anniversary of the Issue Date of the Warrants, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day.
Adjustment in the Exercise Price and/or the number of Warrants	: The Exercise Price and/or number of Warrants in issue may be adjusted if any alteration is made to the share capital of the Company at any time during the tenure of the Warrants, whether by way of rights issue, capitalisation issue, consolidation of Shares, subdivision of Shares or reduction of capital or otherwise in accordance with the provisions of the Deed Poll.
Status of the new Caely Shares to be issued arising from the exercise of the Warrants	: The new Caely Shares to be issued and allotted arising from the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the then existing Caely Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to the shareholders, for which the record date is prior to the date of allotment of such new Caely Shares to be issued arising from the exercise of the Warrants.
Rights of Warrants holders	: The Warrants holders will not be entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of securities in the Company until and unless such Warrants holders exercise their Warrants into new Caely Shares.
Modification of rights of Warrant holder	: All or any of the rights for the time being attached to the Warrants (other than the Exercise Period, Exercise Price or the formulae for the adjustment of the Exercise Price or other than as specifically provided in the Conditions) may be modified, altered or annulled by the Company from time to time (whether or not the Company is being wound up) and the sanction of a Special Resolution passed at a meeting of the Warrant Holders shall be necessary and sufficient to effect such modification, alteration or annulment. A Special Resolution may also sanction the compulsory exchange, surrender or cancellation of unexercised Warrants in return for shares, other warrants, debentures or other securities or for any other consideration (whether in the Company or in any other company or corporation (wherever incorporated) on any terms and/or conditions. Any such modification shall however be subject to the approval of any relevant authorities, where required.

Terms	Details
Rights in the event of winding up, liquidation, compromise and / or arrangement	<p>If a resolution is passed for a members' voluntary winding-up of the Company or there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies:</p> <p>(a) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant Holders, or some persons designated by them for such purposes by a special resolution will be a party, the terms of such winding up, compromise and arrangement shall be binding on all the Warrant Holders; and</p> <p>(b) every Warrant Holder shall be entitled (upon and subject to the conditions) to exercise the exercise rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks from the granting of the court order approving the compromise or arrangement, as the case may be, by the irrevocable surrender of its/his Warrants to the Company, by submitting the duly completed and executed exercise notice(s) and payment of the Exercise Price, elect to be treated as if it/he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights attached to such Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if it/he had on such date been the holder of the Shares to which it/he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.</p>
Board Lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise of 100 Warrants unless otherwise revised by the relevant authorities
Listing	: The Warrants will be listed on the Main Market of Bursa Securities.
Transferability	: The Warrants will only be transferable in accordance with the provisions of the Deed Poll and subject always to the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.
Governing law	: Laws of Malaysia.

3 UTILISATION OF PROCEEDS

The Proposed Bonus Issue of Warrants will not raise funds for Caely as the Warrants will be issued at no cost to the Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the tenure of the Warrants. As such, the quantum of proceeds raised and exact time frame for the utilisation of proceeds is not determinable at this juncture.

For illustrative purpose only, the gross proceeds to be raised upon full exercise of the Warrants based on the exercise price of RM0.30 is approximately RM38.62 million. Such proceeds, if raised, will be utilised as additional working capital for Caely Group. The proceeds may be utilised to finance, amongst others, the Group's day-to-day operating cost.

Pending the utilisation of proceeds for the above purpose, such proceeds may be placed in deposits with financial institutions or short-term money market instruments. Interest derived from such deposits or gains from such money market instruments will be used as additional working capital for the Group.

3.1. Details of equity fund-raising exercises undertaken in the past 12 months

Save as disclosed below, Caely has not undertaken any equity fund-raising exercise in the past 12 months as at LPD.

On 19 May 2021, the Company completed a private placement exercise of 23,000,000 new Shares ("**Private Placement**"). The Private Placement raised gross proceeds of RM7.94 million, which Caely has utilised approximately RM0.54 million. Details of the utilisation of proceeds are set out below:

Utilisation of proceeds	Actual proceeds raised	Amount utilised as at LPD	Balance unutilised	Timeframe for utilisation from date of listing
	RM'000			
(i) Property development project	6,923	80	6,843	Within 24 months
(ii) General working capital	762	334	428	Within 24 months
(iii) Estimated expenses for the Private Placement	250	201	(1)49	Within 1 month
	7,935	615	7,320	

Note:

- (1) The expenses for the Private Placement exercise of RM201,000 has been fully paid. The remaining balance of RM49,000 will be utilised for the Group's general working capital purposes.

4 RATIONALE FOR THE PROPOSED BONUS ISSUE OF WARRANTS

After due consideration, the Board is of the view that the Proposed Bonus Issue of Warrants is the most appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Bonus Issue of Warrants will:

- (a) enable shareholders of the Company to participate in convertible securities of the Company, which are tradeable on Main Market of Bursa Securities, without incurring any cost;
- (b) provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company at a pre-determined price during the tenure of the Warrants, and to allow shareholders to further participate in the future growth of the Company when the Warrants are exercised;
- (c) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (d) help to strengthen the Company's capital base and shareholders' funds as well as potentially provide additional working capital for the Group, as and when the Warrants are exercised.

5 EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

The effects of the Proposed Bonus Issue of Warrants on the issued share capital, the NA, gearing, earnings and EPS and substantial shareholders' shareholdings of the Company, are set out below:

5.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue of Warrants on the issued share capital of Caely are as follows:

	<u>No. of Caely Shares</u>	<u>RM</u>
Issued share capital as at LPD	257,439,604	71,497,885
To be issued assuming full exercise of the Warrants	128,719,802	38,615,941 ⁽¹⁾
Enlarged issued share capital	<u>386,159,406</u>	<u>110,113,826</u>

Note:

(1) Calculated based on the indicative exercise price of the Warrants of RM0.30.

Based on the illustration above, the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities does not exceed 50% of the total number of issued shares of Caely, and as such, is in compliance with Rule 6.50 of the MMLR.

5.2 Existing convertible securities

The Company does not have any convertible securities outstanding as at LPD.

5.3 NA and gearing

For illustration purpose, the pro forma effects of the Proposed Bonus Issue of Warrants on the NA and gearing of Caely based on the latest audited combined statement of financial position of the Group as at 31 March 2021 are as follows:

	I	II	III	
	Audited as at 31 March 2021 RM'000	(1)Adjusted for Subsequent events RM'000	After I and the Proposed Bonus Issue of Warrants RM'000	(3)After II and assuming full exercise of Warrants RM'000
Share capital	59,559	71,498	71,498	110,114
Other reserves	10,651	10,651	10,651	10,651
Retained earnings	7,123	7,123	(2)6,973	(3)6,973
	77,333	89,272	89,122	127,738
Non-controlling interest	(219)	(219)	(219)	(219)
Shareholders' fund/NA	77,114	89,053	88,903	127,519
Number of Shares in issue ('000)	213,368	257,440	257,440	386,159
NA per Share (RM)	0.36	0.35	0.35	0.33
Borrowings (interest- bearing)	16,557	16,557	16,557	16,557
Gearing ratio (times)	0.21	0.19	0.19	0.13
EPS/ Loss per share (sen)				
Loss after tax	(14,278)	(14,278)	(14,428)	(14,428)
EPS/ Loss per share (sen)	(6.69)	(5.55)	(5.60)	(3.74)

Notes:

- (1) Adjusted for the issuance of Caely Shares pursuant to the exercise of warrants 2018/2021 at an issue price of RM0.19 and Private Placement. The outstanding warrants 2018/2021 have since expired on 22 April 2021.
- (2) After deducting estimated expenses for the Proposed Bonus Issue of Warrants of approximately RM0.15 million.
- (3) Assuming full exercise of 128,719,802 Warrants into 128,719,802 new Caely Shares at the indicative exercise price of RM0.30 per Warrant.

5.4 Earnings and EPS

The Proposed Bonus Issue of Warrants is not expected to have any material effect on the earnings of Caely Group for the financial year ending 31 March 2022. However, the EPS of Caely will be diluted as a result of the issuance of new Caely Shares from the exercise of Warrants. The pro forma effects of the Proposed Bonus Issue of Warrants on the earnings and EPS are illustrated in Section 5.3.

5.5 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Warrants will not have any effect on the substantial shareholders' percentage of shareholdings in the Company as the Warrants will be allotted on a pro-rata basis to all Entitled Shareholders. However, the number of Caely Shares held by the substantial shareholders will increase proportionately assuming full exercise of the Warrants.

The effects of the Proposed Bonus Issue of Warrants on the shareholdings of the substantial shareholders of the Company are set out below:

Substantial shareholders	As at LPD			Assuming full exercise of Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Dato' Wira Ng Chun Hau	37,124,500	14.4	(1)29,157,300	55,686,750	14.4	(1)43,735,950
Datin Fong Nyok Yoon	19,055,400	7.4	(2)14,600,700	28,583,100	7.4	(2)21,901,050
Dato' Chuah Chin Lai	14,600,700	5.7	(3)19,055,400	21,901,050	5.7	(3)28,583,100
Dato' Sri Goh Choon Kim	54,352,300	21.1	(4)1,500,000	81,528,450	21.1	(4)2,250,000

Notes:

- (1) Deemed interest in the shareholdings of Datin Wira Lim Chee Ting, Ng Yan Xun and Public Gold Marketing Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("Act").
- (2) Deemed interested in the shares held by her spouse, namely Dato' Chuah Chin Lai pursuant to Section 8 of the Act.
- (3) Deemed interested in the shares held by his spouse, namely Datin Fong Nyok Yoon pursuant to Section 8 of the Act.
- (4) Deemed interest in the shares held by his spouse, namely Datin Sri Ong Ah Poh pursuant to Section 8 of the Act.

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6 OUTLOOK AND PROSPECTS

The Group's operations are segmented into:

- (a) manufacturing and trading of ladies undergarments for local and export markets;
- (b) trading of in-house brands of ladies undergarments and other consumer products; and
- (c) property development and construction.

As such, the outlook and prospects set out below are based on the Group's operations.

6.1 Overview and outlook of the Malaysian economy

Bank Negara Malaysia ("**BNM**") has revised its full-year gross domestic product ("**GDP**") growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021. During the quarterly GDP briefing today, the central bank said that Malaysia's GDP grew 16.1% year-on-year in the second quarter, although it contracted 2% on a quarter-on-quarter (q-o-q) basis.

BNM governor Datuk Nor Shamsiah Yunus said the revision in the annual growth forecast was made after taking into account the reimposition of nationwide containment measures. She said that several developments have emerged throughout the course of the Covid-19 pandemic since BNM announced its previous growth forecast in March, noting that the government then decided to adopt targeted and localised containment measures in dealing with resurgences.

However, a nationwide Full Movement Control Order ("**FMCO**") was undertaken in June amid the high transmission rate of the virus. "The FMCO is expected to have a cumulative impact of five percentage points to the 2021 growth, or an average of RM400 million to RM500 million in daily real output losses.

"With 7.1% growth recorded in the first half of the year, and given the Covid-19-related developments since June onwards, we are looking at a more moderate growth in the second half of the year, especially in the third quarter," she said.

On the other hand, she also highlighted factors that would continue to support growth in the second half of the year, namely the allowance for essential economic sectors to operate under Phase 1 of the National Recovery Plan, improving external demand, rapid vaccination progress, the continuous policy support via the various stimulus programmes, as well as the continued investment in large infrastructure projects.

The governor also outlined two different scenarios covering a faster or slower economic recovery during her presentation. The faster recovery scenario, which could result in GDP growth of above 4% this year, assumes that the majority of the population to be vaccinated by the end of October 2021 and that the vaccines are effective against prevailing variants, a quicker transition to Phase 4 by September 2021, coupled with faster improvement in the labour market and higher pent-up demand among households.

Meanwhile, the slower recovery scenario assumes a delayed opening of the economy on account of delayed resolution of the pandemic, taking into account a majority of the population getting vaccinated by the first quarter of 2022, a strained healthcare system due to new variants, prolonged tight containment measures with Phase 4 starting in 2022, policy uncertainty, and slower recovery in the labour market.

The central bank expects growth to accelerate in 2022, supported by the reopening of most economic sectors, as well as positive spillovers from continued improvement in external demand.

(Source: BNM revises down Malaysia GDP forecast range to between 3% and 4% for 2021, The Edge Markets, 13 August 2021)

6.2 Overview and outlook of the manufacturing/textile industry in Malaysia

The supply chain problems in various industries like technology and automotive manufacturing suggest Malaysia's manufacturing sector remains in a difficult position in the third quarter (3Q) due to the escalation in Covid-19 cases in the country, but positive growth is expected towards the end of the year supported by export demand.

IHS Markit Asia-Pacific chief economist Rajiv Biswas said the rising Covid-19 Delta variant wave that has spread to Malaysia in recent months has impacted industrial output as well as consumer spending. The latest IHS Markit Malaysia Manufacturing Purchasing Managers' Index (PMI) at 40.1 in July remained well below the 50 level that indicates neutral operating conditions.

Biswas said the latest Purchasing Manager Index ("**PMI**") reading points to continued contraction in Malaysia's manufacturing operating conditions in the 3Q as demand and supply chains were dampened by the recent rise in infections and by the various lockdown measures enforced.

"Due to the continued escalation in Covid-19 cases in Malaysia during August, the near-term outlook for the manufacturing sector remains difficult. However, the rapid rollout of Covid-19 vaccinations in recent months has been an important favourable factor, with the share of the Malaysian population that have received their first dose vaccination having already reached 53% by mid-August.

"If this resulted in a gradual decline in the latest Covid-19 wave, it could result in a gradual easing of lockdown conditions, allowing improving industrial production and consumption spending," he told The Malaysian Reserve (TMR). He said the local manufacturing sector has benefitted from the recovery in major export markets like the United States of America, China and the European Union. Exports rose 30.2% year-on-year (YoY) in the first half of 2021 (1H21), with exports of manufactured goods up by 32.6% YoY.

With the accelerated rollout of the vaccination programme in Malaysia, the outlook for the 4Q and 2022 is for a gradual recovery as domestic economic activity rebounds, he added.

(Source: Manufacturing to rebound in 4Q on external demand, The Malaysian Reserve, 25 August 2021)

Malaysia's fashion, textile and apparel industries are hanging by a thread as its players are shutting down businesses, retrenching workers as well as accumulating millions of ringgit in losses since the Covid-19 pandemic hit.

Federation of Malaysian Fashion, Textile and Apparels ("**FMFTA**") president Datuk Seri Tan Thian Poh said the industry players cannot afford another day of operational shutdowns.

"15 per cent of our industry players have called it quits while 30 per cent are on the verge of going down. And we have been accumulating RM163 million in losses since the MCO was enforced in 2020. Our industry's export values have been reduced from RM27 billion (in 2019) to RM21 billion in 2020. There have been four renowned foreign-owned multinational textile and apparel factories that have shut their business operations, which left around 6,000 employees retrenched in 2020. The chain effects continue, with many local small-medium enterprises ("**SME**") manufacturers shutting down or downsizing their operations, which resulted in about 15,000 job losses."

(Source: Malaysia's fashion, textiles and apparel industries hanging by a thread over continued lockdown, New Straits Times, 16 July 2021)

6.3 Overview and outlook of the property development industry in Malaysia

Malaysia's property industry, like most capital-intensive industries, has been badly affected by the Covid-19 pandemic. With disruptive restrictions put in place sporadically since March last year, the industry's performance has slowed down significantly.

Property buyers have postponed their purchases or investments due to uncertainties revolving around the pandemic, while some developers find it hard to meet deadlines as their supply chains have been interrupted or unhinged by the ever-changing regulations and restrictions.

According to Property Guru's latest Malaysia Property Market Index ("**MPMI**") report, the overall property supply in the market spiked by 34.53 per cent y-o-y and 11.94 per cent q-o-q in the second quarter of 2021 (2Q21). It saw that the surge in property supply in the country in 2Q21 is likely driven by an increase of homes being put up for sale in the secondary market under the current economic climate.

The property supply volume from the primary market might be affected in 3Q due to the recent implementation of a total lockdown nationwide in June 2021, which has disrupted the construction and property development sectors' operations.

Data from the National Property Information Centre ("**NAPIC**") revealed that the number of newly launched residential units had already dropped significantly from 14,865 units in 4Q20 to 5,919 units in 1Q21.

However, while the property sector's performance remains lacklustre, there were bright spots seeing some improvement this year, as compared with last year when the nation went under a more stringent movement restriction order.

(Source: Revitalising Malaysia's Property Sector, The Borneo Post, 28 August 2021)

Property transactions are expected to surge although prices will remain flattish in 2022, said property experts at the 2021 Malaysian Housing and Property Summit.

(Source: Property market expected to rebound in 2022, The Edge Markets, 28 July 2021)

6.4 Prospects of the Group

The World Health Organisation declared Covid-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several measures to reduce and control the spread of Covid-19 in the country, commencing from 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic, cultural and recreational activities. To minimise the financial impact due to the outbreak of Covid-19 virus and due to the weak property demand in the market, the Group has not commenced any of its new project development activities. As such, there were unexpected delays in the commencement of future projects.

Despite the pandemic outbreak, the overall performances of the manufacturing and trading segments were considered stable with slight decline in sales orders. The political unrest in Myanmar since end of February 2021 has caused unexpected delay for the deliveries of goods from the sub-contractor in Myanmar to the overseas buyers. However, efforts have been taken to source for alternate sub-contractor in place of Myanmar.

During the re-imposition of MCO, full MCO as well as implementation of enhanced MCO period in January 2021, June 2021 and July 2021 respectively, the Group's trading and construction activities were suspended. Manufacturing activities (only for fabric face masks manufacturing) were able to continue operations as exemption was granted by the Ministry of International Trade and Industry Malaysia to operate with 60% capacity, as this segment is classified under essential services. Notwithstanding the suspension to the retail outlets trading activities, the Group has been selling its products on e-commerce platforms. On 5 July 2021, Government has announced that Perak will transition into Phase 2 of movement control under the National Recovery Plan ("**PPN**"). Since the transition into Phase 2 of the PPN, the Group's manufacturing activities for fabric face masks increased to 80% capacity.

Since February 2021, the Government has been rolling out vaccines under the national Covid-19 immunisation program. Whilst helping to curb the spread of the virus, such immunisation program also serves to revitalise economic activities.

For its manufacturing segment, the Group plans to increase its product range by further promoting its own brand apart from the existing lingerie original equipment manufacturer business. The Group plans to tap into its experiences in the industry to manufacture new products by utilising the existing unutilised capacity in its manufacturing facilities. As at LPD, the Group's existing unutilised capacity of its manufacturing facilities stands at 32.0%, representing 8 production lines. Amongst the new products that the Group has identified are sportswears, kids wears, sleep wears and mother care products. The Group plans to utilise another 20.0% of its unutilised capacity for 5 new production lines to commence manufacturing the above-mentioned new products. The Group is also actively looking for business partners who possess renowned and successful brand names in both local and international market in the efforts to increase its product range and improve market presence. As at LPD, the Group has successfully secured 1 business partner.

Currently, the Group plans to enhance their online marketing channel by focusing on promoting and selling its products through e-commerce platforms, taking into consideration current market trends and customers' purchasing behaviour. The Group has been actively improving the presentation of their existing e-commerce platforms such as Shopee, Lazada and PG Mall. The Group has also engaged digital marketing agents to advise and guide the management on marketing strategies through Facebook, Instagram and Google. In addition, the Group also plans to increase the number of consignment outlets throughout Malaysia. The Group's revenue and profit contribution from the manufacturing segment for its e-commerce platforms is as follows:

	FYE 2019	FYE 2020	FYE 2021	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	32	68	286	50
Profit	15	31	146	24
Contribution				

For its property development segment, the Group will be focusing on completing its outstanding phases of Taman Universiti Walagonia Project located at Tapah Road, Perak. Apart from Phase 6 of the Taman Universiti Walagonia Project which the Group had utilised proceeds through the Private Placement disclosed in Section 3.1, the Group will continue to develop other phases of the same project, namely Phases 5, 7, 8 and 9 upon completion of Phase 6. The Group also plans to develop the remaining apartment block for Estana Court, Casamas Apartment project located at Ulu Kelang, Selangor.

The details of the Group's property development projects are as follows:

Location	Project name	Description	Expected Commencement Date/ Completion Date	Estimated Gross Development Value	Estimated Gross Development Cost
				RM' million	RM' million
Tengah Road, Perak	Taman Universiti Wallagonia - Phase 6	86 units of double-storey terrace houses	November 2021/ October 2023	28.15	21.11
	Taman Universiti Wallagonia - Phase 5	27 units of double-storey terrace houses		10.34	8.07
	Taman Universiti Wallagonia - Phase 7	59 units of double-storey terrace houses	Not determined yet	22.60	17.07
	Taman Universiti Wallagonia - Phases 8 and 9	52 units of single-storey semi-detached houses and 6 units of single-storey bungalow houses		21.58	15.57
Ulu Kelang, Selangor	Estana Court, Casamas Apartment - Block C	195 units of apartments and 60 units Selangorku apartments	Not determined yet	113.46	105.71

As at LPD, the above-mentioned property development projects have yet to commence.

The Group's future plans in manufacturing and property development segments are expected to further improve the Group's sales and profit in future financial years.

Given the prevailing economic conditions and global financial outlook, the Group will continue its efforts to conserve cash flow and ensure continuous profitable operations post-Covid-19. Nevertheless, the Board is optimistic that the long-term prospects of the Group will be supported by the long-term prospects of the manufacturing, trading, construction and property development industry in Malaysia. The Company will continue to monitor the impact of the pandemic and take appropriate and timely measures to minimise its impact on the Company's operations.

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7 APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Bonus Issue of Warrants is subject to the following approvals being obtained:

- (a) Bursa Securities, for the following:
 - (i) admission of the Warrants to the Official List of Bursa Securities;
 - (ii) listing of and quotation for the Warrants and new Shares to be issued arising from the exercise of the Warrants,
on the Main Market of Bursa Securities, which was obtained on 13 October 2021;
- (b) shareholders of Caely at EGM of the Company to be convened; and
- (c) any other relevant authority, if required.

The Proposed Bonus Issue of Warrants is not conditional on any other proposals undertaken or to be undertaken by the Company.

8 HISTORICAL SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of Caely Shares as traded on Bursa Securities for the past 12 months are as follows:

	High (RM)	Low (RM)
2020		
October	0.645	0.385
November	0.520	0.410
December	0.515	0.425
2021		
January	0.465	0.380
February	0.400	0.350
March	0.375	0.320
April	0.410	0.310
May	0.435	0.325
June	0.360	0.295
July	0.375	0.300
August	0.370	0.325
September	0.395	0.320

The last transacted price of Caely Shares on the date preceding the announcement of the Proposed Bonus Issue of Warrants on 17 September 2021 was RM0.335. The last transacted price of Caely Shares as at LPD was RM0.385.

(Source: Bloomberg)

9 ADDITIONAL INFORMATION

9.1 Historical financial performance

The summary of financial performances of the Group for the last 3 FYE 2019 to 2021 and 3-months FPE 2020 and 2021 together with the commentaries are as follows:

	Audited			Unaudited	
	FYE 31 March 2019 RM'000	FYE 31 March 2020 RM'000	FYE 31 March 2021 RM'000	FPE 30 June 2020 RM'000	FPE 30 June 2021 RM'000
Revenue	85,503	69,456	57,486	10,517	13,003
Profit/(Loss) before taxation ("PBT")("LBT")	2,589	(8,637)	(13,701)	(1,725)	1,018
Profit/(Loss) after taxation ("PAT")("LAT")	1,456	(7,542)	(13,328)	(1,359)	740
NA	88,356	81,151	77,115	80,262	90,012
Number of shares ('000)	81,346	164,459	213,368	217,612	234,440
Earnings/(Losses) Per Share ("EPS")("LPS")					
-basic (sen)	1.87	(4.53)	(7.70)	(0.79)	0.29
-diluted (sen)	1.26	(3.11)	(6.73)	(0.66)	0.29
NA per share (RM)	1.09	0.49	0.36	0.37	0.38
Current ratio (times)	2.45	2.89	3.92	2.80	4.78
Gearing ratio (times)	0.32	0.31	0.21	0.11	0.15
Total borrowing	28,601	24,821	16,372	24,031	13,469

Commentaries

FYE 31 March 2019 vs FYE 31 March 2020

The Group recorded revenue of RM69.5 million for FYE 2020 as compared to RM85.5 million for the preceding year, representing a decrease of RM16.0 million or approximately 18.7%. The decrease in revenue for FYE 2020 was mainly due to the manufacturing segment which saw a decrease of RM11.3 million or 15.9% from RM71.3 million in FYE 2019 to RM59.9 million in FYE 2020. This decrease was mainly attributed to the Covid-19 pandemic which resulted in implementation of lockdown globally and the Movement Control Order ("MCO") in Malaysia which affected the Group's supply chain activities as well as the demand for the Group's products.

The revenue from the property development and construction segment also decreased by RM5.3 million or 48.2% from RM10.8 million in FYE 2019 to RM5.6 million in FYE 2020. The decrease was mainly due to the completion of the Group's property development project in Ulu Kelang in 2020 as well as the softer property demand due to cautious behaviour of consumers during the Covid-19 pandemic.

The Group posted a LAT of RM7.5 million in FYE 2020 as compared to PAT of RM1.5 million in FYE 2019. The significant loss incurred by the Group was mainly due to the decrease in revenue arising from the Covid-19 pandemic. In addition, in FYE 2020, the Group also provided for liquidated damages of RM1.6 million due to late handover of vacant possession to home-buyers, written off project development expenditure from unsuccessful bidding of projects of RM1.9 million and additional impairment on trade receivables of RM2.0 million. The other operating income also decreased by RM1.5 million in FYE 2020 due to lower gain in foreign exchange compared to FYE 2019.

FYE 31 March 2020 vs FYE 31 March 2021

The Group recorded revenue of RM57.5 million for FYE 2021 as compared to RM69.5 million for FYE 2020, representing a decrease of RM12.0 million or approximately 17.3%. The decrease in revenue for FYE 2021 was mainly due to the manufacturing segment which decreased by RM7.2 million or 12.0% from RM60.0 million to RM52.8 million in FYE 2021. The sales and business operations of this segment was adversely affected from the implementation of various stages of MCOs due to Covid-19 pandemic.

The revenue from the property development and construction segment also decreased by RM6.3 million or 112.5% from RM5.6 million in FYE 2020 to negative RM0.6 million in FYE 2021. The decrease was mainly due to weak demand for the Group's properties and the cancellation of sales and purchase agreements by few buyers due to financial difficulties faced by the buyers.

The Group posted a LAT of RM13.3 million in FYE 2021 as compared to LAT of RM7.5 million in FYE 2020. The significant loss was mainly attributed to significant increase in the provision for impairment of receivables in FYE 2021 amounting to RM16.15 million in the property development and construction segment. The decrease was partially offset by the increase of other income arising from the discount of liquidated damages and reversal of provision for impairment of receivables provided in FYE 2020. The Group also received wages subsidies from the Government amounting to RM0.8 million.

FPE 30 June 2020 vs FPE 30 June 2021

The Group recorded revenue of RM13.0 million in FPE 2021 as compared to RM10.5 million in FPE 2020, representing an increase of RM2.5 million or approximately 23.8%. This was mainly due to the increase in revenue from the manufacturing segment by RM3.0 million or 33.0% from RM9.1 million in FPE 2020 to RM12.1 million in FPE 2021. This was mainly due to the recovery of global economy which contributed to the increase in export sales of undergarments. The increase was partially offset by the slight decrease in revenue from the trading segment by RM0.5 million or approximately 35.7% from RM1.5 million in FPE 2020 to RM0.9 million in FPE 2021 mainly due to cautious spending behaviour by consumers as their income was adversely affected by the implementation of various stages of MCOs.

The Group recorded a PAT of RM0.7 million in FPE 2021 as compared to a LAT of RM1.4 million recorded in FPE 2021. The significant improvement in PAT was attributed to higher sales recorded in the manufacturing segment as mentioned above.

9.2 Impact and value creation of the Proposed Bonus Issue of Warrants on the Company and its shareholders

As disclosed in Section 4, the Proposed Bonus Issue of Warrants is anticipated to strengthen the Company's capital base and shareholders' funds as well as raise proceeds as and when the Warrants are exercised. The proceeds may allow the Group to fund its future working capital requirements without relying solely on internally generated funds and/or bank borrowings. Thus, such utilisation is expected to provide the Group flexibility in respect of financial allocations for its operational requirements, which in turn may enable the Group to operate more efficiently.

The Proposed Bonus Issue of Warrants also serves to reward the existing shareholders by enabling them to participate in a convertible security of the Company, which would be tradable on the Main Market of Bursa Securities, without incurring any costs. In addition, the Proposed Bonus Issue of Warrants provides the shareholders an opportunity to increase their equity participation in Caely by exercising the Warrants at a pre-determined price over the tenure of the Warrants. In the event the shareholders exercise the Warrants into new Caely Shares, the shareholders may also benefit from capital gain in the event of share price appreciation.

The Proposed Bonus Issue of Warrants is expected to enlarge the share capital of Caely and increases its shareholders' funds upon the full exercise of the Warrants. Based on the consolidated financial statements of Caely for FYE 2021 and exercise price of RM0.30 per Warrant, the NA of Caely Group will increase from RM77.11 million to RM127.52 million upon the full exercise of the Warrants. The envisaged improvement in the NA of Caely will strengthen the financial position of the Group which will allow for greater financial flexibility for its future business expansion and/or venture.

However, the increase in the number of Shares pursuant to full exercise of the Warrants will also result in dilution to the EPS of the Group as a result of the increase in the number of Shares after the full exercise of the Warrants.

9.3 Adequacy of the Proposed Bonus Issue of Warrants in addressing the financial concerns of the Company

The Group has been making losses for FYE 2020 and FYE 2021 due to the implementation of various stages of MCOs in Malaysia. The Proposed Bonus Issue of Warrants will not raise funds immediately for the Company, however, proceeds will be raised over the tenure of the Warrants as and when the Warrants are exercised. Such proceeds raised will be utilised as additional working capital for Caely Group, which is expected to strengthen the Group's financial position.

The Group has prioritised the allocation of its resources toward the expansion of property development and construction segment to improve the financial performance and condition of the Group as set out in Section 3.1. As such, the proceeds raised via its Private Placement will be utilised to fund the on-going property development project of the Group, which is expected to contribute positively to the Group's financial performance in the future.

The Board is of the view that the Private Placement and the Proposed Bonus Issue of Warrants is the most adequate form of raising proceeds to address its present financial concerns. Nevertheless, the Board will continue to evaluate the Group's financial performance as well as the ongoing COVID-19 pandemic moving forward, and will consider undertaking future corporate exercises should the need/opportunity arises.

10 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue of Warrants, other than their respective entitlements as shareholders of the Company, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

11 DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Bonus Issue of Warrants, the Board is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of the Company, and accordingly recommends that the shareholders vote in favour of the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM of the Company.

12 ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable in relation to the Proposed Bonus Issue of Warrants is as follows:

<u>Date</u>	<u>Events</u>
Late November 2021	EGM to approve the Proposed Bonus Issue of Warrants
Late December 2021	<ul style="list-style-type: none">• Price fixing of the Warrants exercise price• Announcement of the Entitlement Date for the Proposed Bonus Issue of Warrants
Early January 2022	<ul style="list-style-type: none">• Admission of the Warrants to the Official List and the listing of and quotation for the Warrants on the Main Market• Completion of the Proposed Bonus Issue of Warrants

Barring any unforeseen circumstances and subject to the receipt of all relevant approvals, the Proposed Bonus Issue of Warrants is expected to be completed by the first quarter of 2022.

13 OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the Proposed Bonus Issue of Warrants, there are no other corporate exercise announced but pending implementation.

14 EGM

The EGM, the Notice of which is enclosed with this Circular, will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Tuesday, 30 November 2021 at 10.00 a.m. for the purpose of considering the Proposed Bonus Issue of Warrants contained herein and if thought fit, passing the resolutions so as to give effect to the Proposed Bonus Issue of Warrants.

You may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the office of the Poll Administrator at Boardroom Share Registrars Sdn Bhd, Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the date and time stipulated for the EGM, or any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via email to bsr.helpdesk@boardroomlimited.com or via facsimile at +603 7890 4670 before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Details.

15 FURTHER INFORMATION

Please refer to the attached Appendix I set out in this Circular for further information.

Yours faithfully,
for and on behalf of the Board of Directors of
CAELY HOLDINGS BHD

DATO' WIRA NG CHUN HAU
EXECUTIVE CHAIRMAN

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy, completeness and correctness of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities has given its confirmation that no conflict of interest exists or is likely to exist in relation to its role as the Adviser in relation to the Proposed Bonus Issue of Warrants.

3. MATERIAL LITIGATION

As at LPD, neither Caely nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Caely Group.

4. MATERIAL COMMITMENT

As at LPD, the Board is not aware of any material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of the Caely Group.

5. CONTINGENT LIABILITIES

As at LPD, the Board is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of the Group to meet its obligations as and when they fall due.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Constitution of Caely;
- (ii) The audited consolidated financial statements of Caely for the past 2 FYE 31 March 2020 and 2021 and the latest unaudited consolidated financial statements for the 3-months financial period ended 30 June 2021;
- (iii) Consent letter and declaration of conflict of interest as referred to in Section 2 above;
and
- (iv) Draft Deed Poll.

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CAELY HOLDINGS BHD

[Registration No. 199601036023 (408376-U)]
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Caely Holdings Bhd ("**Caely**" or the "**Company**") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities for the purpose of considering and, if thought fit, passing the following resolution set of in this notice:-

- Day and Date : Tuesday, 30 November 2021, or any adjournment thereof
Time : 10.00 a.m.
Meeting Platform : <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication : 1) Typed text in the Meeting Platform during the EGM. The Messaging window facility will be opened concurrently with the Meeting Platform, i.e. one (1) hour before the EGM, which is from 9.00 a.m. on Tuesday, 30 November 2021.
2) E-mail questions to yenwahchoo@classita.com.my or via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> **prior to the EGM** using the same user ID and password provided in Step 2 of the procedures of RPEV facilities and select "SUBMIT QUESTION" to pose questions.

A G E N D A

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 128,719,802 WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN CAELY ("CAELY SHARE(S)" OR "SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")

"THAT subject to the approvals of all relevant authorities or parties (where required) being obtained, the Proposed Bonus Issue of Warrants be and is hereby approved and authority be and is hereby given to the Board of Directors of the Company ("**Board**") to issue up to 128,719,802 Warrants to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**") on the basis of 1 Warrant for every 2 existing Caely Shares held;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new Caely Shares arising from the exercise of the Warrants by the Warrant holders, credited as fully paid-up, in accordance with the provisions of a deed poll to be executed ("**Deed Poll**");

THAT the new Caely Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Caely Shares, except that such new Caely Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of such new Caely Shares;

THAT the Board be and is hereby authorised to deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

THAT the Warrants be constituted under the Deed Poll and the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendment to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit or expedient in order to implement, finalise and give full effect to the Deed Poll;

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities and to take all steps and do all such acts and matters in the manner as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants.”

BY ORDER OF THE BOARD

CHAN SAU LENG (MAICSA 7012211)

(SSM Practicing Certificate No. 202008002709)

RUZETI EMAR BINTI MOHD ROSLI (LS0010372)

(SSM Practicing Certificate No. 202008000974)

Company Secretaries

Selangor Darul Ehsan

2 November 2021

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Notes:

1. Due to the on-going National Recovery Plan and as part of the continuing measures to stem the spread of the Coronavirus Disease (COVID-19), the EGM of the Company will be conducted on a fully virtual basis through live streaming and online voting using RPEV facilities at <https://meeting.boardroomlimited.my>. The procedures for members to register, participate and vote remotely via the RPEV facilities are provided in the Administrative Guide of the EGM.
2. Please follow the procedures set out in the Administrative Guide of the EGM which is available on the Bursa Malaysia Securities Berhad's website and the Company's website at www.caelyholdings.com, to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely via the RPEV facilities.
3. The conduct of a fully virtual EGM is in line with the revised Guidance Note and Frequently Asked Questions ("the Revised Guidance Note and FAQ") by the Securities Commission Malaysia on 16 July 2021. The Revised Guidance Note and FAQ states that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.
4. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 22 November 2021 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.
5. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
6. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
7. 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.
8. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Poll Administrator's Office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan or via electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the time appointed for holding the EGM or any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via email to bsr.helpdesk@boardroomlimited.com or via facsimile at +603 7890 4670. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Details.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) 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 for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.



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

ADMINISTRATIVE GUIDE OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) FOR THE SHAREHOLDERS, PROXIES AND OTHER ATTENDEES

- Day and Date : Tuesday, 30 November 2021, or any adjournment thereof
Time : 10.00 a.m.
Meeting Platform : <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication : 1) Typed text in the Meeting Platform during the EGM. The Messaging window facility will be opened concurrently with the Meeting Platform, i.e. one (1) hour before the EGM, which is from 9.00 a.m. on Tuesday, 30 November 2021.
2) E-mail questions to yenwahchoo@classita.com.my or via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> **prior to the EGM** using the same user ID and password provided in Step 2 of the procedures of RPEV facilities and select “SUBMIT QUESTION” to pose questions.

Dear Valued Shareholders,

In view of the COVID-19 outbreak, your safety remains our utmost priority. The EGM of the Company will be conducted on a **FULLY VIRTUAL** basis through live streaming and online remote participation using Remote Participation and Electronic Voting (RPEV) Facilities from the Venue. This is in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia (“SC Guidance Note & FAQs”), and the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia.

The conduct of a fully virtual EGM is in line with the revised Guidance Note and Frequently Asked Questions (“the Revised Guidance Note and FAQ”) by the Securities Commission Malaysia on 16 July 2021. The Revised Guidance Note and FAQ states that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.

REMOTE PARTICIPATION AND ELECTRONIC VOTING (RPEV) FACILITIES

1. Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively known as “participate”) remotely at the EGM using RPEV facilities provided by the Poll Administrator, Boardroom Share Registrars Sdn. Bhd. (“BSR”)
2. Shareholders who appoint proxies to participate via RPEV facilities in the EGM must ensure that the duly executed proxy forms are deposited in a hardcopy form or by electronic means to BSR no later than **10.00 a.m. on Monday, 29 November 2021.**
3. Corporate representatives of corporate shareholders who wish to participate at the EGM via RPEV facilities must deposit their original certificate of appointment of corporate representative to and email the softcopy to BSR at bsr.helpdesk@boardroomlimited.com not later than **10.00 a.m. on Monday, 29 November 2021.**

4. Nominee Company [whose beneficiary of the shares in its Central Depository System (CDS) account] who wishes to participate at the EGM via RPEV facilities must deposit its original hardcopy proxy form and email the softcopy to BSR at bsr.helpdesk@boardroomlimited.com not later than 10.00 **a.m. on Monday, 29 November 2021** to participate at the EGM.
5. Attorneys appointed by power of attorney who wish to participate at the EGM via RPEV facilities must deposit their original or duly certified power of attorney and email the softcopy to BSR at bsr.helpdesk@boardroomlimited.com not later than **10.00 a.m. on Monday, 29 November 2021** to participate at the EGM.
6. As the EGM is a fully virtual EGM, shareholders who are unable to participate in the EGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.
7. If a shareholder has submitted his/her Proxy Form appointing the Chairman of the meeting as his/her proxy to vote on his/her behalf at the EGM, subsequently wishes to revoke his/her proxy form, the Notice of Termination of Authority to act as Proxy must be received by the Company at least twenty-four (24) hours before the time appointed for the holding of the meeting or adjourned meeting, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - a. the constitution of the quorum at such meeting;
 - b. the validity of anything he did as Chair of such meeting;
 - c. the validity of a poll demanded by him at such meeting; or
 - d. the validity of the vote exercised by him at such meeting.
8. Please note that the Company shall deem that shareholders have no objection to use the provision in the proxy form which has designated the Chairman of the meeting as the authorised person to vote on behalf of shareholders until further instructions are received. The appointed Poll Administrator of this EGM shall be notified of such arrangement accordingly.

ENTITLEMENTS TO ATTEND, SPEAK AND VOTE (COLLECTIVELY, "PARTICIPATE")

In respect of deposited securities, only Shareholders whose names appear on the Record of Depositors on 22 November 2021 ("General Meeting Record of Depositors") shall be eligible to participate the EGM via RPEV facilities. If you are unable to participate, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate your voting instructions in the proxy form.

PROCEDURES FOR RPEV FACILITIES




Shareholders/proxies/corporate representatives/attorneys who wish to participate the EGM remotely using the RPEV are advised to log in to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> for the following services:

- a. Register participation for the virtual EGM
- b. Submit eProxy forms electronically
- c. Submit questions prior to the virtual EGM

Kindly follow the steps below to register for the virtual EGM:

	Procedure	Action
BEFORE THE EGM DAY		
Step 1	Register Online with Boardroom Smart Investor Portal (for first time registration only)	<i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 - Submit Request for Remote Participation User ID and Password.]</i>

	Procedure	Action
BEFORE THE EGM DAY		
Step 1	Register Online with Boardroom Smart Investor Portal <i>(for first time registration only)</i>	<ol style="list-style-type: none"> Access website https://investor.boardroomlimited.com . Click <Register> to sign up as a user. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. Please enter a valid email address and wait for email verification from Boardroom. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.
Step 2	Submit request for remote participation (User ID and Password)	<p>(Note: Registration for remote access will be opened on 2 November 2021. Please note that the closing time to submit your request is not less than twenty-four (24) hours before the time of holding the EGM, i.e. latest by Monday, 29 November 2021 at 10.00 a.m.)</p> <p>Individual Members</p> <ol style="list-style-type: none"> Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select "CAELY HOLDING BHD. EXTRAORDINARY GENERAL MEETING" from the list of Corporate Meeting and click "Enter". Click on "Register for RPEV". Read and agree to the Terms & Conditions and click "Next". Enter your CDS Account and thereafter submit your request. <p>Corporate Shareholders</p> <ol style="list-style-type: none"> To submit the request, Corporate Shareholders need to deposit the original hardcopy to BSR and write in to BSR at bsr.helpdesk@boardroomlimited.com by providing softcopy of the Certificate of Appointment of Corporate Representative or Form of Proxy, the name of Member and CDS Account Number. Please provide a copy of Corporate Representative's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address. <p>Authorised Nominee and Exempt Authorised Nominee</p> <ol style="list-style-type: none"> To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to BSR and write in to BSR at bsr.helpdesk@boardroomlimited.com by providing softcopy of the Form of Proxy, the name of Member and CDS Account Number. Please provide a copy of the proxy holder's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.
	Email notification	<ol style="list-style-type: none"> You will receive notification from Boardroom that your request(s) has been received and is being verified. Upon system verification against the Record of Depositors of the EGM as at 22 November 2021, you will receive an email from Boardroom either approving or rejecting your registration for remote participation. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.

	Procedure	Action
ON THE EGM DAY		
		d. Please note that the closing date and time to submit your request is by Monday, 29 November 2021 at 10.00 a.m.
Step 3	Login to Virtual Meeting Platform	<p>a. The Virtual Meeting portal will be opened for login one (1) hour before the commencement of the EGM at 9.00 a.m. on Tuesday, 30 November 2021.</p> <p>b. The Meeting Platform can be accessed via website at https://meeting.boardroomlimited.my or scan the QR code provided in the email notification.</p> <p>c. Insert the Meeting ID No. and sign in with the user ID and password provided to you via the email notification in Step 2 (c).</p>
	Participate	<p>Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions and vote:-</p> <p>a. If you would like to view the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the EGM, select the messaging icon. </p> <p>c. Type your message within the chat box, once completed click the send button.</p>
	Online Remote Voting	<p>a. Once the EGM is opened for voting, the polling icon  will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session.</p> <p>b. To vote, please select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received.</p> <p>c. To change your vote, re-select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
	End of remote participation	<p>a. Upon the announcement by the Chair of the meeting on the closure of the EGM, the live webcast will end and the messaging window will be disabled.</p> <p>b. You can now logout from the Meeting Platform.</p>

Notes to RPEV facilities users:

1. Should your application to join the EGM be approved, the system will make available to you the rights to join the live streamed meeting and to vote remotely.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet connection at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call BSR Help Line for assistance.

Poll Voting

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed BSR as Poll Administrator to conduct the poll by way of electronic voting and SKY Corporate Services Sdn. Bhd. as the Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions and submit the votes on the resolutions at any time from the commencement of the EGM at 10.00 a.m. and before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to Step 3 of the above Procedures for RPEV for guidance on how to vote remotely

Upon completion of the voting session, the Independent Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy or attorney or authorised representative to participate via RPEV facilities at the EGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to BSR no later than **Monday, 29 November 2021 at 10.00 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

- In hardcopy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan.
- By electronic form
The proxy form can be electronically lodged to Boardroom Smart Investor Portal via <https://investor.boardroomlimited.com> (**applicable for individual shareholder only**). Kindly refer to the Procedure for Electronic Submission of Proxy Form below.
- By email or facsimile
Alternatively, the Proxy Form may also be electronically submitted via email to bsr.helpdesk@boardroomlimited.com or via facsimile at +603 7890 4670.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan not later than **Monday, 29 November 2021 at 10.00 a.m.** to participate via RPEV facilities in the EGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the ORIGINAL Certificate of Appointment at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan not later than **Monday, 29 November 2021 at 10.00 a.m.** to participate via RPEV facilities in the EGM. The Certificate of Appointment should be executed in the following manner:

- If the corporate member has a common seal, the Certificate of Appointment should be executed under the common seal in accordance with the constitution of the corporate member.

2. If the corporate member does not have a common seal, the Certificate of Appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - a. at least two (2) authorised officers, of whom one shall be a director; or
 - b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Boardroom Smart Investor Portal are summarised below:-

	Procedure	Action
Step 1	Register Online with Boardroom Smart Investor Portal (for first time registration only)	<p><i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 – eProxy Lodgement]</i></p> <ol style="list-style-type: none"> a. Access website https://investor.boardroomlimited.com b. Click <Register> to sign up as a user. c. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. d. Please enter a valid email address and wait for Boardroom’s email verification. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.
Step 2	Submit your request	<ol style="list-style-type: none"> a. Access website https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Select “CAELY HOLDING BHD. EXTRAORDINARY GENERAL MEETING” from the list of Corporate Meeting and click “Enter”. c. Click on “Submit eProxy Form”. d. Read the terms & conditions and confirm the Declaration by clicking “Next”. e. Enter your CDS Account Number and indicate the number of securities. f. Appoint your proxy(ies) or the Chairman of the EGM and enter the required particulars for your proxy(ies). g. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes. h. Review and confirm your proxy(ies) appointment. i. Click submit. j. Download or print the eProxy Form acknowledgement.

SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

1. Shareholders may submit questions in advance on the EGM resolution no later than Monday, 29 November 2021 at 10.00 a.m. via yenwahchoo@classita.com.my or Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> using the same user ID and password provided in Step 2 above, and select “SUBMIT QUESTION” to pose questions.
2. Thereafter, on the morning of the EGM, shareholders may also submit questions via the messaging box on Lumi EGM web portal starting at 9.00 a.m. This web portal will remain open throughout the virtual EGM session.

3. The Board of Directors will endeavor to respond to Pre-EGM Meeting Questions and questions submitted from 9.00 a.m. on the day of the EGM and throughout the meeting. However, if there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

CIRCULAR TO SHAREHOLDERS AND OTHER DOCUMENTS

1. As part of our dedicated commitment to sustainable practices, the following documents can be downloaded from Bursa Securities' website and the Company's website at www.caelyholdings.com:
 - a. Circular to Shareholders
 - b. Notice of the EGM
 - c. Proxy Form
 - d. Administrative Guide
 - e. Requisition Form

NO GIFTS DISTRIBUTION

There will be no gifts distribution for Shareholders/Proxies at the EGM.

RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the EGM is allowed.

ENQUIRY

If you have any enquiry in relation to the conduct of the GM via RPEV Facilities, depositing of hardcopy proxy form, submission of electronic proxy form, depositing of the original certificate of appointment of corporate representative, depositing of original or duly certified power of attorney, please contact the Poll Administrator, BSR during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m., except on public holidays:

Address	Boardroom Share Registrars Sdn. Bhd 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya, Selangor Darul Ehsan
General Line	603-7890 4700 (Helpdesk)
Fax Number	603-7890 4670
Email	bsr.helpdesk@boardroomlimited.com



CAELY HOLDINGS BHD

[Registration No. 199601036023 (408376-U)]
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	Number of Shares Held

*I/We _____
of _____
with email: _____ and mobile phone no. _____
being a member / members of **Caely Holdings Bhd.** [Registration No. 199601036023 (408376-U)], hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Tuesday, 30 November 2021 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION 1	PROPOSED BONUS ISSUE OF WARRANTS	

Please indicate with an "X" in the above columns how you wish your vote to be casted. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

* Delete if not applicable.

Dated this _____ day of _____ 2021

Signature/Common Seal of member

Tel No: _____



Notes:

1. Due to the on-going National Recovery Plan and as part of the continuing measures to stem the spread of the Coronavirus Disease (COVID-19), the EGM of the Company will be conducted on a fully virtual basis through live streaming and online voting using RPEV facilities at <https://meeting.boardroomlimited.my>. The procedures for members to register, participate and vote remotely via the RPEV facilities are provided in the Administrative Guide of the EGM.
2. Please follow the procedures set out in the Administrative Guide of the EGM which is available on the Bursa Malaysia Securities Berhad's website and the Company's website at www.caelyholdings.com, to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely via the RPEV facilities.
3. The conduct of a fully virtual EGM is in line with the revised Guidance Note and Frequently Asked Questions ("the Revised Guidance Note and FAQ") by the Securities Commission Malaysia on 16 July 2021. The Revised Guidance Note and FAQ states that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.
4. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 22 November 2021 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.
5. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
6. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
7. 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.
8. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Poll Administrator's Office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan or via electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the time appointed for holding the meeting or any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via email to bsr.helpdesk@boardroomlimited.com or via facsimile at +603 7890 4670 at least twenty-four (24) hours before the time appointed for the holding of the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Details.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agrees to the Personal Data Privacy terms set out in the Notice of EGM dated 2 November 2021.

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AFFIX
STAMP

THE POLL ADMINISTRATOR OF CAELY HOLDINGS BHD

[Registration No. (199601036023 (408376-U))]

c/o: BOARDROOM SHARE REGISTRARS SDN BHD

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

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