

THIS CIRCULAR TO SHAREHOLDERS OF CLASSITA HOLDINGS BERHAD (FORMERLY KNOWN AS CAELY HOLDINGS BHD) (“CLASSITA” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES SHAREHOLDERS’ IMMEDIATE ATTENTION.

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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**CLASSITA HOLDINGS BERHAD
(FORMERLY KNOWN AS CAELY HOLDINGS BHD)**

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 965,398,515 NEW ORDINARY SHARES IN CLASSITA (“SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 2 EXISTING SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED, TOGETHER WITH UP TO 579,239,109 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF 3 WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD

(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting of Classita (“EGM”) and the Proxy Form are enclosed in this Circular. The EGM will be held and conducted virtually through live streaming and online participation and voting using remote participation and voting (RPV) facilities via the online meeting platform at <https://www.symphonycorporateservices.com.my> provided by Symphony Corporate Services Sdn Bhd in Malaysia (Domain registration number D1C534619), detailed as below:

Date and time of the EGM : Monday, 27 March 2023 at 10.00 a.m. or at any adjournment thereof
Meeting platform of the EGM : <https://www.symphonycorporateservices.com.my>
Last date and time for lodging the Proxy Form : Saturday, 25 March 2023 at 10.00 a.m.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy/proxies to attend and vote on his/her behalf. If you wish to appoint a proxy, you must complete and deposit the Proxy Form in accordance with the instructions thereon so as to arrive at the Company’s registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

This Circular is dated 10 March 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

COMPANIES:

“BNM”	:	Bank Negara Malaysia
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Classita” or the “Company”	:	Classita Holdings Berhad (formerly known as Caely Holdings Bhd)
“Classita Group” or the “Group”	:	Classita and its subsidiaries, collectively
“Harvest Miracle”	:	Harvest Miracle Capital Berhad (formerly known as Vortex Consolidated Berhad)
“Kepayang Heights”	:	Kepayang Heights Sdn Bhd
“SC”	:	Securities Commission Malaysia
“TA Securities” or “Principal Adviser”	:	TA Securities Holdings Berhad

GENERAL:

“5D-VWAP”	:	5-day volume weighted average market price
“Act”	:	Companies Act 2016
“Acquisition of Kepayang Heights”	:	On 1 November 2022, Classita had entered into the following agreements for the acquisition of equity interest in Kepayang Heights: <ul style="list-style-type: none">(i) a share sale agreement with Harvest Miracle in relation to the proposed acquisition of 100,000 ordinary shares in Kepayang Heights which represents 3.4% of the entire issued and paid-up share capital in Kepayang Heights for a total cash consideration of RM17.00 million; and(ii) a subscription agreement with Kepayang Heights for the issuance and allotment of 100,000,000 ordinary shares in Kepayang Heights, representing 97.14% of the enlarged total number of issued shares in Kepayang Heights for a total subscription price of RM1.50 million
“Acquisition of Kinta Land”	:	On 9 December 2022, Caely (M) Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a sale and purchase agreement with GCH Retail (Malaysia) Sdn Bhd for the acquisition of the Kinta Land for a total cash consideration of RM9.00 million
“Adjustment”	:	Adjustment to the exercise price and number of outstanding Warrants B in accordance with the provisions of the Deed Poll B arising from the Proposed Rights Issue
“Announcement”	:	Announcement in relation to the Proposed Rights Issue dated 6 January 2023
“Announcement LPD”	:	5 January 2023, being the latest practicable date prior to the announcement of the Proposals on 6 January 2023

DEFINITIONS (CONT'D)

“Bentong Land”	:	A piece of 99-year leasehold land expiring on 10 June 2107 held under Pajakan Negeri 28097, Lot 27926, Mukim Bentong, District of Bentong, State of Pahang measuring approximately 857,883 square feet
“Bentong Project”	:	The development of mixed commercial and residential development project on the Bentong Land of, amongst others: <ul style="list-style-type: none">(i) 84 units of semi-detached house from approximately 2,020 square feet to approximately 2,523 square feet per unit;(ii) 7 units of bungalow house of approximately 3,040 square feet per unit;(iii) a club house;(iv) a private organic farm;(v) a management office;(vi) a guard house; and(vii) other related amenities
“Board”	:	Board of Directors of the Company
“Circular”	:	This circular to Shareholders in relation to the Proposed Rights Issue
“Code”	:	Malaysian Code on Take-overs and Mergers 2016
“COVID-19”	:	Coronavirus 2019
“Deed Poll”	:	The deed poll constituting the Warrants and governing the rights of Warrant holders to be executed by the Company
“Deed Poll B”	:	The deed poll constituting the Warrants B dated 20 December 2021
“Director”	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	:	Extraordinary general meeting of the Company
“Entitled Shareholders”	:	The shareholders whose names appear on the Record of Depositors of the Company on the Entitlement Date
“Entitlement Date”	:	5.00 p.m. on a date to be determined and announced later by the Board on which the shareholders must appear on the Record of Depositors of the Company in order to be entitled for the Proposed Rights Issue
“EPS”	:	Earnings per share
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ending
“IMR Report”	:	Independent market research report on the industry overview on the undergarments industry in Malaysia by Providence Strategic Partners Sdn Bhd dated 5 January 2023
“Kinta Land”	:	A piece of 99-year leasehold land expiring on 10 October 2106 held under Pajakan Negeri No. 359821 Lot 312012, Mukim of Sungai Raya, District of Kinta, State of Perak, measuring approximately 567,032 square feet

DEFINITIONS (CONT'D)

“Kinta Project”	:	Future development of mixed commercial and industrial development project to be undertaken by the Group on Kinta Land
“km”	:	kilometers
“LAT”	:	Loss after tax attributable to the owners of the Company
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	28 February 2023, being the latest practicable date prior to the printing of this Circular
“Maximum Scenario”	:	Issuance of up to 965,398,515 Rights Shares together with up to 579,239,109 Warrants, assuming the following: <ul style="list-style-type: none">(a) all the outstanding Warrants B are exercised into new Shares prior to the implementation of the Proposed Rights Issue; and(b) all Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) subscribe for their entitlements in full
“MCO”	:	Movement control order
“Minimum Scenario”	:	Issuance of 300,000,000 Rights Shares together with 180,000,000 Warrants, assuming the following: <ul style="list-style-type: none">(a) no other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) subscribing for their entitlements; and(b) the Proposed Rights Issue is undertaken based on the Minimum Subscription Level
“Minimum Subscription Level”	:	Minimum subscription level of 300,000,000 Rights Shares based on the issue price of RM0.10 each together with 180,000,000 Warrants, to arrive at RM30.00 million in proceeds
“NA”	:	Net assets attributable to the owners of the Company
“OEM”	:	Original equipment manufacturer
“Official List”	:	The official list of the Main Market of Bursa Securities
“Proposed Rights Issue”	:	Proposed renounceable rights issue of up to 965,398,515 Rights Shares on the basis of 5 Rights Shares for every 2 existing Shares held on an entitlement date to be determined, together with up to 579,239,109 free detachable Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed for
“Record of Depositors”	:	A record of securities holders established by Bursa Malaysia Depository Sdn Bhd under the rules of Bursa Malaysia Depository Sdn Bhd
“Rights Shares”	:	Up to 965,398,515 new Classita Shares to be issued pursuant to the Proposed Rights Issue
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions

DEFINITIONS (CONT'D)

“Share(s)”	:	Ordinary shares in Classita
“Shareholder(s)”	:	Registered holders of Classita Shares
“TEAP”	:	Theoretical ex-all price
“Undertaking”	:	Irrevocable and unconditional written undertaking dated 6 January 2023 by Chan Swee Ying, a substantial shareholder of the Company that she will partially subscribe for her entitlement of 100,000,000 Rights Shares based on the issue price of RM0.10 each together with 60,000,000 Warrants, to arrive at RM10.00 million
“Undertaking Shareholder”	:	Chan Swee Ying, a substantial shareholder of the Company
“Underwriting”	:	Underwriting arrangement for the subscription by underwriter(s) of 200,000,000 Rights Shares based on the issue price of RM0.10 each together with 120,000,000 Warrants, to arrive at RM20.00 million
“Warrants”	:	Up to 579,239,109 free detachable warrants to be issued pursuant to the Proposed Rights Issue
“Warrants B”	:	47,128,302 outstanding warrants 2021/2024 of Classita as constituted by Deed Poll B which are exercisable into 47,128,302 new Shares at RM0.35 each and expiring on 22 December 2024

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between the amounts stated, actual figures and the totals thereof in this Circular are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved, and the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SERVES TO HIGHLIGHT SALIENT INFORMATION ON THE PROPOSED RIGHTS ISSUE. PLEASE READ THIS CIRCULAR AND ITS APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED RIGHTS ISSUE BEFORE VOTING.

The Board recommends that shareholders of the Company to **vote in favour** of the resolution in relation to the Proposed Rights Issue to be tabled at the forthcoming EGM.

Proposed Rights Issue
<p style="text-align: center;">Summary</p> <p>The Proposed Rights Issue involves the issuance of up to 965,398,515 Rights Shares on the basis of 5 Rights Shares for every 2 existing Shares held together with up to 579,239,109 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribe for, by the shareholders of the Company on the Entitlement Date and/or their renounee(s) or transferee(s) (if applicable).</p> <p>Please refer to Section 2 of this Circular for further information.</p>
<p style="text-align: center;">Basis of Rights Shares and Warrants to be issued</p> <p>A total of up to 965,398,515 Rights Shares together with up to 579,239,109 Warrants will be issued if all the Entitled Shareholders and/or their renounee(s) fully subscribed for their entitlements under the Proposed Rights Issue.</p> <p>The basis of 3 Warrants for every 5 Rights Shares subscribed for was arrived at after taking into consideration, among others, the following:</p> <ul style="list-style-type: none">(i) the Warrants are given free to Entitled Shareholders and/or their renounee(s) who subscribe for the Rights Shares to encourage their subscription; and(ii) to comply with Paragraph 6.50 of the Listing Requirements, which states that the number of new shares which will be issued from all outstanding convertible equity securities, when exercised, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times. <p>Please refer to Section 2 of this Circular for further information.</p>
<p style="text-align: center;">Minimum Subscription Level and Underwriting</p> <p>The Group will need to raise minimum proceeds of RM30.00 million from the Proposed Rights Issue. Based on the issue price of RM0.10 per Rights Share, the Group will need a minimum subscription level of 300,000,000 Rights Shares.</p> <p>In order to meet the Minimum Subscription Level:</p> <ul style="list-style-type: none">(i) the Company has obtained Undertaking from the Undertaking Shareholder that she:<ul style="list-style-type: none">(a) will partially subscribe for her entitlement of 100,000,000 Rights Shares based on the issue price of RM0.10 each together with 60,000,000 Warrants, to arrive at RM10.00 million;(b) has sufficient financial resources to fulfil her Undertaking; and(c) will not transfer, dispose of or reduce her existing shareholding of Classita Shares to below 40,000,000 Classita Shares from the date of such Undertaking up to the Entitlement Date.(ii) the Company shall procure Underwriting arrangement with the underwriter(s) to underwrite 200,000,000 Rights Shares based on the issue price of RM0.10 each together with 120,000,000 Warrants, to arrive at RM20.00 million. <p>Please refer to Section 2.2 of this Circular for further information.</p>

EXECUTIVE SUMMARY (CONT'D)

Rationale

The rationale for the Proposed Rights Issue includes the following:

- (a) to raise funds expeditiously without incurring interest costs associated with bank borrowings or issuance of debt instruments;
- (b) strengthen the cash flow of the Group and utilisation of the said proceeds as set out in **Section 4** of this Circular;
- (c) involve the issuance of new Shares without diluting the Entitled Shareholders' shareholdings;
- (d) the Warrants are expected to enhance the attractiveness of the Rights Shares; and
- (e) the Warrants will provide the Company with additional funding if and when they are exercised.

Please refer to **Section 3** of this Circular for further information.

Utilisation of proceeds

Utilisation of proceeds	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for the utilisation
Funding for the property development and construction business	21,000	83,000	Within 48 months
Working Capital	7,900	12,440	Within 24 months
Estimated expenses for the Proposed Rights Issue	1,100	1,100	Immediately
Total Proceeds	30,000	96,540	

Please refer to **Section 4** of this Circular for further information.

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**CLASSITA HOLDINGS BERHAD
(FORMERLY KNOWN AS CAELY HOLDINGS BHD)**

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

Registered Office:

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang, Malaysia

10 March 2023

Board of Directors

Ng Keok Chai (Non-Independent Non-Executive Chairman)
Leong Seng Wui (Executive Director)
Datuk Kuan Poh Huat (Executive Director)
Dato' Kang Chez Chiang (Independent Non-Executive Director)
Krishnan A/L Dorairaju (Independent Non-Executive Director)
Dato' Pahlawan Mior Faridalathrash Bin Wahid (Independent Non-Executive Director)
Chong Seng Ming (Independent Non-Executive Director)

To: The Shareholders

Dear Shareholders,

PROPOSED RIGHTS ISSUE

1. INTRODUCTION

On 6 January 2023, TA Securities announced on behalf of the Board that the Company intends to undertake the Proposed Rights Issue.

On 24 February 2023, TA Securities announced on behalf of the Board that Bursa Securities, had vide its letter dated 24 February 2023, approved the following:

- (i) listing and quotation of the Rights Shares and Warrants;
- (ii) admission of the Warrants to the Official List;
- (iii) listing and quotation of the new Shares to be issued pursuant to the exercise of the Warrants;
- (iv) listing and quotation of the additional Warrants B; and
- (v) listing and quotation of the new Shares to be issued pursuant to the exercise of the additional Warrants B,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as stated in **Section 10** of this Circular. Further details of the Proposed Rights Issue are set out in the ensuing sections in this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS WITH DETAILS ON THE PROPOSED RIGHTS ISSUE, TO SET OUT THE BOARD'S RECOMMENDATION AND TO SEEK THE SHAREHOLDERS APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

THE SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED RIGHTS ISSUE

The Company proposed to issue up to 965,398,515 Rights Shares on the basis of 5 Rights Shares for every 2 existing Shares held together with up to 579,239,109 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribe for, by the Entitled Shareholders and/or their renounee(s) or transferee(s) (if applicable) on the Entitlement Date.

As at the LPD, the Company has:

- (i) an issued share capital of RM100,054,909.76 comprising 339,031,104 issued Shares; and
- (ii) 47,128,302 outstanding Warrants B as constituted by Deed Poll B which are exercisable into 47,128,302 new Shares at RM0.35 each.

Based on the above, a total of up to 965,398,515 Rights Shares together with up to 579,239,109 Warrants will be issued if all the Entitled Shareholders and/or their renounee(s) fully subscribed for their entitlements under the Proposed Rights Issue.

The basis of 5 Rights Shares for every 2 existing Shares was arrived at after taking into consideration, among others, the following:

- (i) the rationale for the Proposed Rights Issue as set out in **Section 3** of this Circular;
- (ii) the issue price of the Rights Shares at RM0.10 each; and
- (iii) the amount of proceeds that Classita wishes to raise, as detailed in **Section 7** of this Circular.

The basis of 3 Warrants for every 5 Rights Shares subscribed for was arrived at after taking into consideration, among others, the following:

- (i) the Warrants are given free to Entitled Shareholders and/or their renounee(s) who subscribe for the Rights Shares to encourage their subscription; and
- (ii) to comply with Paragraph 6.50 of the Listing Requirements, which states that the number of new shares which will be issued from all outstanding convertible equity securities, when exercised, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The actual number of Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue would depend on the issued share capital of the Company on the Entitlement Date and eventual subscription level for the Proposed Rights Issue. The Entitlement Date of the Rights Shares shall be determined by the Board and announced at a later date after obtaining the relevant approvals for the Proposed Rights Issue.

The entitlements for the Rights Shares with Warrants are renouneable in full or in part. However, the Rights Shares and the Warrants cannot be renouneed separately. If the Entitled Shareholders renoune all of their Rights Shares entitlements, they will not be entitled to any Warrants.

If the Entitled Shareholders accept only part of their Rights Shares entitlements, they will be entitled to the Warrants in proportion to their acceptances of their Rights Shares entitlements. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue.

In determining the shareholders' entitlements to the Rights Shares and the Warrants, any fractional entitlements arising from the Proposed Rights Issue, if any, will be disregarded and dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interests of the Company.

Any Rights Shares with Warrants which are not subscribed for shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). The Board intends to allocate any excess Rights Shares with Warrants in a fair and equitable manner on a basis to be determined by the Board and announced by the Company.

The Warrants are attached to the Rights Shares without any cost to the Entitled Shareholders. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately from the Rights Shares. The Warrants will be issued in registered form and constituted by the Deed Poll.

The indicative salient terms of the Warrants are set out in **Appendix I** of this Circular.

2.1 Basis of determining and justification for the issue price of the Rights Shares and exercise price of the Warrants

(i) Issue price of the Rights Shares

The Board has fixed the issue price of the Rights Shares at RM0.10 each after taking into consideration the following:

- (a) the rationale for the Proposed Rights Issue as set out in **Section 3** of this Circular;
- (b) the amount of proceeds that Classita wishes to raise as set out in **Section 4** of this Circular; and
- (c) the TEAP based on the 5D-VWAP up to and including the Announcement LPD of RM0.3935. The issue price of RM0.10 per Rights Share is at a discount of RM0.0839 or 45.62% to the TEAP of RM0.1839.

The Board is of the opinion that the aforementioned discount is deemed sufficiently attractive to encourage subscription of the Rights Shares.

The discount of the issue price of the Rights Shares to the TEAP of Classita Shares, calculated based on 5-day, 1-month, 3-month, 6-month and 12-month VWAP up to the Announcement LPD are as follows:

VWAP of Classita Shares up to and including the Announcement LPD	VWAP	TEAP	Discount to the TEAP	
	RM	RM	RM	%
5-day	0.3935	0.1839	0.0839	45.62
1-month	0.4020	0.1863	0.0863	46.32
3-month	0.3959	0.1845	0.0845	45.80
6-month	0.3894	0.1827	0.0827	45.27
12-month	0.4822	0.2092	0.1092	52.20

(Source: Bloomberg Finance L.P.)

(ii) Exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who successfully subscribe for the Rights Shares.

The Board has fixed the exercise price of the Warrants at RM0.20 each after considering the following:

- (a) the rationale for the Proposed Rights Issue as set out in **Section 3** of this Circular;
- (b) The exercise price of RM0.20 per Warrant is at a premium of RM0.0161 or 8.75% to the TEAP of RM0.1839; and
- (c) the proceeds that may be raised for future usage by the Group.

The Warrants may be exercised at any time within a period of 5 years commencing on and including the date of issuance of the Warrants.

The Board is of the opinion that the premium of the exercise price to the TEAP is reasonable to incentivise Warrant holders to hold on to the Warrants for a longer period. The Board hopes that this will encourage the Warrant holders to have longer investment horizon and to make their investment decisions based on the long-term prospects of the Group rather than short-term market fluctuations.

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The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:

Particulars	As at the LPD		(I) After the Proposed Rights Issue		(II) After (I) and full exercise of the Warrants	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾
Issued share capital	339,031,104	100.00	639,031,104	100.00	819,031,104	100.00
Less:						
<u>Director</u>						
- Leong Seng Wui	10,213,000	3.01	10,213,000	1.60	10,213,000	1.25
<u>Substantial shareholders</u>						
- Chan Swee Ying	90,025,500	26.55	190,025,500	29.74	250,025,500	30.53
- Dato' Sri Tee Yam	49,381,800	14.57	49,381,800	7.73	49,381,800	6.03
- Datin Fong Nyok Yoon	19,055,400	5.62	19,055,400	2.98	19,055,400	2.33
<u>Associate of substantial shareholder</u>						
- Dato' Chuah Chin Lai (Spouse to Datin Fong Nyok Yoon)	14,600,700	4.31	14,600,700	2.28	14,600,700	1.78
Public shareholding spread	155,754,704	45.94	355,754,704	55.67	475,754,704	58.08

Notes:

- (1) Based on the total number of 339,031,104 Shares as at the LPD.
- (2) Based on the enlarged total number of 639,031,104 Shares under the Minimum Scenario.
- (3) Based on the enlarged total number of 819,031,104 Shares under the Minimum Scenario and assuming full exercise of the Warrants.

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2.2 Minimum Subscription Level and Undertaking

The Group will need to raise minimum proceeds of RM30.00 million from the Proposed Rights Issue. Based on the issue price of RM0.10 per Rights Share, the Group will need a minimum subscription level of 300,000,000 Rights Shares.

In order to meet the Minimum Subscription Level:

- (i) the Company has obtained the Undertaking from the Undertaking Shareholder that she:
 - (a) will partially subscribe for her entitlement of 100,000,000 Rights Shares based on the issue price of RM0.10 each together with 60,000,000 Warrants, to arrive at RM10.00 million;
 - (b) has sufficient financial resources to fulfil her Undertaking; and
 - (c) will not transfer, dispose of or reduce her existing shareholding of Classita Shares to below 40,000,000 Classita Shares from the date of such Undertaking up to the Entitlement Date.
- (ii) the Company shall procure Underwriting arrangement with the underwriter(s) to underwrite the Rights Shares with Warrants for 200,000,000 Rights Shares based on the issue price of RM0.10 each together with 120,000,000 Warrants, to arrive at RM20.00 million.

The Underwriting arrangement will be finalised at a later date prior to the announcement of the Entitlement Date. The terms of the Underwriting arrangement have therefore not been finalised and no underwriting agreement has been entered as at the LPD.

TA Securities, being the Principal Adviser for the Proposed Rights Issue, has also verified that the Undertaking Shareholder has sufficient financial resources to fulfil her Undertaking.

A summary of the Undertaking and the Underwriting are as follows:

Undertaking Shareholder/ Underwriter(s)	Shareholdings as at the LPD		No. of Rights Shares under Minimum Subscription Level				Total Undertaking/ Underwriting		Amount ⁽¹⁾ RM
	No. of Shares	%	Via entitlement ⁽²⁾	%	Via excess application	%	No. of Rights Shares	% ⁽²⁾	
Chan Swee Ying ⁽³⁾	90,025,500	26.55	100,000,000	33.33	-	-	100,000,000	33.33	10,000,000
Underwriter(s)	-	-	-	-	-	-	200,000,000	66.67	20,000,000
	90,025,500	26.55	100,000,000	33.33	-	-	300,000,000	100.00	30,000,000

Notes:

- (1) Computed based on the issue price of RM0.10 per Rights Share.
- (2) Based on 300,000,000 Rights Shares under the Minimum Subscription Level.
- (3) Based on Chan Swee Ying's entitlement, she is entitled to subscribe for 225,063,750 Rights Shares pursuant to the Proposed Rights Issue. However, pursuant to the Undertaking, Chan Swee Ying will only subscribe for 100,000,000 Rights Shares based on the issue price of RM0.10 each together with 60,000,000 Warrants, for RM10.00 million.

For illustrative purpose, if the other Entitled Shareholders (other than the Undertaking Shareholder) do not subscribe for their entitlements under the Minimum Subscription Level, their shareholdings in Classita will be diluted as follows:

	As at LPD		After the Proposed Rights Issue		Assuming full exercise of the Warrants	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chan Swee Ying Underwriter(s)	90,025,500	26.55	190,025,500	29.74	250,025,500	30.53
Other Entitled Shareholders	-	-	200,000,000	31.30	320,000,000	39.07
	249,005,604	73.45	249,005,604	38.96	249,005,604	30.40
Total	339,031,104	100.00	639,031,104	100.00	819,031,104	100.00

Under the Minimum Scenario, the Undertaking would not result in the Undertaking Shareholder triggering any mandatory general offer pursuant to the Code and the Rules. The Undertaking Shareholder had further undertaken that she will observe and comply at all times with the provisions of the Code and the Rules.

In the event the Company is unable to procure the Underwriting arrangement with the underwriter(s) in order to achieve the Minimum Subscription Level, the Proposed Rights Issue will not be implemented. Notwithstanding anything contained in the underwriting agreement to be executed by the Company with the underwriter(s), the underwriter(s) may terminate the underwriting agreement prior to the date of listing and quotation of the Rights Shares and Warrants on the Main Market of Bursa Securities on any of the grounds to be formalised in the underwriting agreement. In the event the Company is unable to achieve the Minimum Subscription Level due to occurrence of termination of the underwriting agreement by the underwriter(s), or for any reason whatsoever, the Proposed Rights Issue shall be aborted and all application monies received by the Company pursuant to the Proposed Rights Issue will be refunded to the Entitled Shareholders and/or their renounee(s)/ transferee(s) (if applicable) who have subscribed for the Rights Shares with Warrants.

2.3 Ranking of the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants

The holders of the Warrants will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in the Company until they exercise their Warrants into the new Shares.

The Rights Shares and new Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the holder of such Right Shares shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Right Shares and new Shares arising from the exercise of the Warrants.

2.4 Foreign-Addressed Shareholders

An abridged prospectus together with its accompanying notices of provisional allotment and the rights subscription forms to be issued in connection with the Proposed Rights Issue are not intended to comply with the laws of any jurisdiction other than Malaysia and will not be lodged, registered or approved under applicable securities legislation of any jurisdiction other than Malaysia. Accordingly, the Proposed Rights Issue will not be offered for subscription in any countries or jurisdictions other than Malaysia. The abridged prospectus together with its accompanying documents will only be sent to the Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in the Company's Record of Depositors on the Entitlement Date. Shareholders who have not provided to the Company a registered address or an address in Malaysia for the service of documents ("**Foreign-Addressed Shareholders**") who wish to provide Malaysian addresses should inform their respective stockbrokers as well as the Share Registrar of the Company at Symphony Corporate Services Sdn Bhd, The Gamuda Biz Suites, S-4-04 No. 12, Jalan Anggerik Vanilla 31/99 Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, to effect the change of address prior to the Entitlement Date.

Alternatively, such Foreign-Addressed Shareholders may collect the abridged prospectus from the Company's Share Registrar, who will be entitled to request for such evidence as it deems necessary to satisfy themselves as to the identity and authority of the person collecting the abridged prospectus. The Company will not make or be bound to make any enquiry as to whether the Entitled Shareholders have a registered address other than as stated in the Company's Record of Depositors as at the Entitlement Date and will not accept or to be deemed to accept any liability whether or not any enquiry or investigations is made in connection therewith. Foreign-Addressed Shareholders may only exercise their rights in respect of the Proposed Rights Issue to the extent that it would be lawful to do so, and the Company, TA Securities and the Share Registrar would not, in connection with the Proposed Rights Issue, be in breach of the laws of any country or jurisdiction which the Foreign-Addressed Shareholders and their renounees and transferees (if applicable) might be subject to.

Foreign-Addressed Shareholders will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and the Company will be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or any other taxes or duties as such person may be required to pay. Foreign-Addressed Shareholders will have no claim whatsoever against the Company, TA Securities and the Share Registrar in respect of their rights or entitlements under the Proposed Rights Issue.

Such Foreign-Addressed Shareholders should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue.

Foreign-Addressed Shareholders will be solely responsible to seek advice as to the laws of any jurisdiction to which they may be subject, and participation by the Foreign-Addressed Shareholders in the Proposed Rights Issue must be on the basis of a warranty by them that they may lawfully participate without the Company, TA Securities and the Share Registrar being in breach of the laws of any jurisdiction.

Neither the Company, TA Securities or the Share Registrar nor the other advisers to the Proposed Rights Issue will accept any responsibility or liability in the event that any acceptance of a Foreign-Addressed Shareholder of his/her rights in respect of the Proposed Rights Issue is or becomes illegal, unenforceable, voidable or void in any country or jurisdiction.

Foreign-Addressed Shareholders who do not provide an address in Malaysia or who are not entitled to subscribe for the Rights Shares under the laws and jurisdiction to which they are subject to will have no claim whatsoever against the Company, TA Securities, the Share Registrar or other advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue.

The Company reserves the right in its absolute discretion to treat any acceptance as being invalid if the Company believes or has reason to believe that such acceptance may violate applicable legal or regulatory requirements.

3. RATIONALE FOR THE PROPOSED RIGHTS ISSUE

As at the LPD, the Group's cash and bank balances stood at RM18.04 million, which the Management intends to preserve for the Group's working capital requirements and/or to address any short-term obligations in a timely manner. In view of the above and after due consideration of various fund-raising options, the Board is of the view that the Proposed Rights Issue is an appropriate avenue of fund-raising based on the following key considerations:

- (i) the Proposed Rights Issue allows the Group to raise funds expeditiously without incurring interest costs associated with bank borrowings or issuance of debt instruments that will result in cash outflow arising from interest servicing costs. Moreover, the Group will also be able to preserve such cash, which otherwise would be used for interest costs, for the Group's working capital requirements and/or to address any short-term obligations in a timely manner;

- (ii) the proceeds to be raised from the issuance of Rights Shares will strengthen the cash flow of the Group and utilisation of the said proceeds for the property development and construction business as well as working capital as disclosed in **Section 4** of this Circular is expected to contribute positively to the Group's future earnings and financial performance;
- (iii) the Proposed Rights Issue will involve the issuance of new Shares without diluting the Entitled Shareholders' shareholdings, if all Entitled Shareholders fully subscribe for their respective entitlements under the Proposed Rights Issue and ultimately, participate in the prospects and future growth of the Group;
- (iv) the Warrants attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with the option to further participate in the equity of the Company at a pre-determined price and enables them to benefit from the future growth of the Company and any potential capital appreciation arising thereof; and
- (v) The Warrants will also provide the Company with additional funding if and when the Warrants are exercised.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.10 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue are intended to be utilised in the following manner:

Utilisation of proceeds	Notes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for the utilisation
Funding for the property development and construction business	(1)	21,000	83,000	Within 48 months
Working Capital	(2)	7,900	12,440	Within 24 months
Estimated expenses for the Proposed Rights Issue	(3)	1,100	1,100	Immediately
Total Proceeds		30,000	96,540	

Notes:

(1) *The Group intends to use up to RM83.00 million to fund the property development and construction business as follows:*

- (i) *up to RM60.00 million for the Bentong Project to be undertaken on the Bentong Land, for the mixed commercial and residential development project of, amongst others:*
 - (a) *1 block of 22 storey service apartments with 176 units of service apartments of approximately 850 square feet per unit and 1 block of 21 storey service apartments with 168 units of service apartments of approximately 850 square feet per unit;*
 - (b) *84 units of semi-detached house from approximately 2,020 square feet to approximately 2,523 square feet per unit;*
 - (c) *7 units of bungalow house of approximately 3,040 square feet per unit;*
 - (d) *a club house;*
 - (e) *a private organic farm;*
 - (f) *a management office;*
 - (g) *a guard house; and*
 - (h) *other related amenities,*

On 9 December 2022, Classita became a 97.24% shareholder in Kepayang Heights (which holds the Bentong Land). This was a result of the Company completing a share acquisition (from Harvest Miracle) and share subscription in Kepayang Heights. The remaining 2.76% equity interest in Kepayang Heights is currently held by Harvest Miracle. This is intended to retain the existing management of Kepayang Heights (who are employees of Harvest Miracle) in order to ensure continuity in the progress of this project.

Classita intends to acquire the remaining 2.76% equity interest in Kepayang Heights prior to the completion of the Bentong Project. The purchase consideration for this acquisition will be negotiated at a future date and is expected to be funded from the internally generated funds.

The Company undertook the Acquisition of Kepayang Heights for the purpose of acquiring the Bentong Land and its intended mixed commercial and residential development project is in line with the Group's objective to expand its property development and construction segment. Further details on the Bentong Project are as follows:

<i>Estimated gross development value</i>	<i>Approximately RM245.85 million</i>
<i>Estimated gross development costs</i>	<i>Approximately RM217.58 million</i>
<i>Estimated gross development profit</i>	<i>Approximately RM28.27 million</i>
<i>Expected commencement date</i>	<i>2nd half of 2023</i>
<i>Expected completion date</i>	<i>48 calendar months from the date of commencement (i.e., by the 2nd half of 2027)</i>

Kepayang Heights had obtained development order from Majlis Perbandaran Bentong, Pahang for the Bentong Project on 8 March 2022. As Classita only completed the Acquisition of Kepayang Heights on 9 December 2022, the Company has plans to kickstart the Bentong Project in the 2nd half of 2023 as approval from Majlis Perbandaran Bentong is pending for earthworks to commence.

The gross development value for the Bentong Project is estimated to be approximately RM245.85 million, as illustrated below:

Description	Estimated value (RM'000)
<i>1 block of 22 storey service apartments with 176 units of service apartments of approximately 850 square feet per unit and 1 block of 21 storey service apartments with 168 units of service apartments of approximately 850 square feet per unit</i>	<i>136,700</i>
<i>84 units of semi-detached house from approximately 2,020 square feet to approximately 2,523 square feet per unit</i>	<i>90,592</i>
<i>7 units of bungalow house of approximately 3,040 square feet per unit</i>	<i>12,341</i>
<i>A club house and a private organic farm</i>	<i>6,217</i>
Total	245,850

The gross development cost for the Bentong Project is estimated to be approximately RM217.58 million, as illustrated below:

Description	Estimated funding requirement (RM'000)
<i>Pre-development costs – including preliminary expenses to prepare plans, specifications or work write-ups, application, commitment and/or origination fees in connection with construction and earthworks</i>	<i>10,503</i>
<i>Piling works – including the construction of a foundation in the soil of the ground to form the base for the construction project</i>	<i>5,900</i>

Description	Estimated funding requirement (RM'000)
<i>Building works – including preliminaries, infrastructure works, external works and prime cost</i>	141,405
<i>Provisions – including provision for fees to the relevant authorities and contingency sums set aside to cover unexpected or underestimation of costs</i>	11,007
<i>Professional and project consultant fees – including professional fees payable to, amongst others, the architect, project managers, engineers, quantity surveyors, interior designers and sales and marketing personnel.</i>	14,017
<i>Other expenses – Marketing and promotional expenses, administrative expenses as well as costs of financing</i>	17,748
<i>Land costs</i>	17,000
Total	217,580

As at the LPD, the Group has incurred a total cost of approximately RM18.50 million (including RM1.50 million capital injection into Kepayang Heights via share subscription). This was funded via the Group's existing cash balances and was used mainly for the land acquisition of this project. Prior to the Acquisition of Kepayang Heights, Kepayang Heights has incurred a total cost of approximately RM2.64 million for part payment of pre-development expenses such as survey fee, fees for soil investigation, environmental and traffic impact assessments, land searches, authority fees as well as professional and project consultant fees.

As at the LPD, the balance funding requirement for the Bentong Project is approximately RM197.94 million, which will be funded entirely by the Group. Under the Minimum Scenario, an amount of RM18.00 million has been allocated to part-finance this balance funding requirement of approximately RM197.94 million. Under the Maximum Scenario, an amount of up to RM60.00 million has been allocated to part-finance this balance funding requirement of approximately RM197.94 million.

The remaining balance of the Group's funding requirement for the Bentong Project is expected to be met via progressive sales billings, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

- (ii) *up to RM10.00 million to fund the Kinta Project to be undertaken on the Kinta Land, for the mixed commercial and industrial development project.*

On 9 December 2022, Caely (M) Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a sale and purchase agreement with GCH Retail (Malaysia) Sdn Bhd for the Acquisition of Kinta Land.

The Kinta Land is currently vacant and will be held for the purpose of future development projects. The Acquisition of Kinta Land is expected to be completed in the 2nd quarter of 2023.

As at the LPD, the Group has incurred a total cost of RM0.90 million for the deposit paid in relation to the Acquisition of Kinta Land, which was funded with the Group's existing cash balances.

The Board is in the midst of deliberating on the development plan for the Kinta Land, and may undertake a mixed commercial and industrial development project on the Kinta Land depending on the market demand and suitability of the surrounding area. However, details such as expected gross development value and gross development cost for such development project will only be ascertained at a later date as the Group has yet to finalise the eventual development plan on the Kinta Land. The Group plans to conduct further market studies (such as the demographics of the surrounding population) to formulate the most suitable development plan for the Kinta Land.

The estimated breakdown of the gross development cost to be financed by internally generated funds and/or bank borrowings can only be determined at a later stage and after taking into consideration the actual funding required upon final building design, sales demand, timing of cash flows and progressive development of various components for the Kinta Project as well as the Group's internal cash requirement and availability of funds at the material time.

Under the Minimum Scenario, an amount of RM3.00 million has been allocated to part-finance the Kinta Project. Under the Maximum Scenario, an amount of RM10.00 million has been allocated to part-finance the Kinta Project.

The remaining balance of the Group's funding requirement for the Kinta Project is expected to be met via progressive sales billings, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

(iii) *up to RM13.00 million under the Maximum Scenario (none for the Minimum Scenario) to fund the following:*

- (a) *future development cost for the property development and construction projects to be undertaken by the Group other than the Bentong Project and Kinta Project (which may include residential, commercial and industrial developments or mixed development projects); or*
- (b) *payment for the purchase consideration to acquire companies that involved in the property development and construction business in order to benefit from the synergy between the parties and expand the property development and construction business of the Group; or*
- (c) *payment for the purchase consideration to acquire investment properties in strategic locations and/or to acquire land banks for potential development in strategic locations with high development value.*

*At this juncture, the Group has yet to identify any suitable investment or development plan for the intended plan as set out in **Note(1)(iii)(a)** to **Note(1)(iii)(c)** above. The estimated breakdown of the gross development cost / acquisition cost to be financed by internally generated funds and/or bank borrowings can only be determined at a later stage and after taking into consideration the actual funding required upon finalisation of the expansion plan as well as the Group's internal cash requirement and availability of funds at the material time.*

*The intended plan as set out in **Note(1)(iii)(a)** to **Note(1)(iii)(c)** above are in line with the Group's objective to expand its property development and construction segment via various means including the acquisitions of land banks for potential development in strategic locations with high development value. The breakdown for the respective expenses for **Note(1)(iii)(a)** to **Note(1)(iii)(c)** above cannot be determined at the present time as it will depend on the availability of the suitable investment or development plan at the relevant time in the future. The requisite announcement will be made upon finalisation of the future expansion plan as set out in **Note(1)(iii)(a)** to **Note(1)(iii)(c)** above if required by the Listing Requirement.*

Any surplus or shortfall for any category under the funding for the property development and construction business will be adjusted against one or more other categories under the property development and construction business as set out in **Note(1)(i)** to **Note(1)(iii)** above.

- (2) The Group intends to allocate up to RM12.44 million to fund the working capital requirements for the Group's existing business as follows:

Working capital	%	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Payment of the Group's trade payables in relation to procurement of raw materials and equipment for undergarments and garments' manufacturing business	50.0	3,950	6,220
Payment of the Group's staff related expenses (comprising employees' salaries and allowances, wages, overtime, and other statutory contributions and payments (inclusive of Employees' Provident Fund (EPF), Social Security Organisation (SOCSO) contributions)	40.0	3,160	4,976
General administrative expenses (i.e., rental and cost to upkeep office equipment, professional/consultancy fees, audit fees, legal fees, tax fees, utilities and others)	10.0	790	1,244
Total	100.0	7,900	12,440

Any surplus or shortfall for any category under the working capital will be adjusted against one or more other categories under the working capital.

- (3) The estimated expenses in relation to the Proposed Rights Issue consist of the following:

Estimated expenses	Amount (RM'000)
Professional fees ⁽ⁱ⁾	893
Fees to authorities	109
Miscellaneous charges (printing, meeting expenses and advertising)	98
Total	1,100

- (i) Comprising professional fees payable to Principal Adviser, solicitors, auditor, share registrar, company secretaries and independent marker researcher as well as estimated underwriting commission payable to underwriter(s).

Any surplus or shortfall of proceeds to be used for the expenses in relation to the Proposed Rights Issue will be adjusted to/from the proceeds allocated for the general administrative expenses for the working capital of the Group.

Pending usage of the proceeds from the Proposed Rights Issue for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as the Board may deem fit. The interest to be derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as working capital for the Group such as staff salaries and statutory contribution, trade and other payables as well as ongoing monthly fixed expenses for the Group's business operations, of which the breakdown for the usage cannot be determined at this juncture.

The amount of proceeds to be raised from the exercise of the Warrants would depend on the actual number of Warrants exercised during the exercise period. As such, the exact quantum and timing of receipt of the proceeds to be raised cannot be determined at this juncture. At the exercise price of RM0.20 each, gross proceeds of approximately RM36.00 million will be raised under the Minimum Scenario or approximately RM115.85 million will be raised under the Maximum Scenario.

The proceeds to be raised from the exercise of the Warrants are expected to be used for the Group's working capital to support all on-going business operations, any future business expansions and/or any future prospective business, project and/or acquisition to be undertaken. Any unused proceeds will be placed as deposits with financial institutions to earn interest income.

Any additional proceeds raised in excess of Minimum Scenario but less than Maximum Scenario will be allocated in the following order of priority up to its maximum amount:

- (a) funding for the property development and construction business; and
- (b) working capital.

5. PREVIOUS FUND-RAISING EXERCISE IN THE PAST 12 MONTHS

In the past 12 months preceding the LPD, the Company has not undertaken any fundraising exercise.

6. ADDITIONAL INFORMATION

6.1 Financial commentaries

The summary of the financial information of the Group for the audited FYE 31 March 2020, 31 March 2021 and 15-month FPE 30 June 2022, as well as unaudited 6-month FPE 31 December 2022 are as follows:

	(Audited)			(Unaudited)
	FYE 31 March 2020 (RM'000)	FYE 31 March 2021 (RM'000)	15-month FPE 30 June 2022 ⁽⁶⁾ (RM'000)	6-month FPE 31 December 2022 ⁽⁷⁾ (RM'000)
Revenue	69,456	57,486	75,827	26,262
Loss before tax	(8,637)	(13,701)	(1,758)	(1,614)
LAT	(7,450)	(13,328)	(7,202)	(1,755)
Share capital	50,267	59,559	71,779	100,055
Shareholders' funds / NA	82,319	74,865	78,814	105,335
No. of Shares in issue ('000)	164,459	213,368	258,243	339,031
Weighted average number of Shares in issue ('000)	164,377	185,390	203,559	281,513
NA per Share (sen) ⁽¹⁾	50.05	35.09	30.52	31.07
Loss per Share (sen) ⁽²⁾	(4.53)	(7.19)	(3.54)	(0.62)
Current assets	94,630	75,943	92,561	105,949
Current liabilities	32,702	21,076	32,086	20,832
Current ratio (times) ⁽³⁾	2.89	3.60	2.88	5.09
Borrowings ⁽⁴⁾	25,553	16,557	16,911	10,221
Gearing (times) ⁽⁵⁾	0.31	0.22	0.21	0.10

Notes:

(1) Computed based on NA divided by number of Shares in issue.

(2) Computed based on LAT divided by weighted average number of Shares in issue.

- (3) *Computed based on current assets divided by current liabilities.*
- (4) *Comprising bank borrowings and lease liabilities.*
- (5) *Computed based on total borrowings divided by NA.*
- (6) *The Company had on 27 July 2022 announced the change in its financial year end from 31 March to 30 June.*
- (7) *No comparative figures available for 6-month FPE 31 December 2022 as the Company changed its financial year end from 31 March to 30 June.*

Commentaries:

(i) 6-month FPE 31 December 2022

The Group recorded a revenue of approximately RM26.26 million for the 6-month FPE 31 December 2022 with the manufacturing segment contributing the highest revenue of RM25.04 million.

The Group recorded a LAT of approximately RM1.76 million for the 6-month FPE 31 December 2022 mainly due to losses in the:

- (i) others segment of approximately RM1.33 million mainly due to salary and allowances;
- (ii) direct selling/retail segment of approximately RM0.32 million as a result of cautious spending behaviour by consumers; and
- (iii) property development and construction segment of approximately RM0.40 million as there was no revenue generated for the 6-month FPE 31 December 2022 but the Group incurred interest expenses of approximately RM0.11 million for existing banking facilities.

However, the losses were partially offset by a profit from manufacturing sales segment of approximately RM0.43 million for the 6-month FPE December 2022 as a result of demand for face cloth cover (fabric mask) due to public awareness for personal protection and hygiene.

(ii) 15-month FPE 30 June 2022 vs FYE 31 March 2021

The Group recorded an annualised revenue of approximately RM60.66 million in 15-month FPE 30 June 2022 (FYE 31 March 2021: RM57.49 million), representing an increase of approximately RM3.17 million or 5.51% mainly due to the:

- (i) increase in revenue from the manufacturing sales segment by approximately RM3.62 million or 6.86% to an annualised revenue of approximately RM56.37 million in 15-month FPE 30 June 2022 (FYE 31 March 2022: RM52.75 million) as a result of increase in demand for face cloth cover due to public awareness for personal protection and hygiene; and
- (ii) revenue from the property development and construction segment of an annualised revenue of approximately RM0.05 million in 15-month FPE 30 June 2022 (FYE 31 March 2022: negative revenue of RM0.60 million) as a result of sales of a completed unit for the existing property development project.

However, the revenue from manufacturing sales segment and property development and construction segment were partially offset by the:

- (i) decrease in revenue from direct selling/retail segment by approximately RM0.55 million or 11.48% to an annualised revenue of approximately RM4.24 million in 15-month FPE 30 June 2022 (FYE 31 March 2022: RM4.79 million) as a result of the changes in spending behaviour by customers with the implementation of various stages of MCO; and

- (ii) absence of revenue from others segment (FYE 31 March 2021: RM0.54 million) as a result of disposal of 51%-owned subsidiary of Classita, Omni Green Sdn Bhd which operated a golf course and related services, which was completed on 30 April 2021.

The Group recorded an annualised LAT of approximately RM5.76 million in 15-month FPE 30 June 2022 (FYE 31 March 2021: RM13.33 million), representing a decrease of approximately RM7.57 million or 56.79% mainly due to:

- (i) increase in revenue from its manufacturing sales segment, as explained above;
- (ii) decrease in selling and distribution costs by RM0.51 million (or 32.48%) to an annualised selling and distribution costs of RM1.06 million (FYE 31 March 2021: RM1.57 million) mainly caused by the restructuring of commission to the overseas' customers in the manufacturing sales segment; and
- (iii) decrease in net loss on impairment of financial assets by RM14.63 million (or 87.14%) to an annualised amount of RM2.16 million (FYE 31 March 2021: RM16.79 million) as a result of lower impairment for the existing property development project.

(iii) FYE 31 March 2021 vs FYE 31 March 2020

The Group recorded revenue of approximately RM57.49 million in FYE 31 March 2021 (FYE 31 March 2020: RM69.46 million), representing a decrease of approximately RM11.97 million or 17.23% mainly due to the:

- (i) decrease in revenue from the manufacturing sales segment by approximately RM7.20 million or 12.01% to approximately RM52.75 million in FYE 31 March 2021 (FYE 31 March 2020: RM59.95 million) as the sales and operations of the Group were adversely affected when the lockdowns and social distancing measures were implemented in Malaysia and other countries, which affected the demand from local and overseas suppliers; and
- (ii) negative revenue from the property development and construction segment of approximately RM0.60 million in FYE 31 March 2021 (FYE 31 March 2020: Revenue of RM5.63 million) as a result of implementation of various stages of MCO whereby the progress of the Group's projects were slower and this, in turn resulted in the absence of progress billings and consequently, negative revenue being recorded due to the cancellation of sale and purchase agreement by some buyers due to their financial difficulty.

The Group recorded LAT of approximately RM13.33 million in FYE 31 March 2021 (FYE 31 March 2020: RM7.45 million), representing an increase of approximately RM5.88 million or 78.93% mainly due to:

- (i) decrease in revenue, as explained above; and
- (ii) increase in net loss on impairment of financial assets by approximately RM14.82 million (or 752.28%) to approximately RM16.79 million (FYE 31 March 2020: RM1.97 million) due to major provision for impairment of receivables during the FYE 31 March 2021 amounting to RM16.15 million in property development and construction segment as a result of lower collection from the project owners as their property sales had been affected due to the COVID-19 pandemic i.e., weak property demand due to cautious behaviour of consumers during the uncertain economy situation.

(iv) FYE 31 March 2020 vs FYE 30 March 2019

The Group recorded revenue of approximately RM69.46 million in FYE 31 March 2020 (FYE 31 March 2019: RM85.50 million), representing a decrease of approximately RM16.04 million or 18.76% mainly due to the:

- (i) decrease in revenue from the manufacturing sales segment by approximately RM11.35 million or 15.92% to approximately RM59.95 million in FYE 31 March 2020 (FYE 31 March 2019: RM71.30 million) as a result of competition from both local and international suppliers in terms of pricing of product, design and quality which has caused a decline in demand for manufacturing sales segment; and
- (ii) decrease in revenue from the property development and construction segment by approximately RM5.25 million or 48.25% to approximately RM5.63 million in FYE 31 March 2020 (FYE 31 March 2019: revenue of RM10.88 million) as a result of progress of the Group's projects were slower and this, in turn resulted in lower progress billings.

The Group recorded LAT of approximately RM7.45 million in FYE 31 March 2020 (FYE 31 March 2019: PAT of RM1.51 million) mainly due to:

- (i) decrease in revenue, as explained above;
- (ii) increase in net loss on impairment of financial assets by approximately RM1.85 million (or 1,541.67%) to approximately RM1.97 million (FYE 31 March 2019: RM0.12 million) due to lower collection from the project owners due to weak property demand and cautious spending behaviour of consumers; and
- (iii) decrease in other operating income by approximately RM1.50 million (or 60.98%) to approximately RM0.96 million (FYE 31 March 2019: RM2.46 million) due to the absence of one-off claim from a subcontractor in Myanmar of RM0.58 million in FYE 31 March 2019 as well as there is a realised gain of RM1.04 million from manufacturing sales segment in FYE 31 March 2019 as a result of fluctuation in exchange rate.

6.2 Impact of the Proposed Rights Issue and value creation to the Group

The increase in the number of Shares pursuant to the issuance of Rights Shares and Shares arising from exercise of Warrants in the Company will have a dilutive impact to the Group's EPS. However, the dilutive effect on the shareholders' shareholdings in the Company may be mitigated via subscription by the Entitled Shareholders of the Rights Shares and exercise of Warrants into new Shares.

The Proposed Rights Issue will assist the Group in meeting its cash flow needs by providing immediate funds for the purposes stated in **Section 4** of this Circular without the need for additional bank borrowings. The potential improvement in the Group's financial performance is expected to create value for its shareholders as any use of debt financing with its associated interest costs would reduce the earnings of the Group. The Proposed Rights Issue will also allow the Group to conserve its current cash balances which can be used immediately for its working capital purposes.

The Board believes that the use of proceeds from the Proposed Rights Issue will generate an overall positive impact to the Group and strengthen the financial position of the Group.

6.3 Adequacy of the Proposed Rights Issue in addressing the Group's financial concerns

The proceeds from the Proposed Rights Issue are expected to provide the Group with funding for the purposes stated in **Section 4** of this Circular, which in turn will enhance the Group's financial performance and shareholders' value.

Further, the utilisation of proceeds will support the Group to grow its property development business to contribute to the Group's earnings in the future, given the outlook of the industries as set out in **Section 7** of this Circular.

The Board will continue to evaluate the Group's funding requirements to meet its operational and development requirements. If the need arises, the Company may fund its operations via bank borrowings and/or future equity fund-raising exercises to be undertaken by the Group.

6.4 Steps undertaken or to be undertaken by the Group to improve its financial position

The Group had undertaken or intends to undertake the following steps to improve its financial performance and strengthen its financial position:

- (i) On 1 November 2022, the Company announced the Acquisition of Kepayang Heights. The Acquisition of Kepayang Heights is in line with the Group's objective to expand its property development and construction segment via acquisitions of land banks for potential development in strategic locations. On 8 November 2022, the Company and Harvest Miracle had entered into a supplemental share sale agreement and subscription agreement to vary certain terms of the agreements. The Acquisition of Kepayang Heights was completed on 9 December 2022 and Kepayang Heights has since become a 97.24%-owned subsidiary of the Company;
- (ii) On 18 November 2022, the Company announced that its wholly-owned subsidiary, Classita (M) Sdn Bhd, had entered into a shareholders' agreement with P.T. Bintang Mas Jogja, to form a limited liability company under the laws of the Republic of Indonesia and having its domicile in Jakarta for the purpose of carrying the business of manufacturing apparel, undergarments and lingerie including but not limited to, brassiere, panty, girdle, swimwear, men's briefs ("**Shareholders Agreement**").

Pursuant to the Shareholders Agreement, the parties will incorporate and own a company ("**Newco**") with the initial issued and paid-up capital of IDR6,000 million (approximately RM1.74 million based on BNM's exchange rate of IDR1:RM0.0281 as at the Announcement LPD) to be held by the Company and P.T. Bintang Mas Jogja. Upon completion of the subscription of the ordinary shares in the Newco by the parties, Classita (M) Sdn Bhd and P.T. Bintang Mas Jogja shall hold 60% and 40% respectively of the total number of issued shares of the Newco.

The set-up of a Newco with P.T. Bintang Mas Jogja would provide the Group with an opportunity for growth expansion as well as access to new markets and distribution networks. On 7 December 2022, the Newco was incorporated under the name of PT Classita Indonesia Intimate to undertake the business of manufacturing of apparel, undergarments and lingerie including but not limited to, brassiere, panty, girdle, swimwear, men's briefs. The manufacturing plant and production line in Indonesia was completed in February 2023 and subsequently in the same month the Group commenced its operation in Indonesia; and

- (iii) On 9 December 2022, the Company announced the Acquisition of Kinta Land. The Acquisition of Kinta Land would provide opportunity for the Group to purchase development land for future development. The acquisition is presently ongoing and is expected to be completed in the 2nd quarter of 2023.

7. INDUSTRY OUTLOOK AND PROSPECT OF THE GROUP

7.1 Overview and outlook of the Malaysian economy

Malaysia's economy expanded by 6.9% in the first half of 2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals.

Furthermore, the growth momentum was attributed to the government's consistent policy support, particularly with the implementation of initiatives under the Budget 2022 since the start of the year, as well as the spillover effects from the Budget 2021 measures coupled with various assistance and stimulus packages.

In tandem with continued implementation of development programmes and projects, the economy is expected to expand further in the second half of the 2022. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally.

With better prospects as indicated by the leading Index, the economy is anticipated to gain its growth momentum in the second half of the 2022 attributed to strong domestic demand as the country transitions into endemicity.

For the full year of 2022, the economic growth is expected to register a higher growth within the range of 6.5% - 7%. The domestic economy remains resilient and is forecast to expand between 4% - 5% in 2023 driven by the domestic demand.

Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 ("**3Q 2022**") (second quarter of 2022 ("**2Q 2022**"): 8.9%). Apart from the sizeable base effects from negative growth in the third quarter of 2021, the high growth was underpinned by continued expansion in domestic demand.

On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.9% in 3Q 2022 (2Q 2022: 3.5%). Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022.

Malaysia's economic growth will be supported by continued expansion in domestic demand. The economy would benefit from the improvement in labour market conditions, realisation of multi-year projects and higher inbound tourism activity. While external demand is expected to moderate, this will be partly cushioned by Malaysia's diversified export base.

The balance of risks to Malaysia's growth outlook remains tilted to the downside. This stems from weaker-than-expected global growth, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

(Source: 3rd quarter 2022, Quarterly Bulletin, BNM)

7.2 Overview and outlook of the undergarments industry in Malaysia

The retail sales value of women's undergarments in Malaysia rose from RM1,257.8 million in 2018 to RM1,299.5 million in 2019 at a compound annual growth rate ("**CAGR**") of 3.3%. The retail sales value of women's undergarments dropped to RM1,196.1 million in 2020 at a year-on-year contraction of 8.0%. However, the retail sales value of women's undergarments rebounded in 2021 to RM1,208.1 million at a year-on-year growth rate of 1.0%. In 2022, the retail sales value of women's undergarments in Malaysia is estimated to be RM1,239.8 million, demonstrating a year-on-year growth rate of 2.6%.

Malaysia's exports of undergarments rose from USD32.3 million (equivalent to RM133.7 million⁽¹⁾) in 2018 to USD33.6 million (equivalent to RM140.3 million⁽²⁾) in 2021 at a CAGR of 1.3%. The value of exports declined to USD29.3 million (equivalent to RM119.3 million⁽³⁾) (year-on-year contraction of 9.4%) in 2019 and USD22.2 million (equivalent to RM89.1 million⁽⁴⁾) in 2020 million (year-on-year contraction of 24.2%) before showing recovery in 2021 as exports rose to USD33.6 million (equivalent to RM140.3 million⁽²⁾) (year-on-year growth of 51.4%).

Malaysia's largest export market for undergarments is the United States of America. The export of undergarments to the United States of America was USD16.9 million (equivalent to RM69.9 million⁽¹⁾) in 2018, representing 52.3% of Malaysia's total export value of undergarments during the year. In 2021, the nation's export of undergarments to the United States of America was USD12.4 million (equivalent to RM51.8 million⁽²⁾) representing 36.8% of Malaysia's total export value of undergarments during the year.

The Group's largest export market for undergarments is Germany, which contributed to sales of approximately RM48.79 million in the 15-month FPE 30 June 2022 (FYE 31 March 2021: RM 34.73 million⁽⁵⁾). In general, the retail sale of women's undergarments in Germany contracted from EUR2.9 billion (equivalent to RM13.7 billion⁽⁶⁾) in 2018 to EUR2.6 billion (equivalent to RM12.1 billion⁽⁷⁾) in 2022 at a CAGR of -2.7%. The drop in the retail sales value of women's undergarments is attributable to the COVID-19 pandemic, which affected consumer spending on discretionary items.

In 2020, the Government of Malaysia imposed several MCOs to curb the spread of the COVID-19 virus. This resulted in non-essential businesses facing capacity and operating restrictions throughout 2020 and 2021. The imposition of MCOs starting 18 March 2020 affected retail businesses as it prevented consumers from spending at physical stores. Foot traffic to most physical stores and shopping malls saw a decline as non-essential businesses were ordered to operate with observance of capacity and operating restrictions during the MCOs.

Spending habits also changed after the MCOs were implemented. People began saving more amidst uncertainty over job security and income, and were instead purchasing primarily essential goods such as groceries, household supplies and even health supplements.

Nevertheless, less restrictive restrictions in 2021 compared to 2020 as well as better adjustments to the new norm, improved compliance to the standard operating procedures and rapid vaccination progress had minimised the adverse impact on households and businesses. The gradual improvement in income and labour market conditions in 2021 provided support to household spending. Private consumption registered a modest recovery of 1.9% in 2021 (2020: - 4.3%).

Household spending on both necessities and discretionary items improved in 2021. This contributed positively to retail spending during 2021. The easing of the containment measures since August 2021 and the reopening of the economy supported the gradual improvement in retail spending towards the end of 2021. In 2022, household spending was supported by the recovery in income and employment, which boded well for consumer confidence amidst vaccination progress.

Globally, rising educational awareness and economic growth have led to the increasing participation of women in business sector, particularly in developing economies such as Malaysia. Governments are also encouraging women to work and taking steps to close the gender gap in labour force participation.

The number of women in the workforce in Malaysia rose from 115,900 persons as at the end of 2018 to 191,900 as at the end of 2021. The increasing working-women population has a positive impact on consumers' per capita disposable income, which influences consumer spending behaviour. Additionally, as female customers become more conscious about their looks, they are gravitating towards more comfortable and fashionable undergarments. These factors have a positive impact on undergarment sales.

Rising health consciousness among women and their preference for physical workout activities has led to an increase in the sales of sports bras and workout undergarments. The increased exposure of working women to social events is also leading to an increase in demand for selected product lines such as shapewear and seamless undergarments.

The growing influence of social media is also accelerating changes in consumer preference for apparel products such as undergarments. The growth of social media is changing the industry landscape, presenting opportunities for industry players. Undergarments sales are boosted by regular blogs on social networking sites such as Facebook, Instagram, Twitter and YouTube.

Industry players utilise social media to promote their brands and establish consumer connections by providing specialist advice and offers. Social media plays a role in increasing undergarment demand, particularly among the younger generation and millennials who actively engage with social media.

Further, as customers are increasingly shopping for products online to save time, many industry players have begun displaying and selling their products on online marketplaces to increase their customer base. Branded apparel companies are also focused on introducing innovative undergarments items in line with changing fashion trends and consumer demands. These factors are positively impacting the women's undergarments market.

Notes:

- (1) *Converted based on the exchange rate of USD1 = RM4.1385 in 2018, as published by BNM.*
- (2) *Converted based on the exchange rate of USD1 = RM4.1760 in 2021, as published by BNM.*
- (3) *Converted based on the exchange rate of USD1 = RM4.0925 in 2019, as published by BNM.*
- (4) *Converted based on the exchange rate of USD1 = RM4.0130 in 2020, as published by BNM.*
- (5) *Source: the management of Classita.*
- (6) *Converted based on the exchange rate of EUR1 = RM4.7340 in 2018, as published by BNM.*
- (7) *Converted based on the exchange rate of EUR1 = RM4.6432 in 2022, as published by BNM.*

(Source: IMR Report)

7.3 Overview and outlook of the construction and property industry in Malaysia

The construction sector is forecast to expand by 4.7% in 2023 following a better performance in all subsectors.

In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently creating a greater demand for industrial buildings. Hence, the non-residential buildings subsector is projected to expand further. Meanwhile, the residential buildings subsector is expected to grow steadily supported by more construction of affordable houses, in line with the strategy under the 12MP.

In addition, incentive offered by the Government to encourage home ownership through the i-MILIKI programme is expected to spur demand for residential buildings while addressing the property overhang issue.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

The construction sector recorded a higher growth of 15.3% (2Q 2022: 2.4%) as all subsectors recorded improvements in activities. Commercial real estate, mixed-development and small-scale projects continued to support activities in the non-residential and special trade subsectors.

(Source: Quarterly Bulletin for the 3rd quarter 2022, BNM)

For the third quarter of 2022, the value of work done in construction sector surged 23.2% in the amounted to RM30.5 billion (2Q 2022: 6.1%). The expansion was driven by Non-residential buildings (37.7%), Special trades activities (32.2%), Residential buildings (17.8%) and Civil engineering (14.6%) subsectors.

The Department of Statistics Malaysia also reports that in the third quarter of 2022, the Civil engineering subsector remained dominant as the main contributor to the value of construction work done with 37.9% share. Besides that, Non-residential buildings subsector contributed 30.4% while Residential buildings and Special trades activities contributed 22.3% and 9.4% respectively.

The report also stated that the private sector grew 31.8% (2Q 2022: 14.8%) with 59.0% share of total value of construction work done (RM18.0 billion). Meanwhile, the public sector continued improving to -12.6% (Q2 2022: -4.0%).

The construction work done for the sum of three quarters of 2022 registered a total value of RM89.9 billion, posted an increase of 6.6% as compared to the same period of 2021 with -2.1%.

(Source: Quarterly Construction Statistics, Third Quarter 2022, Department of Statistics Malaysia)

Residential property

There were 188,000 transactions worth RM84.40 billion recorded in first half of 2022, showing an increase of over 30% in transaction volume compared to the same period last year, this is because all real estate sectors recorded growth during the study period (year on year). The improvement was supported by the uptrend recorded in Pulau Pinang (9.31%), WP Kuala Lumpur (7.47%), Johor (19.05%), and Selangor (31.03%).

Johor recorded the highest number of new launches in the country, capturing nearly 23.8% (2,509 units) of the national total with sales performance at 31.8%. Sabah recorded the second highest number (1,335 units, 12.7% share) with sales performance at 10.6%. Perak came third (1,317 units, 12.5% share) with sales performance at 19.4%.

Demand continued to focus on terraced houses, which formed around 68.2% of the total units with sales performance at 22.0%, followed by condominium/apartment units at 19.0% share (2,009 units) with sales performance at 12.4%. Single storey (2,047 units) and 2-3 storey (5,150 units) together contributed 68.2% of the total units with sales performance at 22.0%, followed by condominium/apartment units at 19.0% share (2,009 units) with sales performance at 12.4%.

The affordable price range of RM300,000 and below accounted for 56.03% of the total, followed by RM300,001 to RM500,000 (23.27%), RM501,000 – RM1,000,000 (14.65%) and more than RM1,000,000 (0.05%).

The overall residential overhang situation in Malaysia has slightly improved due to more optimal economic conditions, was less encouraging, with volume amounting to nearly 34,092 units worth RM21.73 billion as at year-end, increased by 7.5% and 4.6% in volume and value respectively against last year. Most of the overhang units is in Johor with 6,040 units worth RM4.73 billion. Likewise, the unsold under construction residential units saw a decrease of 11.1% to 62,404 units compared to H2 2021 (70,231 units).

On the same note, serviced apartment sub-sector recorded 22,674 overhang units with a value of RM19.32 billion, indicating a decrease of 6.7% and 5.6% in volume and value respectively against H2 2021. Johor recorded the highest overhang in the country with 68.0% (15,423 units), followed by WP Kuala Lumpur and Selangor, with 18.9% (4,279 units) and 9.9% (2,248 units) share respectively.

The property market performance recorded a rebound in the first half of 2022 (H1 2022), a reflective of normalizing economic activity as the country moved towards endemicity.

With the positive projection on economic growth by Bank Negara Malaysia, expected between 5.3% to 6.3% in 2022, supported by the implementation of various government initiatives and assistance, the property market performance is expected to be on track.

(Source: Property Market Report 1st half of 2022, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

7.4 Prospects of the Group

The Group is principally involved in the following business segments:

- (i) Property development and construction business – Construction and development of commercial, industrial and residential property.

- (ii) Manufacturing business – Manufacturing and sales of lingerie with predominantly overseas OEM customers, while in the local front, the Group’s products are primarily marketed under its own brands of “Caely” and “Lunavie”.
- (iii) Direct selling and retail business – Marketing of the Group’s house brands of ladies undergarment, childcare and maternity products and other consumer products via direct sales as well as in the retail markets locally.

The manufacturing business has been the major contributor to the Group’s revenue, accounting for more than 85% of the Group’s total revenue for the past 3 years. This business is expected to remain as the major contributor to the Group’s revenue.

The Group has been exporting its lingerie to amongst others, Germany, Canada, United States of America and Hong Kong. The Group is continuously seeking to increase its revenue in OEM manufacturing by penetrating into other countries. To-date, the Group has received enquiries to manufacture OEM products from Turkey, France and Australia.

The Group also continuously engaged subcontractors for its manufacturing business in foreign countries such as Myanmar and Bangladesh to control its manufacturing cost as the labour cost and operating cost in these countries are relatively lower compared to Malaysia.

On 18 November 2022, the Group entered into a shareholders agreement with P.T. Bintang MAS JOGJA (a company incorporated in Indonesia) to set up a manufacturing plant in Indonesia to increase its lingerie production and to expand its distribution networks. This plant was completed in February 2023 and subsequently in the same month commenced operation in Indonesia. The total investment cost injected by the Group as at the LPD pursuant to the shareholders agreement is approximately RM1.70 million, which was funded from internally generated funds.

The property development and construction business was the second largest revenue contributor before the COVID-19 pandemic. However, this business was affected by containment measures during the pandemic. Following the gradual recovery from the pandemic, the Group plans to realign its resources to develop the property development and construction business and will be continuously looking out for potential development projects.

The Group is currently undertaking the Bentong Project. This project is strategically located in Kampung Bukit Tinggi, which is approximately 29km south-west of Bentong town centre and off the southern side of Kuala Lumpur-Karak Highway. The site of the Bentong Project also connects to various tourist attractions such as Genting Highlands, Berjaya Bukit Tinggi Resort and Genting Sempah. Notable residential settlements within the vicinity includes Kampung Janda Baik, Kampung Cheringin Tengah and Kampung Chemperuh.

The Group also embarked on the Acquisition of Kinta Land, which is expected to be completed in the 2nd quarter of 2023. The site of the Kinta Land is located approximately 4km from Gopeng and 15km from Ipoh and is nearby residential areas such as Bandar Seri Botani.

The Kinta Land is also near to industrial parks such as Tungzen Industrial Park, Ipoh Raya Integrated Park and Gopeng Light Industrial Park, where the Lotus’s Distribution Centre, Rural Transformation Centre (RTC) Gopeng, Akademi KEMAS Gopeng and Mydin Wholesale Hypermarket are situated. This is expected to benefit the development of the Kinta Land due to the accessibility to such areas and benefit the Group’s property development and construction business.

In addition, the Group also intends to expand its property development and construction business via various other initiatives such as acquisition of companies involved in the property development and construction business as well as acquisition of investment properties in strategic locations or acquire land banks for potential development.

The property market is expected to be challenging in 2023 but the Group hopes that this situation will improve in the longer term. The Group will closely monitor developments in the property market (such as customer preferences as well as supply and demand conditions) such that its projects appeal to potential property buyers. The Group will also take proactive measures to manage its cost with the view to improve its financial performance.

Premised on the above and the overview and outlook of the Malaysian economy, undergarment industry as well as construction and property industry in Malaysia as set out in **Sections 7.1 to 7.3** of this Circular, the Group is cautiously optimistic of the Group's future prospects.

(Source: The management of Classita)

8. EFFECTS OF THE PROPOSED RIGHTS ISSUE

8.1 Share capital

The pro forma effects of the Proposed Rights Issue on the share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	339,031,104	100,054,910	339,031,104	100,054,910
Assuming full exercise of Warrants B	-	-	47,128,302	16,494,906 ⁽¹⁾
To be issued pursuant to the Proposed Rights Issue	339,031,104 300,000,000	100,054,910 30,000,000 ⁽²⁾	386,159,406 965,398,515	116,549,816 96,539,852 ⁽²⁾
To be issued assuming full exercise of Warrants	639,031,104 180,000,000	130,054,910 36,000,000 ⁽³⁾	1,351,557,921 579,239,109	213,089,668 115,847,822 ⁽³⁾
Enlarged share capital	819,031,104	166,054,910	1,930,797,030	328,937,490

Notes:

(1) Based on the exercise price of RM0.35 each.

(2) Based on the issue price of RM0.10 per Rights Share.

(3) Based on the exercise price of RM0.20 per Warrant.

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8.2 NA and gearing

The pro forma effect of the Proposed Rights Issue on the NA and gearing of the Group are as follows:

Minimum Scenario

	(Audited) As at 30 June 2022 RM	(I) Subsequent events up to the LPD RM	(II) After (I) and the Proposed Rights Issue RM	(III) After (II) and full exercise of the Warrants RM
Share capital	71,778,935	100,054,910 ⁽¹⁾	130,054,910 ⁽²⁾	166,054,910 ⁽⁵⁾
Warrant reserve	-	-	19,764,000 ⁽³⁾	-
Other reserve	-	-	(19,764,000)	-
Reserve on consolidation	80,344	80,344	80,344	80,344
Revaluation reserve	10,464,138	10,464,138	10,464,138	10,464,138
Accumulated losses	(3,509,503)	(3,509,503)	(4,609,503) ⁽⁴⁾	(4,609,503)
Shareholders' funds/ NA	78,813,914	107,089,889	135,989,889	171,989,889
No. of Shares	258,242,604	339,031,104	639,031,104	819,031,104
NA per Share	0.31	0.32	0.21	0.21
Total borrowings (including lease liabilities)	16,911,314	16,911,314	16,911,314	16,911,314
Gearing (times)	0.21	0.16	0.12	0.10

Notes:

- (1) After the exercise of 80,788,500 Warrants B into 80,788,500 new Classita Shares at RM0.35 each on 10 November 2022.
- (2) Computed based on the issuance of 300,000,000 Rights Shares at the issue price of RM0.10 per Rights Share.
- (3) Computed based on the issuance of 180,000,000 Warrants with each Warrant assumed to have a fair value of RM0.1098 based on the Black-Scholes Options Pricing Model.
- (4) After deducting the estimated expenses of RM1,100,000 for the Proposed Rights Issue.
- (5) Based on the exercise price of RM0.20 per Warrant and after accounting for the reversal for the warrant reserve.

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Maximum Scenario

	(Audited) As at 30 June 2022 RM	(I) Subsequent events up to the LPD RM	(II) After (I) and full exercise of Warrants B RM	(III) After (II) and the Proposed Rights Issue RM	(IV) After (III) and full exercise of the Warrants RM
Share capital	71,778,935	100,054,910 ⁽¹⁾	116,549,816 ⁽²⁾	213,089,667 ⁽³⁾	328,937,489 ⁽⁶⁾
Warrant reserve	-	-	-	63,600,454 ⁽⁴⁾	-
Other reserve	-	-	-	(63,600,454)	-
Reserve on consolidation	80,344	80,344	80,344	80,344	80,344
Revaluation reserve	10,464,138	10,464,138	10,464,138	10,464,138	10,464,138
Accumulated losses	(3,509,503)	(3,509,503)	(3,509,503)	(4,609,503) ⁽⁵⁾	(4,609,503)
Shareholders' funds/ NA	78,813,914	107,089,889	123,584,795	219,024,646	334,872,468
No. of Shares	258,242,604	339,031,104	386,159,406	1,351,557,921	1,930,797,030
NA per Share (RM)	0.31	0.32	0.32	0.16	0.17
Total borrowings (including lease liabilities)	16,911,314	16,911,314	16,911,314	16,911,314	16,911,314
Gearing (times)	0.21	0.16	0.14	0.08	0.05

Notes:

- (1) After the exercise of 80,788,500 Warrants B into 80,788,500 new Classita Shares at RM0.35 each on 10 November 2022.
- (2) Assuming full exercise of 47,128,308 Warrants B at the exercise price of RM0.35 each.
- (3) Computed based on the issuance of 965,398,515 Rights Shares at the issue price of RM0.10 per Rights Share.
- (4) Computed based on the issuance of 579,239,109 Warrants with each Warrant assumed to have a fair value of RM0.1098 based on the Black-Scholes Options Pricing Model.
- (5) After deducting the estimated expenses of RM1,100,000 for the Proposed Rights Issue.
- (6) Based on the exercise price of RM0.20 per Warrant and after accounting for the reversal for the warrant reserve.

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8.3 Substantial shareholders' shareholdings

The pro forma effect of the Proposed Rights Issue on the shareholdings of the substantial shareholders is set out below:

Minimum Scenario

Name	As at LPD				(I) After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chan Swee Ying	90,025,500	26.55	-	-	190,025,500	29.74	-	-
Dato' Sri Tee Yam	49,381,800	14.57	-	-	49,381,800	7.73	-	-
Datin Fong Nyok Yoon	19,055,400	5.62	14,600,700 ⁽¹⁾	4.31	19,055,400	2.98	14,600,700 ⁽¹⁾	2.28
Dato' Chuah Chin Lai	14,600,700	4.31	19,055,400 ⁽²⁾	5.62	14,600,700	2.28	19,055,400 ⁽²⁾	2.98
Underwriter(s)	-	-	-	-	200,000,000	31.30	-	-

Name	(II) After (I) and full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Chan Swee Ying	250,025,500	30.53	-	-
Dato' Sri Tee Yam	49,381,800	6.03	-	-
Datin Fong Nyok Yoon	19,055,400	2.33	14,600,700 ⁽¹⁾	1.78
Dato' Chuah Chin Lai	14,600,700	1.78	19,055,400 ⁽²⁾	2.33
Underwriter(s)	320,000,000	39.07	-	-

Notes:

- (1) Deemed interested by virtue of her spouse's (Dato' Chuah Chin Lai) shareholdings in Classita pursuant to Section 8 of the Act.
(2) Deemed interested by virtue of his spouse's (Datin Fong Nyok Yoon) shareholdings in Classita pursuant to Section 8 of the Act.

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Maximum Scenario

Name	As at LPD				(I) After the full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chan Swee Ying	90,025,500	26.55	-	-	90,025,500	23.31	-	-
Dato' Sri Tee Yam	49,381,800	14.57	-	-	49,381,800	12.79	-	-
Datin Fong Nyok Yoon	19,055,400	5.62	14,600,700 ⁽¹⁾	4.31	28,583,100	7.40	21,671,050 ⁽¹⁾	5.61
Dato' Chuah Chin Lai	14,600,700	4.31	19,055,400 ⁽²⁾	5.62	21,671,050	5.61	28,583,100 ⁽²⁾	7.40

Name	(II) After (I) and the Proposed Rights Issue				(III) After (II) and full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chan Swee Ying	315,089,250	23.31	-	-	450,127,500	23.31	-	-
Dato' Sri Tee Yam	172,836,300	12.79	-	-	246,909,000	12.79	-	-
Datin Fong Nyok Yoon	100,040,850	7.40	75,848,675 ⁽¹⁾	5.61	142,915,500	7.40	108,355,250 ⁽¹⁾	5.61
Dato' Chuah Chin Lai	75,848,675	5.61	100,040,850 ⁽²⁾	7.40	108,355,250	5.61	142,915,500 ⁽²⁾	7.40

Notes:

- (1) Deemed interested by virtue of her spouse's (Dato' Chuah Chin Lai) shareholdings in Classita pursuant to Section 8 of the Act.
(2) Deemed interested by virtue of his spouse's (Datin Fong Nyok Yoon) shareholdings in Classita pursuant to Section 8 of the Act.

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8.4 Earnings and EPS

The Proposed Rights Issue are not expected to have a material effect on the earnings and EPS of the Group for the financial year ending 30 June 2023 as the Proposed Rights Issue is only expected to be completed in the 2nd quarter of 2023 and the proceeds to be raised are only expected to be utilised thereafter. However, the EPS of the Group shall be correspondingly diluted as a result of the increase in the number of new Shares arising from the issuance of the Rights Shares and the exercise of the Warrants in the future.

The effect of the Proposed Rights Issue on the earnings and EPS of the Group will depend on, amongst others, the number of Rights Shares to be issued as well as number of Warrants exercised and level of returns generated from the use of proceeds from the Proposed Rights Issue. Nevertheless, the Proposed Rights Issue are expected to contribute positively to the future earnings and EPS of the Group as and when the potential benefits from the utilisation of proceeds are realised.

8.5 Convertible securities

Save for the outstanding Warrants B, the Company does not have any outstanding convertible securities as at the LPD.

Consequent to the Proposed Rights Issue, there will be Adjustments which will result in the issuance of additional Warrants B. Such necessary Adjustments will only be finalised on the Entitlement Date and will be effective on the next market day after the Entitlement Date. The details of such Adjustments shall be notified to the holders of the Warrants B in accordance with the Deed Poll B.

The additional Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing Warrants B.

The new Shares to be issued arising from the exercise of the additional Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that they shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the dates of allotment of new Shares to be issued arising from the exercise of the additional Warrants B.

9. HISTORICAL PRICES OF THE SHARES

The monthly highest and lowest transacted market prices of the Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
2022		
March	0.605	0.365
April	0.590	0.355
May	0.450	0.360
June	0.440	0.295
July	0.325	0.290
August	0.320	0.295
September	0.300	0.270
October	0.305	0.280
November	0.310	0.285
December	0.540	0.290
2023		
January	0.440	0.275
February	0.300	0.245

(Source: Bloomberg Finance L.P.)

The last transacted market price of the Shares on 5 January 2023 (being the last market day immediately prior to the Announcement) was RM0.31.

The last transacted market price of the Shares on 28 February 2023 (being the LPD) was RM0.25.

10. APPROVALS REQUIRED

The Proposed Rights Issue is subject to approvals being obtained from the following:

- (i) Bursa Securities, for the following:
 - (a) listing and quotation of the Rights Shares and Warrants;
 - (b) admission of the Warrants to the Official List;
 - (c) listing and quotation of the new Shares to be issued pursuant to the exercise of the Warrants;
 - (d) listing and quotation of the additional Warrants B; and
 - (e) listing and quotation of the new Shares to be issued pursuant to the exercise of the additional Warrants B,

on the Main Market of Bursa Securities.

The approval of Bursa Securities, which was obtained on 24 February 2023, is subject to the following conditions:

	Conditions	Status of compliance
(a)	Classita and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue;	To be complied
(b)	Classita and TA Securities are required to inform Bursa Securities upon completion of the Proposed Rights Issue;	To be complied
(c)	Classita and TA Securities are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements;	To be complied
(d)	Classita 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 Rights Issue is completed; and	To be complied
(e)	Classita 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 and additional Warrants B as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

; and

- (ii) the shareholder of the Company at the forthcoming EGM;

11. CONDITIONALITY OF THE PROPOSED RIGHTS ISSUE

The Proposed Rights Issue is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Rights Issue, there are no other corporate exercises which have been announced by the Company but are pending completion as at the date of this Circular.

13. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the Directors, major shareholders and/or chief executive of the Company and/or persons connected with them has any direct or indirect interest in the Proposed Rights Issue, save for their respective entitlements under the Proposed Rights Issue for which all the existing shareholders of the Company are similarly entitled to, including the rights to apply for additional Rights Shares under the excess applications.

14. BOARD'S RECOMMENDATION

The Board, after having considered all aspects of the Proposed Rights Issue (including but not limited to the rationale, utilisation of proceeds and effects), is of the opinion that the Proposed Rights Issue is in the best interest of the Company.

Accordingly, the Board recommends the shareholders to vote in favour of the resolution pertaining to the Proposed Rights Issue to be tabled at the forthcoming EGM.

15. TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances, the Board expects the Proposed Rights Issue to be completed in the 2nd quarter of 2023.

Date	Event
27 March 2023	EGM
Early April 2023	Announcement of the Entitlement Date
End April 2023	Despatch of abridged prospectus, notices of provisional allotment and rights subscription form
Mid May 2023	Closing date for acceptance and application for the Rights Shares and Warrants Last day for payment and acceptance of the Rights Shares and Warrants
End May 2023	Listing of and quotation for the Rights Shares with Warrants on the Main Market of Bursa Securities

16. EGM

The EGM, the notice of which is set out in this Circular, will be held and conducted virtually through live streaming and online participation and voting using remote participation and voting (RPV) facilities via the online platform at <https://www.symphonycorporateservices.com.my> provided by Symphony Corporate Services Sdn Bhd in Malaysia (Domain registration number D1C534619) on Monday, 27 March 2023 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Rights Issue.

If shareholders are unable to attend and vote in person at the EGM, shareholders should complete, sign and return the enclosed Proxy Form in accordance with the instructions provided thereon so as to arrive at the Company's registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

The lodging of the Proxy Form will not, however, preclude shareholders from attending the EGM and voting in person should shareholders subsequently wish to do so.

17. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

Yours faithfully,

For and on behalf of the Board

CLASSITA HOLDINGS BERHAD (FORMERLY KNOWN AS CAELY HOLDINGS BHD)

LEONG SENG WUI

Executive Director

INDICATIVE SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants are as follows:

Terms	:	Details
Issue Size	:	Up to 579,239,109 Warrants.
Form and domination	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure	:	5 years commencing from and inclusive of the date of issuance of the Warrants.
Exercise Rights	:	The rights of a Warrant Holder to subscribe for one (1) new Shares for each Warrant at any time during the Exercise Period and at the Exercise Price upon the terms of and subject to the conditions contained in the Deed Poll.
Exercise Price	:	RM0.20 per Warrant payable in respect of each new Share or such other exercise price that may be adjusted in accordance with the provisions of the Deed Poll.
Exercise Period	:	The holder of each Warrant shall be entitled at any time during the period commencing and including the date of which the Warrants are issued (“ Issue Date ”) and ending at the close of business at 5.00 p.m. in Malaysia on and including the date immediately preceding the 5th anniversary of the Issue Date to subscribe for one (1) New Shares at the Exercise Price. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Expiry Date	:	At 5.00 p.m. on the day immediately preceding the 5th anniversary of the Issue Date of the Warrants and if such a day is not a Market Day, on the Market Day immediately preceding such a day.
Adjustment in the Exercise Price and/or the number of Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants held by each Warrant holder shall be adjusted by the Board in consultation with an approved adviser appointed by the Company or certified by the auditors of the Company in accordance to the provisions of the Deed Poll.
Status of the new Shares to be issued arising from the exercise of the Warrants	:	The new Shares shall, upon allotment and issuance, rank equally in all respects with the existing Classita Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, where the entitlement date of which is before the date of allotment and issuance of the said new Shares.
Rights of the Warrants holders	:	The Warrant holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant holders exercise their Warrants into the new Classita Shares.
Modification of rights of Warrant holder	:	Subject to the approval of Bursa Securities (if required) and save as otherwise provided in the Deed Poll and in particular Condition 6 of the Conditions of the Deed Poll, no modification, amendment, deletion or addition may be made to the provisions of this Deed Poll or the Warrant Certificate, without the sanction of a Special Resolution unless the modifications, amendments, deletions or additions: <ul style="list-style-type: none"> (a) are required to correct any typographical errors; or (b) are relating to purely administrative matters; or

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Terms	: Details
	<ul style="list-style-type: none"> (c) are required to comply with any prevailing laws of Malaysia, Rules of the Bursa Malaysia Depository Sdn Bhd, Main Market Listing Requirements issued by Bursa Securities or any regulations issued by any relevant authority; or (d) in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant holders.
Rights in the event of winding up, liquidation, compromise and/or arrangement	<p>: Where a resolution has been passed for a members' voluntary winding up of the Company or liquidation or where there is a compromise or scheme of arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company with one or more companies, then:</p> <ul style="list-style-type: none"> (a) the Company will give notice to the holders of the Warrants within seven (7) days of such resolution or the court order approving the windings up, liquidation, compromise or arrangement (as the case may be); (b) for the purpose of such a winding-up, liquidation, 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, liquidation, compromise or arrangement will be binding on all the Warrant holders; or (c) in any other case, every Warrant holder will be entitled to elect to be treated as if he had immediately prior to the commencement of such winding-up, liquidation, compromise or arrangement exercised the Exercise Rights represented by that Warrant to the extent specified in the Exercise Forms and be entitled to receive out of the assets of the Company which would be available in liquidation if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company will give effect to such election accordingly at any time between within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation).

If the Company is wound up or an order has been granted for such liquidation or compromise or arrangement, all Exercise Rights which are not exercised within six (6) weeks of the passing of the resolution for winding-up or within six (6) weeks after the granting of the court order approving the winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), will cease to be valid for any purpose

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Terms	Details
Board Lot	: The Warrants are tradeable upon listing in board lot of 100 units carrying the right to subscribe for 100 new Shares at any time during the Exercise Period or such other denomination as may be prescribed by Bursa Securities.
Listing status	: The Warrants shall be listed and quoted on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the Warrants to the Official List as well as for the listing of and quotation for the Warrants and the new Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.
Governing law	: The laws of Malaysia.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT**2.1 Principal Adviser**

TA Securities, being the Principal Adviser for the Proposed Rights Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

2.2 Independent market researcher

Providence Strategic Partners Sdn Bhd, being the independent market researcher for the industry overview on the undergarments industry in Malaysia, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST**3.1 Principal Adviser**

TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposed Rights Issue.

3.2 Independent market researcher

Providence Strategic Partners Sdn Bhd has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the independent market researcher for the industry overview on the undergarments industry in Malaysia.

4. MATERIAL COMMITMENT

Saved as disclosed below, as at the LPD, the Board confirms that there is no material commitment incurred or known to be incurred by the Group, which upon becoming enforceable, may have material impact on the financial position of the Group:

Description	Amount (RM'000)
Commitment for the Acquisition of Kinta Land	8,100

5. CONTINGENT LIABILITIES

As at the LPD, the Board confirms that there are no contingent liabilities incurred or known to be incurred by the Group and/or the Company, which upon becoming enforceable, may have a material impact on the financial position of the Group and/or the Company.

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FURTHER INFORMATION (CONT'D)

6. MATERIAL LITIGATIONS, CLAIMS AND ARBITRATION

Saved as disclosed below, neither the Company nor its subsidiaries are engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group as at the LPD:

(i) Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn Bhd (“Plaintiffs (i)”) v Classita (“Defendant (i)”) – Case No.: WA-24NCC-732-06/2022 (“Suit 732”)

The Plaintiffs (i) requisitioned an extraordinary general meeting which was purportedly held on 15 June 2022. The Defendant (i) had on the same day made an announcement stating that the said extraordinary general meeting was adjourned on the various grounds stipulated therein.

The Plaintiffs (i) applied for the following orders pursuant to Suit 732:

- (a) A declaration that the adjournment of the extraordinary general meeting is invalid;
- (b) that any minutes of any records filed with any authorities based on the invalid adjournment be struck out under Section 602 of the Act;
- (c) A declaration that the extraordinary general meeting had continued (after the invalid adjournment) with all the Resolutions approved at the continued extraordinary general meeting on 15 June 2022 are valid save and except for Resolution No.1 (withdrawn) and Resolution No.2 (not carried out);
- (d) A declaration that the Resolutions approved at the continued extraordinary general meeting on 15 June 2022 as per (c) above shall take effect on 15 June 2022;
- (e) An order to compel the Defendant (i) and/or its agents and/or employees, including but not limited to the Company Secretary of the Defendant (i) to do all necessary to give effect to the Resolutions approved at the continued extraordinary general meeting on 15 June 2022, including but not limited to lodging all the necessary forms and documents with the Companies Commission of Malaysia and making all necessary announcements as mandated by Bursa Securities with immediate effect;
- (f) An injunction restraining the Defendant (i) and/or its agents (including but not limited to its Company Secretary) and/or employees and/or its Board of Directors, namely person who have been removed as director as per Resolutions No. 3 to 12 of the Notice for the extraordinary general meeting, from acting and/or holding themselves as directors of the Defendant (i), including but not limited to appointing any additional directors to fill any casual vacancies, approving and/or executing any private sales, private placements or any other methods and means to dispose of the shares of the Defendant (i) aside from the open market pending the conclusion of Suit 732; and
- (g) Any omission, defect, error, irregularity and/or deficiency of notice or time in connection with the extraordinary general meeting, including but not limited to the Notice for the extraordinary general meeting and the Special Notice, if any shall be validated and cured.

On 18 August 2022, the Defendant (i) filed an application to transfer Suit 732 to be heard with Suit 171 pertaining to the calling of the extraordinary general meeting (“**Transfer Application**”). On 23 August 2022, the Transfer Application was dismissed. On 24 August 2022, the Defendant (i) appealed against the decision of the Transfer Application (“**Transfer Appeal**”).

On 29 August 2022, the High Court of Malaya in Kuala Lumpur (“**High Court**”) granted an order (“**Order**”) allowing items (a) to (f) of the Plaintiffs (i)’s application in Suit 732 above, with a costs of RM30,000.00 subject to allocator costs.

FURTHER INFORMATION (CONT'D)

As a result of the Order, a new board of directors of the Defendant (i) has been appointed.

Between 20 September 2022 and 21 September 2022, Messrs. Bachan & Kartar filed a Notice of Change of Solicitors, an application to stay the Order (“**Stay Application**”) and a notice of appeal to appeal against the Order (“**EGM Regularity Appeal**”) purportedly for and on behalf of the Defendant (i) and Proposed Contemnors (as defined hereunder).

On 14 October 2022, the Defendant (i) filed a striking out application to, amongst others, strike out the Stay Application and all other cause papers filed by Messrs. Bachan & Kartar purportedly for and on behalf of the Defendant (i) and for a declaration that Messrs. Bachan & Kartar has no authority, mandate and warrant to act for and on behalf of the Defendant (i) and to hold out itself as the solicitors of the Defendant (i) (“**Striking Out Application**”).

On 14 October 2022 and 17 October 2022, Messrs. Ahmad Deniel, Ruben & Co. filed Notices of Change of Solicitors in the suit and in the EGM Regularity Appeal to take over conduct from Messrs. Bachan & Kartar.

On 20 October 2022, the Defendant (i) filed a Notice of Motion in EGM Regularity Appeal (“**Striking Out Motion**”) for, amongst others, to strike out the Notice of Appeal and all other cause papers filed by Messrs. Bachan & Kartar or Messrs. Ahmad Deniel, Ruben & Co purportedly for and on behalf of the Defendant (i) and for declarations that Messrs. Bachan & Kartar and Messrs. Ahmad Deniel, Ruben & Co has no authority, mandate and warrant to act for and on behalf of the Defendant (i) and to hold itself as the solicitors of the Defendant (i).

On 25 October 2022, it was clarified to the Court that Messrs. Bachan & Kartar and Messrs. Ahmad Deniel, Ruben & Co do not act for the Defendant (i) after the Order. After hearing the parties, the High Court ordered the following:

- (a) upon the application of Messrs. Ahmad Deniel, Ruben & Co to withdraw the Stay Application, the High Court struck out the Stay Application with costs of RM5,000.00 to be paid by the Proposed Contemnors (as defined hereunder) to the Plaintiffs (i);
- (b) order in terms of the Striking Out Application, except for prayer (b) above with the costs of RM5,000.00 to be paid by the Proposed Contemnors (as defined hereunder) to the Defendant (i); and
- (c) allowed the oral amendments to delete reference to the Defendant (i) in the Notices of Change of Solicitors dated 14 October 2022 filed by Messrs. Ahmad Deniel, Ruben & Co.

On 8 November 2022, the Defendant (i) has filed the Notices of Withdrawal of Appeal for the Transfer Appeal and the EGM Regularity Appeal.

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

The service of the relevant cause papers unto the Proposed Contemnors have been fulfilled on 22 February 2023. Accordingly, the High Court has set the date of 2 February 2023 for case management in relation to the aforementioned committal proceedings to update the High Court on the status of service unto the Proposed Contemnors. During the case management on 2 February 2023, the High Court has set the date of 1 March 2023 for case management.

During the case management on 1 March 2023, the High Court gave the following directions:

- (i) The Proposed Contemnors shall file their affidavits in reply in relation to Enclosure 129 on or before 21 March 2023;

FURTHER INFORMATION (CONT'D)

- (ii) The Defendant (i) shall file their affidavit in reply within twenty one (21) days from the date of service of the Proposed Contemnors' affidavits in reply; and
- (iii) Fixed the next case management date in relation to Enclosure 129 on 17 April 2023.

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

- (ii) **Classita, Caely (M) Sdn Bhd, a wholly-owned subsidiary of Classita ("Plaintiffs (ii)") v Datin Fong Nyok Yoon, Dato' Chuah Chin Lai, Siow Hock Lee, Ooi Say Teik, Hem Kan @ Chan Hong Kee, Ng Boon Kang, Tan Loon Cheang, Dato' Wira Ng Chun Hau, Lim Chee Pang, Lim Say Yeong, Beh Hong Shien, Gok Ching Hee ("Defendants (ii)") – Case No.: BA-22NCC-133-10/2022 ("Suit 133")**

On 19 October 2022, the Plaintiffs (ii) has filed Suit 133 against the Defendants (ii) relating to the misappropriation of funds of not less than RM30,552,000 from Caely (M) Sdn Bhd ("**Misappropriation**"), conducts of non-disclosure of the Misappropriation, fraudulent concealment, conspiracy, fraud and deception, breach of directors' duties arising from or related to the Misappropriation.

The Plaintiffs (ii), amongst other, seek for:

- (a) general damages to be assessed by the Court ("**General Damages**");
- (b) special damages in the sum of RM30,552,000 ("**Special Damages**");
- (c) exemplary damages to be assessed and awarded together with the General Damages by the Court ("**Exemplary Damages**");
- (d) interest at the rate of 5% per annum on General, Special and Exemplary Damages from the filing date until the date of full settlement; and
- (e) costs.

The Defendants (ii) have filed their memorandum of appearance respectively.

On 15 December 2022, Siow Hock Lee and Hem Kan @ Chan Hong Kee filed their defences and a notice to seek contribution or indemnity against Datin Fong Nyok Yoon and Dato' Chuah Chin Lai.

On 21 December 2022, Datin Fong Nyok Yoon and Dato' Chuah Chin Lai filed their defence and counter-claim against the Plaintiffs (ii); Ooi Say Teik filed his defence; Dato' Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien filed their defence and counter claim against the Plaintiffs (ii) and the present directors of Classita; and Lim Say Yeong filed his defence.

Ng Boon Kang, Tan Loon Cheang and Gok Ching Hee have sought for an extension of time to file their respective defences, to which the Plaintiffs (ii) have no objection for them to file their respective defences on or before 18 January 2023.

During the case management on 30 November 2022, the Plaintiffs (ii) have indicated that they intend to file a composite reply to the Defendants (ii)'s defences.

The High Court of Malaya in Shah Alam ("**High Court (ii)**") has set the date of 19 January 2023 for the next case management to update the High Court (ii) on the latest status of Suit 133.

During the case management on 19 January 2023, the High Court (ii) has set the next case management date on 3 February 2023.

FURTHER INFORMATION (CONT'D)

During the case management on 3 February 2023, the High Court (ii) gave the following directions:

- (i) in respect of the main action, Plaintiffs (ii) to file reply (to the Defendants (ii)'s defences) on or before 8 February 2023;
- (ii) in respect of Datin Fong Nyok Yoon and Dato' Chuah Chin Lai's counter-claim, the Plaintiffs (ii) are to file their Defence to Datin Fong Nyok Yoon and Dato' Chuah Chin Lai's counter-claim on or before 8 February 2023;
- (iii) in respect of Dato' Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien's counter-claim, the Plaintiffs (ii) are to file their Defence to Dato' Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien's counter-claim on or before 8 February 2023;
- (iv) in respect of Siow Hock Lee and Hem Kan @ Chan Hong Kee's application for further and better particulars, Siow Hock Lee and Hem Kan @ Chan Hong Kee are to file their affidavit in reply on or before 17 February 2023 to the Plaintiff (ii)'s affidavit in reply dated 2 February 2023;
- (v) in respect of Ooi Say Teik's striking out application, the Plaintiffs (ii) are to file their affidavit in reply on or before 17 February 2023, and Ooi Say Teik is to file his affidavit in reply on or before 3 March 2023; and
- (vi) The High Court (ii) has directed that the next case management shall be fixed on 27 March 2023.

On 8 February 2023, the Plaintiffs (ii) filed their reply to the Defendants (ii)'s defences and defence to Datin Fong Nyok Yoon and Dato' Chuah Chin Lai's counter-claim.

On 13 February 2023, the Plaintiffs (ii)'s solicitors have received Siow Hock Lee and Hem Kan @ Chan Hong Kee's affidavit in reply in respect of Siow Hock Lee and Hem Kan @ Chan Hong Kee's application for further and better particulars.

On 17 February 2023, the Plaintiffs (ii) filed their affidavit in reply in respect of Ooi Say Teik's striking out application.

On 21 February 2023, the Plaintiffs (ii)'s solicitors have received Dato' Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien's amended defence and counter-claim.

The Plaintiffs (ii)'s solicitors are of the opinion that Plaintiffs (ii) has put forth good grounds in support of Suit 133.

- (iii) **Dato' Wira Ng Chun Hau ("Plaintiff (iii)") v Classita, Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan a/l Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khaw Chuan Wah ("Defendants (iii)") – Defamation Suit ("Defamation Suit")**

The Plaintiff (iii) had referred to Classita's published or caused to be published a press release entitled – "Caely Lodges Police Report to investigate RM30.55 million Misappropriated Funds by Its Former Board" ("**Press Release**") and asserts that the Press Release contains statements which are defamatory of him.

The Plaintiff (iii) seeks against the Defendants (iii) the following:

- (a) Damages for libel, including aggravated damages and exemplary damages;

FURTHER INFORMATION (CONT'D)

- (b) An injunction restraining Classita, whether by itself, its servant, or agents or otherwise and Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan a/l Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khaw Chuan Wah from publishing or cause to be published the said or similar statements defamatory of the Plaintiff (iii);
- (c) interests;
- (d) costs; and
- (e) further and/or other relief that the Court deems fit.

During the previous case management on 28 December 2022, the High Court of Malaya in Kuala Lumpur ("**High Court (iii)**") has directed the parties to the Defamation Suit to file interlocutory applications (if any) before the next case management date. If there are no interlocutory applications, pre-trial directions will be given during the next case management on 17 January 2023.

During the case management on 17 January 2023, the High Court (iii) has set the next case management date on 3 February 2023.

During the case management on 3 February 2023, the High Court (iii) has directed that:

- (i) in respect of Defendants (iii)'s application to disqualify the Plaintiff (iii)'s solicitors from acting for the Plaintiff (iii), a hearing is fixed on 30 March 2023 ("**Disqualification Application**");
- (ii) the Plaintiff (iii) is to file his affidavit in reply in respect of the Disqualification Application on or before 20 February 2023;
- (iii) the Defendants (iii) are to file their affidavits in reply in respect of the Disqualification Application on or before 6 March 2023; and
- (iv) in respect of the main action of the Defamation Suit, a case management is fixed on 30 March 2023 after the hearing of the Disqualification Application.

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

On 20 February 2023, Classita's solicitors received the Plaintiff (iii)'s affidavit in reply in respect of the Disqualification Application.

Classita's solicitors are of the opinion that Classita has put forth a strong defence to resist the Defamation Suit and a strong case in support of Classita's Disqualification Application.

- (iv) **Dato' Sri Tee Yam, Wong Siaw Puie ("Plaintiffs (iv)") v Classita ("Defendant (iv)") – Case No.: WA-22NCC-567-11/2022 ("Suit 567")**

The Plaintiffs (iv) had allegedly advanced to the Defendant (iv) the total sum of RM3,959,365.49 for day-to-day operation and/or management costs.

The Plaintiffs (iv) seek against the Defendant (iv) for the following:

- (a) the sum of RM3,959,365.49;
- (b) interest of 5% per annum calculated daily on RM3,959,365.49 from the date of filing of the writ until the date of judgement;
- (c) costs of this action with interest of 5% per annum from the date of judgement; and

FURTHER INFORMATION (CONT'D)

- (d) other reliefs as the High Court of Malaya in Kuala Lumpur (“**High Court (iv)**”) deems fit and proper to grant.

On 7 December 2022, the Defendant (iv) issued to the Plaintiffs (iv) a letter to seek further and better particulars in respect of the amended statement of claim dated 7 November 2022 and a notice to produce documents pursuant to the pleadings dated 7 November 2022.

On 13 December 2022, the Plaintiffs (iv) replied with a letter providing further and better particulars.

On 20 December 2022, the Plaintiffs (iv) served an affidavit which was affirmed on the same day exhibiting copies of the documents are requested by the Defendant (iv).

On 5 January 2023, the Plaintiffs (iv) served their amended writ and re-amended statement of claim, which were both dated 4 January 2023.

On 16 January 2023, the Plaintiffs (iv) filed a Notice of Application to enter summary judgment against the Defendant (iv) on the Plaintiffs (iv)’s claims or any part thereof.

The Defendant (iv) has sought an extension of time to file their amended defence on or before 2 February 2023, to which the Plaintiffs (iv) have no objection to.

The High Court (iv) has set the date of 25 January 2023 for the next case management to update the High Court (iv) on the latest status of the pleadings of Suit 567.

During the case management on 25 January 2023, the High Court (iv) has directed the Defendant (iv) to file and serve their amended defence and counter-claim on or before 9 February 2023 and have set the date of 5 April 2023 for the hearing of the Plaintiffs (iv)’s summary judgment application in relation to Suit 567 against the Defendant (iv).

On 9 February 2023, the Defendant (iv) has filed and served their amended defence and counter-claim.

On 15 February 2023, the Defendant (iv) has filed and served their affidavit in reply in respect of the Plaintiffs (iv)’s application for summary judgment.

The Defendant (iv)’s solicitors are of the opinion that the Defendant (iv) has put forth a strong defence to resist Suit 567.

- (v) **Classita, Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria, Koo Chen Yeng (“Appellants”) v Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd (“Respondents”) – Court of Appeal Civil Appeal No.: W-02(NCC)(A)-1792-09/2022 (“Suit 1792”)**

Suit 1792 is the appeal against the Order as stipulated in (i) above, allowing Suit 732 (“**Enclosure 1**”).

On 8 November 2022, Classita has filed a Notice of Withdrawal of Appeal (“**Notice**”) to withdraw the appeal against the Respondents. Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria and Koo Chen Yeng strenuously objected to Classita’s withdrawal of the Appeal against the Respondents.

On 19 December 2022 during the case management and in view of the Notice, the Court of Appeal has:

- (a) fixed Enclosure 1 for disposal in respect of Classita on 1 May 2023;

FURTHER INFORMATION (CONT'D)

- (b) fixed Classita's striking out application dated 20 October 2022 ("**Enclosure 4**") and the Respondents' striking out application both dated 25 October 2022 ("**Enclosures 8 and 10**") for hearing on 12 May 2023;
- (c) fixed Enclosure 1, Enclosure 4 and Enclosures 8 and 10 for further case management on 27 April 2023 to ensure compliance with directions given pertaining to the filing of written submission; and
- (d) fixed Enclosure 1, Enclosure 4 and Enclosures 8 and 10 for further case management on 16 May 2023 to update the Court of Appeal on the status of Suit 1792.

Classita's solicitors are of the opinion that Classita has put forth good grounds in support of Suit 1792.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the Company's forthcoming EGM:

- (i) the Company's Constitution;
- (ii) the audited financial statements of the Group of FYE 31 March 2021 and 15-month 30 June 2022 as well as the latest unaudited results of the Group for the 6-month FPE 31 December 2022;
- (iii) the IMR Report;
- (iv) relevant cause papers in respect of the material litigation as set out in **Section 6** of this appendix;
- (v) draft Deed Poll;
- (vi) the Undertaking letter; and
- (vii) the letters of consent as referred to in **Sections 2 and 3** of this appendix.

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**CLASSITA HOLDINGS BERHAD
(FORMERLY KNOWN AS 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 Classita Holdings Berhad (formerly known as Caely Holdings Bhd) (“**Classita**” or the “**Company**”) will be conducted virtually through live streaming and online participation and voting using remote participation and voting (RPV) facilities via the online meeting platform at <https://www.symphonycorporateservices.com.my> provided by Symphony Corporate Services Sdn Bhd in Malaysia (Domain registration number D1C534619) on Monday, 27 March 2023 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the following ordinary resolution:

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 965,398,515 NEW ORDINARY SHARES IN CLASSITA (“CLASSITA SHARES” OR “SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 2 EXISTING SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED, TOGETHER WITH UP TO 579,239,109 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF 3 WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR (“PROPOSED RIGHTS ISSUE”)

“THAT subject to the approvals of all relevant authorities and/or parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board of Directors of the Company (“**Board**”) be and is hereby authorised to undertake the Proposed Rights Issue as follows:

- (i) to provisionally allot and issue by way of a renounceable rights issue of up to 965,398,515 Rights Shares together with up to 579,239,109 Warrants to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined by the Board (“**Entitlement Date**”) (“**Entitled Shareholders**”) and/or their renounee(s) or transferee(s) (if applicable), on the basis of 5 Rights Shares for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date at an issue price of RM0.10 and on such terms and conditions and in such manner as the Board may determine;
- (ii) to enter into and execute the deed poll constituting the Warrants (“**Deed Poll**”) and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company’s company seal, where necessary);
- (iii) to allot and issue the Warrants in registered form to the Entitled Shareholders (and/or their renounee(s) or transferee(s), as the case may be) and Excess Applicants (as defined below), if any, who subscribed for and are allotted Rights Shares, each Warrant conferring the right to subscribe for 1 new Share at an exercise price of RM0.20, to create and issue the Warrants and such additional Warrants as may be required or permitted to be issued as a consequence of the adjustments based on the indicative salient terms of the Warrants as set out in the Circular and the terms and conditions of the Deed Poll; and
- (iv) to allot and issue such number of new Shares to the holders of the Warrants upon their exercise of the relevant Warrants or additional Warrants to subscribe for new Shares during the tenure of the Warrants;

THAT the Board be and is hereby authorised to determine and vary if deemed fit, necessary and/or expedient, the issue price of the Rights Shares and the exercise price of the Warrants to be issued in connection with the Proposed Rights Issue;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renouncee(s) or transferee(s) (if applicable) shall be made available for excess applications in such manner and to such persons (“**Excess Applicants**”) as the Board shall determine at its absolute discretion;

THAT the Rights Shares, Warrants and the new Shares to be issued pursuant to the exercise of the Warrants shall be listed on the Main Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue shall be utilised for the purposes as set out in **Section 4** of the Circular to Shareholders dated 10 March 2023 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (where required);

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to and accept any conditions, modifications, variations, arrangements and/or amendments to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue in order to implement and give full effect to the Proposed Rights Issue;

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares;

THAT the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price of the Warrants, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of such new Shares to be issued pursuant to the exercise of the Warrants;

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and Warrants arising from the Proposed Rights Issue, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

AND THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue.”

BY ORDER OF THE BOARD

P’NG CHIEW KEEM

Company Secretary/ (MAICSA 7026443)

(SSM Practising Certificate No. 201908002334)

Penang

Date: 10 March 2023

Notes:

- (1) *A member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.*
- (2) *A member shall be entitled to appoint more than one person as his proxy in relation to the EGM provided that he specifies the proportion of his shareholding to be represented by each proxy. Failing which, the appointment shall be invalid.*
- (3) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint at least one proxy in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said securities account.*
- (4) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.*
- (5) *The instrument appointing a proxy shall be under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney duly authorised.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company’s registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, not less than 48 hours before the time for holding the EGM or any adjournment thereof, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*
- (7) *For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 March 2023. Only a depositor whose name appears on the Record of Depositors as at 21 March 2023 shall be entitled to attend the EGM or appoint proxies to attend and/or vote on his/her behalf.*

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 for the purpose of processing and the administration by the Company (or its agents) 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 agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”);(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company (or its agents) for the Purposes; and (iii) agrees that the member will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member’s breach of warranty.*



CLASSITA HOLDINGS BERHAD
 (formerly known as Caely Holdings Bhd)
 Registration No.199601036023 (408376-U)
 (Incorporated in Malaysia)

PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.									
				-						

*I/We.....(*NRIC/Passport/Company.....)
 of
(Address)

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

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

*and/or

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

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company will be conducted virtually through live streaming and online participation and voting using remote participation and voting (RPV) facilities via the online meeting platform at <https://www.symphonycorporateservices.com.my> provided by Symphony Corporate Services Sdn Bhd in Malaysia (Domain registration number D1C534619) on Monday, 27 March 2023 at 10.00 a.m. or any adjournment thereof.

ORDINARY RESOLUTION		FOR	AGAINST
1	Proposed Rights Issue		

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

Signed thisday of,2023.
Signature of Member(s)/Common Seal

Notes:

- (1) A member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.
- (2) A member shall be entitled to appoint more than one person as his proxy in relation to the EGM provided that he specifies the proportion of his shareholding to be represented by each proxy. Failing which, the appointment shall be invalid.
- (3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least one proxy in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said securities account.
- (4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- (5) The instrument appointing a proxy shall be under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company’s registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, not less than 48 hours before the time for holding the EGM or any adjournment thereof, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (7) For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 March 2023. Only a depositor whose name appears on the Record of Depositors as at 21 March 2023 shall be entitled to attend the EGM or appoint proxies to attend and/or vote on his/her behalf.

* Strike out whichever is not applicable.



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Then fold here

AFFIX
STAMP

The Company Secretary of
**CLASSITA HOLDINGS BERHAD (FORMERLY
KNOWN AS CAELY HOLDINGS BHD)**
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town, Penang

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