

CAELY HOLDINGS BHD (Company No. 408376-U)

Summary of Key Matters Discussed at Twenty-First Annual General Meeting held on Tuesday, 19 September 2017, at 10.00 a.m.

Presentation on the overview of the performance of CAELY Group

Presentation on the overview of the performance of CAELY Group for the financial year ended 31 March 2017, covering the following topics:-

- a) Caely Group at a glance;
- b) Performance overview;
- c) Financial Highlights; and
- d) Operational overview.

Mr Ng Kok Kiong, a proxy holder posed the following questions to the Board of Directors:-

- a) What are the details of others segment results?

In response to the question raised, Mr Loo replied that the others segment results are mainly contributed by the impairment of assets on the golf course.

- b) For property segment, what is the remaining units and the amount of unsold units for Casamas project?

In response to the question raised on the progress of Casamas project, Mr Loo explained that currently there are 47 unsold units which the Company anticipated to generate additional revenue of RM20 million.

- c) When will be the Company be launching Block C of Casamas project?

Dato' Chuah Chin Lai ("Dato' Chuah"), the Managing Director of the Company explained that the Company will be launching Block C of Casamas project in 2018.

- d) Based on the 2017 Annual Report, the Group recorded a negative cash flow, from RM6.7 million recorded in 2016 to RM7.8 million in 2017. Would there be any plans to enhance the cash flow of the Company?

In replying to the question raised, Dato' Chuah informed that he was of the opinion, moving forward the cash flow would be growing positively. As for Tapah Road, a revenue of RM4.5 million is expected upon receipt of the Certificate Completion and Compliance. A total of RM7.5 million is targeted to receive by end of October 2017 for Casamas project. As for Felcra project, it is targeted to complete by end of this year. In total, these projects are expected to generate a total of RM20 million to the Company.

- e) Moving forward, does the Company has any intention to engage in PRIMA projects?

Dato' Chuah responded that the Company is unable to bid this project as the project is mostly below RM500,000 and the land is too expensive.

- f) What is the reason for the decrease in share price of the Company?

In response to the question raised, the Chairperson informed that the decrease in the share price may be due to the lower First Quarter's results. Nonetheless, the Company is optimistic in achieving better results in the next quarter.

- g) Referring to page 62 of the Annual Report, the Company has other operating income of RM4

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million as compared to RM2 million in 2016. What is the other operating income derived from?

In replying to the question raised, Mr Loo explained that the increase in other operating income is mainly due to gain in foreign exchange rate.

- h) Can you further explain why the Company has an increase revenue of RM1.0 million and the same goes to the administrative expenses?

Mr Loo explained that the increase in RM1.0 million in administrative expenses is mainly due to the increase in the administrative staff salaries.

- i) The Manufacturing sector of the Company is vulnerable. Does the Company has any intention to enhance this sector in respect of its exports to US and Canada markets?

The Chairperson commented that the Company has lost its major buyer from Canada due to their closure of operations. Nevertheless, the Company has obtained new buyers to replace the loss with new customers from Turkey, United Kingdom, Germany and Dubai. She was of the opinion that the Company can recover its profits from these new buyers.

- j) Will the Company maintain its dividend payout of minimum 1 sen per share in the forthcoming year?

The Chairperson informed that the Company shall maintain its dividend payout of minimum 1 sen per share. However, depending on its cash flow, the Company would consider increasing the dividend payout in the near future.

- k) Since the Company has a stable cash flow, I would like to suggest that the Company opt for share buyback exercise in order to enhance its share price.

In replying to the question raised, the Chairperson informed that the Company is not considering to do any share buyback in the near future.

Agenda 3: Ordinary Resolution 2 of the Agenda

To approve the payment of Directors' fees amounting to RM240,350.00 for the financial year ended 31 March 2017

Mr Chua Kim Ling, posed his query on the purpose in obtaining approval from shareholders of the payment of Directors' Fees.

In response to the query raised by Mr Chua Kim Ling, the Company Secretary, Ms Chan Sau Leng clarified that as this is a new requirement under the Companies Act 2016, the Company has to obtain approval from the shareholders for the payment of Directors' Fees for the financial year ended 31 March 2017.