

**CAELY HOLDINGS BHD.  
[COMPANY NO. 199601036023 (408376-U)]**

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE 1<sup>st</sup> QUARTER ENDED 30 JUNE 2021**



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.06.2021 RM	Quarter ended 30.06.2020 RM	Period ended 30.06.2021 RM	Period ended 30.06.2020 RM
Revenue	13,003,058	10,516,795	13,003,058	10,516,795
Operating expenses	(13,666,776)	(12,143,796)	(13,666,776)	(12,143,796)
Other operating income	1,928,298	290,883	1,928,298	290,883
Profit / (loss) from operations	1,264,580	(1,336,118)	1,264,580	(1,336,118)
Finance costs	(246,998)	(388,736)	(246,998)	(388,736)
Profit / (loss) before taxation	1,017,582	(1,724,854)	1,017,582	(1,724,854)
Taxation	(277,533)	366,195	(277,533)	366,195
Profit / (loss) from continuing operations	740,049	(1,358,659)	740,049	(1,358,659)
Total comprehensive income	740,049	(1,358,659)	740,049	(1,358,659)
Net profit attributable to:				
Owners of the Company	740,049	(1,319,710)	740,049	(1,319,710)
Non-controlling interest	0	(38,949)	0	(38,949)
Net profit / (loss)	740,049	(1,358,659)	740,049	(1,358,659)
Total comprehensive income attributable to:				
Owners of the Company	740,049	(1,319,710)	740,049	(1,319,710)
Non-controlling interest	0	(38,949)	0	(38,949)
Total comprehensive income	740,049	(1,358,659)	740,049	(1,358,659)
Earnings /(Loss) per share:(Note 26)				
- basic (sen)	0.29	(0.79)	0.29	(0.79)
- diluted (sen)	0.29	(0.66)	0.29	(0.66)

*Note: The Other Operating Income includes gain from disposal of a subsidiary amounting to RM227,880.*

**The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying notes to the quarterly financial statement.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 30.06.2021 RM	As at 31.03.2021 RM
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	23,238,714	23,715,138
Right-of-use assets	842,374	192,420
Investment properties	4,100,000	4,100,000
Deferred tax assets	3,862,157	3,782,278
	<u>32,043,245</u>	<u>31,789,836</u>
<b>CURRENT ASSETS</b>		
Property development costs	25,108,176	25,096,689
Inventories	31,837,192	29,831,699
Receivables, deposits and prepayments	14,679,031	15,069,285
Tax recoverable	122,455	183,642
Deposits with licensed banks	10,541,804	3,128,518
Deposits, bank and cash balances	5,042,982	2,802,204
	<u>87,331,640</u>	<u>76,112,037</u>
Assets held for sales	0	580,591
	<u>87,331,640</u>	<u>76,692,628</u>
<b>TOTAL ASSETS</b>	<u><u>119,374,885</u></u>	<u><u>108,482,464</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	71,497,885	59,559,261
Other reserves	10,651,327	10,651,327
Retained profits	7,863,138	7,123,089
	<u>90,012,350</u>	<u>77,333,677</u>
Non-controlling interest	0	(218,944)
Equity attributable to owners of the Company	<u>90,012,350</u>	<u>77,114,733</u>
<b>NON CURRENT LIABILITIES</b>		
Lease liabilities	207,461	108,031
Term loans	9,386,593	10,413,079
Deferred tax liabilities	1,507,482	1,270,122
	<u>11,101,536</u>	<u>11,791,232</u>

The condensed consolidated statement of the financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying notes to the quarterly financial statement.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
 (Continued)

	As at 30.06.2021 RM	As at 31.03.2021 RM
<b>CURRENT LIABILITIES</b>		
Payables and accruals	12,921,858	10,701,632
Amount owing to a director	38,160	635,100
Provisions	258,354	258,354
Contract liabilities	245,394	360,395
Tax payable	592,171	557,678
Lease liabilities	123,076	76,759
Term loans	2,225,238	1,576,775
Short term bank borrowings		
- bank overdrafts	79,114	2,605,615
- others	1,777,634	1,776,777
	<u>18,260,999</u>	<u>18,549,085</u>
Liabilities held for sales	0	1,027,414
	<u>18,260,999</u>	<u>19,576,499</u>
<b>TOTAL LIABILITIES</b>	<u>29,362,535</u>	<u>31,367,731</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>119,374,885</u>	<u>108,482,464</u>
<b>Net Tangible Assets per share</b>	<u><u>0.35</u></u>	<u><u>0.47</u></u>

The condensed consolidated statement of the financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying notes to the quarterly financial statement.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company						Non- controlling interest	Total equity
	Share capital	Reserve on consolidation	Revaluation reserve	Retained profits	Total			
	RM	RM	RM	RM	RM	RM		
As at 1 April 2021	59,559,261	80,344	10,570,983	7,123,089	77,333,677	(218,944)	77,114,733	
Net profit for the financial year	0	0	0	740,049	740,049	0	740,049	
Total Comprehensive income	0	0	0	740,049	740,049	0	740,049	
Disposal of a Subsidiary	0	0	0	0	0	218,944	218,944	
Exercise of Warrants	4,003,624	0	0	0	4,003,624	0	4,003,624	
Private Placement Exercise	7,935,000	0	0	0	7,935,000	0	7,935,000	
At 30 June 2021	71,497,885	80,344	10,570,983	7,863,138	90,012,350	0	90,012,350	

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes to the quarterly financial statements.

	Attributable to owners of the Company						
	Share capital	Reserve on consolidation	Revaluation reserve	Retained profits	Total	Non-controlling interest	Total equity
	RM	RM	RM	RM	RM	RM	RM
As at 1 April 2020	50,266,551	80,344	10,656,460	21,315,227	82,318,582	(1,168,305)	81,150,277
Net profit for the financial year	0	0	0	(1,319,710)	(1,319,710)	(38,949)	(1,358,659)
Total Comprehensive income	0	0	0	(1,319,710)	(1,319,710)	(38,949)	(1,358,659)
Exercise of Warrants	470,440	0	0	0	470,440	0	470,440
At 30 June 2020	50,736,991	80,344	10,656,460	19,995,517	81,469,312	(1,207,254)	80,262,058

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes to the quarterly financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	30.06.2021 RM	30.06.2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	1,017,582	(1,724,854)
Adjustments for:		
Property, plant and equipment		
- depreciation	154,962	206,051
Right-of-use assets		
- depreciation	27,199	13,743
- gains on disposal	(106,500)	0
Allowance for expected credit loss/impairment loss		
- reversal	(1,202,961)	0
Liquidated damages receivable from contractors		
- (Reversal) / Provision for liquidated ascertained damages	(115,000)	60,610
Interest expense	246,998	388,736
Interest income	(14,302)	(20,012)
Allowance for slow moving inventories		
- provided for	106,213	141,713
- reversal	0	(15,585)
Fair value gain on disposal of marketable securities	0	(6,050)
Fair value gain on derivative financial instruments	0	(12,198)
Net unrealized foreign exchange loss / (gain)	336,519	(26,874)
Gain from disposal of a subsidiary	(227,880)	0
Operating profit / (loss) before working capital changes	222,830	(994,720)
Inventories	(2,111,873)	(1,475,437)
Property development cost	(11,487)	55,419
Receivables	1,593,215	584,369
Payables	2,105,225	2,621,822
Cash flows generated from operations	1,797,910	791,453
Interest paid	(57,227)	(388,736)
Income tax refund	0	752
Income tax paid	(16,886)	0
Net cash generated from operating activities	1,723,797	403,469

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying notes to the quarterly financial statement.

	30.06.2021	30.06.2020
	RM	RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(44,706)	(5,703)
- proceeds from disposals	180,000	0
Proceed from disposal of subsidiary	1	0
Interest income received	14,302	20,012
Fixed Deposit pledged with bank	(7,400,000)	0
	<u>(7,250,403)</u>	<u>14,309</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short term bank borrowings	0	(25,672)
Repayment of advances to a director	(596,940)	(98,337)
Repayments of lease liabilities	(188,804)	(26,951)
Repayments of term loan	(378,030)	0
Interest paid	(189,771)	(4,804)
Receipt from warrants exercised	4,003,624	470,440
Receipt from private placement exercised	7,935,000	0
	<u>10,585,079</u>	<u>314,676</u>
Net movement in cash and cash equivalents	5,058,473	732,454
Effects of exchange rate changes on cash and cash equivalents	(327,743)	26,874
Cash and cash equivalent at beginning of the financial period	<u>(182,644)</u>	<u>(8,247,302)</u>
Cash and cash equivalent at end of the financial period	<u><u>4,548,086</u></u>	<u><u>(7,487,974)</u></u>
Notes:		
Cash and cash equivalent at the end of the financial period comprise the following:		
	RM	RM
Deposit, cash and bank balance	5,042,982	2,122,397
Less : Bank overdraft	(79,114)	(9,194,807)
Less : Bank balances held under Housing Development Account	<u>(415,782)</u>	<u>(415,564)</u>
	<u><u>4,548,086</u></u>	<u><u>(7,487,974)</u></u>



The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying notes to the quarterly financial statement.

## 1. Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional and presentation currency.

## 2. Changes in Accounting Policies

### (a) Standards issued and effective

On 1 April 2020, the Group and the Company have also adopted the following new and amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2020.

#### Description

- Amendments to MFRS 3, *Business Combinations*: Definition of Business
- Amendments to MFRS 4, *Insurance Contracts*: Extension of the Temporary Exemption from Applying MFRS9
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurements* and MFRS 7, *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Material
- Amendments to MFRS 101, *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current-Deferral of Effective Date
- Amendments from other Standards:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 2, *Share-Based Payment*
  - Amendments to MFRS 3, *Business Combination*
  - Amendments to MFRS 5, *Non-current Assets Held for Sales and Discontinued Operations*
  - Amendments to MFRS 6, *Exploration for and evaluation of Mineral Resources*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*

(a) Standards issued and effective (Continued)

**Description**

Amendments from other Standards (Continued)

- Amendments to MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 15, *Revenue from Contracts with Customers*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 110, *Events after the Reporting Period*
- Amendments to MFRS 116, *Property, Plant and Equipment*
- Amendments to MFRS 119, *Employee Benefits*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures*
- Amendments to MFRS 132, *Financial Instruments: Presentation*
- Amendments to MFRS 134, *Interim Financial Reporting*
- Amendments to MFRS 136, *Impairment of Assets*
- Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets*
- Amendments to MFRS 138, *Intangible Assets*
- Amendments to MFRS 140, *Investment Property*
- Amendments to IC Interpretation 12, *Service Concession Arrangements*
- Amendments to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 20, *Stripping Costs in Production Phase*
- Amendments to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to IC Interpretation 132, *Intangible Assets - Web Site Costs*

Adoption of above amended MFRS did not have any material impact to the financial performances or positions of the Group and of the Company.

**(b) Standard issued but not yet effective**

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

<b>Description</b>	<b>Effective for the Financial period beginning on or after</b>
• Amendments to MFRS 3, <i>Business Combinations</i> : Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> : Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts</i> - Cost of Fulfilling a Contract	1 January 2022
• Annual improvements to MFRSs 2018-2020 cycle	
- Amendments to MFRS 1, <i>First Time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2022
- Amendments to MFRS 9, <i>Financial Instruments</i>	1 January 2022
- Amendments to MFRS 16, <i>Leases</i>	1 January 2022
- Amendments to MFRS 141, <i>Agriculture</i>	1 January 2022
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 101, <i>Presentations of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101, <i>Presentation of Financial Statement</i> : Disclosures of Accounting Policies	1 January 2023
• Amendments to MFRS 108, <i>Accounting Policies Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and <i>MFRS 128 Investment in Associate and Joint Ventures</i> : Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

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

**2. Unusual Items due to their Nature, Size or Incidence**

The were no unusual items that have material effect on the assets, liabilities, equity, net income, or cash flows for the current quarter other than what has already been disclosed in this report.

**3. Audit report of preceding annual financial statements**

The preceding year' audited financial statements ended 31 March 2021 of the Group were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial quarter under review.

**5. Extraordinary or Exceptional Items**

There were no extraordinary or exceptional items for the current financial period under review.

**6. Changes in Estimates**

There were no material changes in the estimates that have had a material effect in the current financial quarter ended 30 June 2021.

## 7. Debts and Equity or Securities

### Warrants

On 26 April 2018, the Company undertook a bonus issue of 80,000,000 free warrants on the basis of one warrant for every two existing ordinary shares in the Company. The expiry date of warrants is 22 April 2021.

Prior to the bonus issue, the exercise price is RM0.38 per share. Pursuant to the bonus issue share undertaken by the Company, the exercise price is adjusted to RM0.19 and with the additional 38,654,400 warrants listed and quoted on 10 April 2019.

The warrants exercised by the registered warrants holders to new ordinary shares during the financial period are as follow:

Date of exercise	Exercise price	No. of warrants exercised	Balance no. of unexercised warrants
As at 1 <sup>st</sup> April 2021			26,632,100
April 2021	RM0.19	21,071,704	5,560,396

Pursuant to the terms and conditions as stipulated in the Deed Poll dated 3 April 2018 Governing the Warrants, the Exercise Rights of the Warrants would expire at 5.00 p.m. on Thursday, 22 April 2021.

The last day and time from trading of the Warrants would be on Tuesday, 6 April 2021 at 5.00 p.m. The Warrants would be suspended from trading on Bursa Securities with effect from 9.00 a.m. on Wednesday, 7 April 2021 until 5.00 p.m. on the Expiry Date.

Bursa Depository would not be accepting any request for transfer of Warrants for period commencing from 4.30 p.m. on Thursday, 15 April 2021 up to the Expiry Date.

All unexercised Warrants remaining in the depositor's CDS Account by 5.00 p.m. on the Expiry Date will be debited from the respective depositor's CDS Account on Friday, 23 April 2021. A total of 5,560,396 unexercised warrants were debited from the respective depositor's CDS Account subsequent to the Expiry Date.

**8. Dividend Paid**

No dividend was paid since the beginning of the current quarter.

**9. Significant Related Party Transaction**

There were no significant related party transactions during the quarter under review.

**10. Segmental Reporting**

The Group is principally involved in Manufacturing and sales of undergarments, Direct Selling and retails business, Property development and construction and Recreational and hospitality. The segmental analysis of the Group for the financial year under review are as follows:-

**Business segments**

Financial period ended 30.06.2021	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	870,265	0	12,464,643	0	3,347	13,338,255
Intersegment sales	0	0	(335,197)	0	0	(335,197)
External sales	<u>870,265</u>	<u>0</u>	<u>12,129,446</u>	<u>0</u>	<u>3,347</u>	<u>13,003,058</u>
<u>Results</u>						
Profit / (Loss) from operations	(80,216)	771,846	610,920	(265,759)	227,789	1,264,580
Finance costs	(4,418)	(84,482)	(158,098)	0	0	(246,998)
Profit before tax						1,017,582
Taxation						(277,533)
Net profit for the financial period						<u>740,049</u>
Segment assets	9,361,958	52,920,666	51,827,890	4,745,685	518,686	119,374,885
Segment liabilities	380,948	12,174,484	16,259,361	366,350	181,392	29,362,535
Interest income	0	(629)	(13,673)	0	0	(14,302)
Capital expenditure	0	1,500	419,317	0	0	420,817
Depreciation - Property, plant & equipment	3,707	533	146,147	4,575	0	154,962
Depreciation - Right-of-use assets	0	0	27,199	0	0	27,199
Allowance for slow moving inventories: - provided for / (reversal)	2,510	0	103,703	0	0	106,213

**Business segments**

Financial period ended 30.06.2020	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<b>Sales</b>						
Total sales	1,336,691	0	9,504,071	0	105,317	10,946,079
Intersegment sales	0	0	(429,284)	0	0	(429,284)
External sales	<u>1,336,691</u>	<u>0</u>	<u>9,074,787</u>	<u>0</u>	<u>105,317</u>	<u>10,516,795</u>
<b>Results</b>						
Profit / (Loss) on operations	60,086	(639,257)	(567,655)	(108,869)	(80,423)	(1,336,118)
Finance costs	(4,986)	(104,447)	(279,303)	0	0	<u>(388,736)</u>
Profit before tax						(1,724,854)
Taxation						<u>366,195</u>
Net profit for the financial period						<u>(1,358,659)</u>
Segment assets	4,267,103	76,112,025	42,075,063	4,240,025	661,485	127,355,701
Segment liabilities	587,248	19,458,759	25,453,803	422,326	1,171,507	47,093,643
Interest income	0	823	19,189	0	0	20,012
Capital expenditure	0	0	5,703	0	0	5,703
Depreciation - Property, plant & equipment	3,745	15,833	156,660	4,575	25,238	206,051
Depreciation - Right-of-use asset	0	8,667	829	0	4,247	13,743
Allowance for slow moving inventories: - provided for / (reversal)	0	0	126,128	0	0	126,128



**11. Valuations of Property, Plant and Equipment**

The valuations of property, plant and equipment have been revalued and amended from financial statements for the financial year ended 31 March 2019.

**12. Subsequent Events**

There were no material subsequent events to the end of the financial period ended 30 June 2021.

**13. Changes in Composition of the Group**

**Disposed of 51% stake in Omni Green Sdn Bhd**

CHB has on 30 April 2021 disposed of its entire interest in the shares of Omni Green Sdn Bhd (“Omni Green”), representing 51% shareholdings, to Mr. Ng Choo Beng at a consideration of RM1.00. Omni Green has been a non-core business and loss making company. The disposal will enable the Group to be more focus on its core business and better utilization of its resources.

**14. Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities since the last annual reporting date and there were no contingent assets as at end of the current quarter.

**15. Review of Performance**

**(a) Overall Results Commentary:**

**(i) Financial review for the current quarter and corresponding quarter last year**

During the financial period under review, Caely generated a revenue of RM13.00 million in Q1FY2022 as compared to RM10.52 million in Q1FY2021.

The increase in revenue of RM2.48 million or 23.57% was mainly from manufacturing segment. Export sales of undergarments has gradually recovered from when the global economy was unexpectedly worst hit by the outbreak of Covid-19 pandemic during Q1FY2021. The outbreak has put the global economy activities almost in halt then.

The Group recorded a profit before tax (“PBT”) of RM1.02 million in Q1FY2022 as compared to the loss before tax (“LBT”) of RM1.72 million recorded in Q1FY2021 under review. The increase of RM2.74 million of PBT was mainly contributed by improved manufacturing sales, the recovery of amount of RM1.20 million received from the receivables of Property & Construction segment which amounts have been impaired in last financial year and gain from disposal of a subsidiary.

**(b) Segmental Results Commentary:**

**(i) Property and Construction Segment**

For the current financial period ended Q1FY2022, the Group did not record any revenue from sales. The same zero revenue was recorded in Q1FY2021. Apart from the weak demand for property market, strict and low valuation of our property units exercised by lending banks have also caused several interested buyers failed to obtain their required loan amount and hence did not proceed with their purchases.

A PBT of RM0.69 million was recorded in Q1FY2022 as compared to RM0.74 million LBT in the corresponding quarter Q1FY2021. The PBT recorded was mainly due to the recovery of amount of RM1.20 million received from the receivables which amounts have been impaired in last financial year.

**(ii) Manufacturing Segment**

During the financial period ended Q1FY2022, revenue recorded for Manufacturing segment was RM12.13 million, an increase of RM3.06 million or 33.74% as compared to the RM9.07 million recorded in the corresponding financial period of Q1 FY2021. Export sales of undergarments has gradually recovered during Q1FY2022 from when the global economy was unexpectedly worst hit by the outbreak of Covid-19 pandemic during Q1FY2021.

In line with the increase in revenue, PBT increased by RM1.30 million to RM0.45 million for Q1FY2022, recovered from LBT of RM0.85 million for Q1FY2021.

**(iii) Direct Selling and Retail Segment**

The revenue recorded during Q1FY2022 was RM0.87 million, a decrease of RM0.47 million or 35.07%, compared with RM1.34 million revenue recorded in Q1FY2021. The sales decrease was attributed to the cautious spending behaviour by consumers. Income of many people was badly affected with the various stages of Movement Control Order (MCO) implemented by the government in its efforts to stem the infection rate of Covid-19 pandemic.

In correspondence to the decrease in turnover, a LBT of RM84,634 was incurred in Q1FY2022 as compared to PBT of RM55,100 in Q1FY2021.

**16. Prospects**

The uncertainties in global economy, the unsettled outbreak of corona-virus pandemic in many countries of the world together with the slow down in domestic economy have posed challenges for the Group in its effort to remain resilient of its performance. Meanwhile, the political uncertainty in Myanmar government recently may also affect the Group future revenue performance, as the Company has a subcontractor whose volume of output for lingerie products contribute a significant percentage to the total revenue of the Company and the Group. While we keep monitoring and following up closely the political development there, the Company is sourcing and identifying other alternate equally competent sub-contractors in other countries to alleviate the risks that may result from Myanmar. We are always cost conscious in mind and acknowledge that the escalating operational cost remain a challenge and will certainly affected the Group's margin. Moving forward in light of the prevailing challenges in the manufacturing and property development industry, the Board will continue to manage the business with diligence and remain cautious of the challenges ahead.

The Company and the Group are also taking proactive steps by tapping into e-commerce business and expanding its Direct Sales & Retail segment by collaborating with potential business partners in the efforts to enlarge its product range and outlet accounts with the aim of improving its overall business performance.

**17. Profit Forecast and Profit Guarantee**

For the current financial quarter there was no profit forecast or profit guarantee issued.

**18. Taxation**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.06.2021 RM	30.06.2020 RM	30.06.2021 RM	30.06.2020 RM
Taxation				
- current period	112,566	0	112,566	0
Deferred taxation				
- current period	164,967	(366,195)	164,967	(366,195)
Tax charge	<u>277,533</u>	<u>(366,195)</u>	<u>277,533</u>	<u>(366,195)</u>

The Group's has incurred higher tax expense and effective tax rate which in turn was due to certain expenses being disallowed for taxation purposes and losses incurred by certain subsidiaries not utilized during the year.

**19. Unquoted Investments and Properties**

There were no other material transactions involving unquoted investments and properties during the financial quarter under review.

**20. Status of The Utilisation of Proceeds From Corporate Proposals**

As at 30 June 2021, the status of the utilisation of proceeds from the private placement exercise which was completed on 19 May 2021, amounting to RM7.935 million is as follows:

	<b>Purpose</b>	<b>Proposed Utilisation RM' 000</b>	<b>Actual Utilisation RM' 000</b>	<b>Balance Unutilised RM' 000</b>	<b>Intended Timeframe for Utilisation from the date of Receipts of Proceeds</b>	<b>Remarks</b>
i)	Property development project	6,923	0	6,923	24 months	
ii)	General working capital	762	334	428	24 months	
iii)	Expenses for private placement exercise	250	201	49	1 month	Unutilised amount to be used for general working capital
	<b>Total</b>	<u>7,935</u>	<u>535</u>	<u>7,400</u>		

**21. Borrowings and Debts Securities**

There were no debts securities for the current financial period to date. Particulars of the Group's borrowings as at 30 June 2021 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	2,241,522	9,386,593	11,628,115
Unsecured	<u>62,830</u>	<u>0</u>	<u>62,830</u>
	2,304,352	9,386,593	11,690,945
<u>US Dollar</u>			
Secured	<u>1,777,634</u>	<u>0</u>	<u>1,777,634</u>
	<u><u>4,081,986</u></u>	<u><u>9,386,593</u></u>	<u><u>13,468,579</u></u>

**22. Derivative Financial Instruments**

There were no derivative instruments for foreign currency forward contracts and option forward contracts as at the end of the financial period ended 30 June 2021.

**23. Fair Value Changes of Financial Liabilities**

As at the end of the current financial period, the Group does not have any financial liabilities measured at fair value through profit or loss.

**24. Changes in Material Litigation**

There is no material litigation as at the date of these interim financial statements.

**25. Proposed Dividend**

The Directors do not recommend any payment of dividends in respect of the current period.

**26. Earnings/(Loss) Per Share (EPS)/(LPS)**

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
<u>Basic EPS/(LPS)</u>				
Profit/(Loss) attributable to equity holders of the Company (RM)	740,049	(1,319,710)	740,049	(1,319,710)
Weighted average no. of ordinary shares in issue	257,439,604	166,934,900	257,439,604	163,934,900
Basic EPS/(LPS) (sen)	<u>0.29</u>	<u>(0.79)</u>	<u>0.29</u>	<u>(0.79)</u>

For the financial period ended 30 June 2021, diluted EPS was calculated by dividing the profit attributable to owners of the Company by the weighted average diluted number of ordinary shares outstanding during the period and after accounting for the effect of all dilutive potential ordinary shares arising from the exercise of outstanding warrants.

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
<u>Diluted EPS/(LPS)</u>				
Profit/(Loss) attributable to equity holders of the Company (RM)	740,049	(1,319,710)	740,049	(1,319,710)
Adjusted weighted average no. of ordinary shares	<u>257,439,604</u>	<u>200,861,661</u>	<u>257,439,604</u>	<u>200,861,661</u>
Diluted EPS/(LPS) (sen)	<u>0.29</u>	<u>(0.66)</u>	<u>0.29</u>	<u>(0.66)</u>

**27. Capital Commitments**

As at 30 June 2021, there was no material capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements.

**28. Profit Before Taxation**

The profit before taxation is arrived at after (crediting) / charging the following (income) / expenses:

	3 Months Ended 30.06.2021 RM	3 Months Ended 30.06.2021 RM
(a) Interest income	(14,302)	(14,302)
(b) Interest expense	246,998	246,998
(c) Depreciation		
- Property, plant & equipment	154,962	154,962
- Right-of-use assets	27,199	27,199
(d) Allowance for expected loss / credit loss		
- Reversal	(1,202,961)	(1,202,961)
(e) Allowance for slow moving inventories		
- Provided for	106,213	106,213
(f)(Reversal)/ Provision for liquidated ascertained damages	(115,000)	(115,000)
(g) Foreign exchange loss / (gain)		
- Realized	(35,710)	(35,710)
- Unrealized	336,519	336,519
(h) Gain from disposal of right-of-use asset	(106,500)	(106,500)
(i) Gain from disposal of a subsidiary	227,880	0

**29. Authorisation for issue**

The Board of Directors has authorised the release of the unaudited interim financial statements for the fourth quarter ended 30 June 2021 pursuant to a resolution dated 25 August 2021.