

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE 2<sup>nd</sup> QUARTER ENDED 30 SEPTEMBER 2021**



**CAELY**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2021 RM	Quarter ended 30.09.2020 RM	Period ended 30.09.2021 RM	Period ended 30.09.2020 RM
Revenue	16,278,320	15,852,048	29,281,377	26,368,844
Operating expenses	(15,881,356)	(15,009,041)	(29,548,131)	(27,152,836)
Other operating income	1,047,602	441,363	2,975,900	732,246
Profit / (loss) from operations	1,444,566	1,284,370	2,709,146	(51,746)
Finance costs	(246,127)	(391,653)	(493,125)	(780,389)
Profit / (loss) before taxation	1,198,439	892,717	2,216,021	(832,135)
Taxation	(367,098)	(145,577)	(644,631)	220,618
Profit / (loss) from continuing operations	831,341	747,140	1,571,390	(611,517)
Total comprehensive income / (loss)	831,341	747,140	1,571,390	(611,517)
Net profit / (loss) attributable to:				
Owners of the Company	831,341	778,521	1,571,390	(541,187)
Non-controlling interest	0	(31,381)	0	(70,330)
Net profit / (loss)	831,341	747,140	1,571,390	(611,517)
Total comprehensive income attributable to:				
Owners of the Company	831,341	778,521	1,571,390	(541,187)
Non-controlling interest	0	(31,381)	0	(70,330)
Total comprehensive income / (loss)	831,341	747,140	1,571,390	(611,517)
Earnings / (Loss) per share:(Note 27)				
- basic (sen)	0.32	0.44	0.61	(0.30)
- diluted (sen)	0.32	0.36	0.61	(0.25)

*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 30.09.2021 RM	As at 31.03.2021 RM
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	23,753,611	23,715,138
Right-of-use assets	461,704	192,420
Investment properties	4,100,000	4,100,000
Deferred tax assets	3,688,987	3,782,278
	<u>32,004,302</u>	<u>31,789,836</u>
<b>CURRENT ASSETS</b>		
Property development costs	24,960,758	25,096,689
Inventories	30,240,127	29,831,699
Receivables, deposits and prepayments	15,165,729	15,069,285
Tax recoverable	181,062	183,642
Deposits with licensed banks	10,555,571	3,128,518
Deposits, bank and cash balances	6,300,306	2,802,204
	<u>87,403,553</u>	<u>76,112,037</u>
Assets held for sales	0	580,591
	<u>87,403,553</u>	<u>76,692,628</u>
<b>TOTAL ASSETS</b>	<u><u>119,407,855</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	8,694,479	7,123,089
	<u>90,843,691</u>	<u>77,333,677</u>
Non-controlling interest	0	(218,944)
Equity attributable to owners of the Company	<u>90,843,691</u>	<u>77,114,733</u>
<b>NON CURRENT LIABILITIES</b>		
Lease liabilities	237,578	108,031
Term loans	9,003,458	10,413,079
Deferred tax liabilities	1,255,007	1,270,122
	<u>10,496,043</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.

**Caely Holdings Bhd [199601036023(408376-U)] Unaudited Interim Financial Statements**  
 Incorporated in Malaysia **for 2<sup>nd</sup> Quarter ended 30 September 2021**

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

	As at 30.09.2021 RM	As at 31.03.2021 RM
<b>CURRENT LIABILITIES</b>		
Payables and accruals	11,895,538	10,701,632
Amount owing to a director	0	635,100
Provisions	258,354	258,354
Contract liabilities	142,451	360,395
Tax payable	1,072,276	557,678
Lease liabilities	70,348	76,759
Term loans	2,225,238	1,576,775
Short term bank borrowings		
- bank overdrafts	613,879	2,605,615
- others	1,790,037	1,776,777
	<u>18,068,121</u>	<u>18,549,085</u>
Liabilities held for sales	0	1,027,414
	<u>18,068,121</u>	<u>19,576,499</u>
<b>TOTAL LIABILITIES</b>	<u>28,564,164</u>	<u>31,367,731</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>119,407,855</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						Total equity
	Share capital	Reserve on consolidation	Revaluation reserve	Retained profits	Total	Non-controlling interest	
	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	1,571,390	1,571,390	0	1,571,390
Total Comprehensive income	0	0	0	1,571,390	1,571,390	0	1,571,390
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 September 2021	71,497,885	80,344	10,570,983	8,694,479	90,843,691	0	90,843,691

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 CHANGES IN EQUITY**

	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	(541,187)	(541,187)	(70,330)	(611,517)
Total Comprehensive income	0	0	0	(541,187)	(541,187)	(70,330)	(611,517)
Exercise of Warrants	2,598,516	0	0	0	2,598,516	0	2,598,516
At 30 September 2020	52,865,067	80,344	10,656,460	20,774,040	84,375,911	(1,238,635)	83,137,276

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**

	30.09.2021 RM	30.09.2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	2,216,021	(832,135)
Adjustments for:		
Property, plant and equipment		
- depreciation	324,926	327,710
Right-of-use assets		
- depreciation	43,048	110,973
- gains on disposal	(136,500)	(500)
Allowance for expected credit loss/impairment loss		
- charge for the financial year	72,083	0
Liquidated damages receivable from contractors		
- Reversal for liquidated ascertained damages	(217,944)	(954,839)
Interest expense	493,125	780,389
Interest income	(60,863)	(37,386)
Allowance for slow moving inventories		
- provided for	258,726	352,730
- reversal	0	(435,032)
Fair value gain on derivative financial instruments	(131,111)	(12,198)
Net unrealized foreign exchange loss / (gain)	327,692	(3,558)
Gain from disposal of a subsidiary	(227,880)	0
Operating profit / (loss) before working capital changes	2,961,323	(703,846)
Inventories	(667,154)	(2,528,348)
Property development cost	135,931	(257,329)
Receivables	(168,527)	3,819,765
Payables	1,193,906	2,303,510
Cash flows generated from operations	3,455,479	2,633,752
Liquidated ascertained damages and compensation paid	0	(135,074)
Interest paid	(93,831)	(780,389)
Income tax refund	424	752
Income tax paid	(42,215)	0
Net cash generated from operating activities	3,319,857	1,719,041

**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.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (Continued)**

	30.09.2021	30.09.2020
	RM	RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for acquisition	(363,400)	(35,744)
- proceeds from disposals	210,000	40,310
Interest income received	60,863	37,386
Fixed deposit pledged with bank	(7,400,000)	0
Proceed from disposal of a subsidiary	1	0
Marketable securities		
- proceeds from disposals	0	3,113
	<u>(7,492,536)</u>	<u>45,065</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts / (Repayments) of short term bank borrowings	13,260	(214,820)
Repayment of advances to a director	(635,100)	(689,672)
Repayments of hire-purchase creditors	0	(54,354)
Repayments of lease liabilities	(203,085)	0
Repayments of term loan	(761,172)	(393,283)
Interest paid	(399,294)	0
Receipt from warrants exercised	4,003,624	2,598,516
Receipt from private placement exercise	7,935,000	0
	<u>9,953,233</u>	<u>1,246,387</u>
Net movement in cash and cash equivalents	5,780,554	3,010,493
Effects of exchange rate changes on cash and cash equivalents	(327,666)	3,559
Cash and cash equivalent at beginning of the financial period	<u>(182,644)</u>	<u>(8,451,148)</u>
Cash and cash equivalent at end of the financial period	<u><u>5,270,244</u></u>	<u><u>(5,437,096)</u></u>
Notes:		
Cash and cash equivalent at the end of the financial period comprise the following:		
	RM	RM
Deposit, cash and bank balance	6,300,306	3,611,802
Less : Bank overdraft	(613,879)	(8,297,967)
Less : Bank balances held under Housing Development Account	(416,183)	(750,931)
	<u><u>5,270,244</u></u>	<u><u>(5,437,096)</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 of 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*
  - Amendments to MFRS 14, *Regulatory Deferral Accounts*
  - Amendments to MFRS 15, *Revenue from Contracts with Customers*
  - Amendments to MFRS 101, *Presentation of Financial Statements*

(a) Standards issued and effective (Continued)

**Description**

- Amendments from other Standards (Continued)
  - 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 - Cost of Fulfilling a Contract</i>	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

### **3. 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.

### **4. 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.

### **5. 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.

### **6. Extraordinary or Exceptional Items**

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

### **7. Changes in Estimates**

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

### **8. Debts and Equity or Securities**

#### **Warrants**

The first warrants 2018/2021 issued by the Company on 26 April 2018 has expired on 06 April 2021. All unexercised Warrants remaining in the depositor's CDS Account by 5.00 p.m. on the Expiry Date has been 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.

### **9. Dividend Paid**

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

### **10. Significant Related Party Transaction**

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

### **11. Segmental Reporting**

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

**Business segments**

Financial period ended 30.09.2021	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	1,930,302	0	27,638,835	0	123,813	29,692,950
Intersegment sales	0	0	(411,573)	0	0	(411,573)
External sales	<u>1,930,302</u>	<u>0</u>	<u>27,227,262</u>	<u>0</u>	<u>123,813</u>	<u>29,281,377</u>
<u>Results</u>						
Profit / (Loss) from operations	(179,021)	736,495	2,643,170	(472,761)	(18,737)	2,709,146
Finance costs	(6,689)	(162,311)	(324,125)	0	0	(493,125)
Profit before tax						2,216,021
Taxation						(644,631)
Net profit for the financial period						<u>1,571,390</u>
Segment assets	9,438,910	52,175,495	53,004,924	4,383,683	404,843	119,407,855
Segment liabilities	340,413	11,420,408	16,195,369	567,778	40,196	28,564,164
Interest income	0	(1,082)	(59,781)	0	0	(60,863)
Capital expenditure	0	5,568	357,831	0	0	363,399
Depreciation - Property, plant & equipment	7,486	1,019	306,300	9,149	972	324,926
Depreciation - Right-of-use assets	0	0	43,048	0	0	43,048
Allowance for slow moving inventories: - provided for / (reversal)	3,256	0	255,470	0	0	258,726

**Business segments**

Financial period ended 30.09.2020	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<b>Sales</b>						
Total sales	2,777,673	(1,466,912)	25,809,112	0	249,530	27,369,403
Intersegment sales	0	0	(1,000,559)	0	0	(1,000,559)
External sales	<u>2,777,673</u>	<u>(1,466,912)</u>	<u>24,808,553</u>	<u>0</u>	<u>249,530</u>	<u>26,368,844</u>
<b>Results</b>						
Profit / (Loss) on operations	189,845	(1,193,559)	1,365,227	(266,288)	(146,971)	(51,746)
Finance costs	(9,537)	(202,407)	(568,445)	0	0	<u>(780,389)</u>
Profit before tax						(832,135)
Taxation						<u>220,618</u>
Net profit for the financial period						<u>(611,517)</u>
Segment assets	4,287,076	74,055,312	46,495,698	4,261,141	654,336	129,753,563
Segment liabilities	619,486	16,440,728	27,971,998	421,094	1,162,981	46,616,287
Interest income	0	1,694	35,692	0	0	37,386
Capital expenditure	1,635	0	34,109	0	0	35,744
Depreciation - Property, plant & equipment	7,490	33,346	319,347	9,149	41,865	411,197
Depreciation - Right-of-used asset	0	17,334	1,658	0	8,494	27,486
Allowance for slow moving inventories: - provided for / (reversal)	131,350	0	(213,652)	0	0	(82,302)

## **12. 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.

## **13. Subsequent Events**

The Company has on 17 September 2021 and 23 September 2021 made announcements on Bursa Securities website in relation to the corporate exercise for the Bonus Issue of Warrants of up to 128,719,802 warrants in Caely (“Warrant(s)”) on the basis of one warrants for every two existing ordinary shares held in Caely (“Caely Share(s)”) on an entitlement date to be determined later .

The Company has obtained approval from Bursa Securities for the Bonus Issue of Warrants vide its letter dated 13 October 2021 as follows:-

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

The approval by Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions:

- (a) Caely and M&A Securities must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities (“LR”) pertaining to the implementation of the Proposed Bonus Issue of Warrants;
- (b) Caely and M&A Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;
- (c) Caely and M&A are required to provide a written confirmation that the terms of the Warrants are in compliance with paragraph 6.54(3) of the LR;
- (d) Caely is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Bonus Issue of Warrants is completed;
- (e) Caely is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Bonus Issue of Warrants; and
- (f) Caely is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.

Caely is required to ensure full compliance of all the requirements as provided under the Main Market Listing Requirements at all times.

**14. 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.

**15. 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.

**16. Review of Performance**

**(a) Overall Results Commentary:**

**(i) Six-month review**

For the six-month period under review, total revenue of the Group was RM29.28 million in Q2FY2022 as compared to RM26.37 million in the corresponding period of Q2FY2021.

The increase in revenue of RM2.91 million or 11.04% was mainly contributed by manufacturing segment of which RM1.10 million was from sales of fabric face masks and RM1.3 million was from export sales of undergarments. Demands for fabric face masks have been favourable due to public awareness for personal protection from Covid-19 pandemic. Gradual recovery of global economy from the hit of Covid-19 pandemic contributed to better export sales of undergarment.

The Group recorded a profit before tax (“PBT”) of RM2.22 million in Q2FY2022 against the loss before tax (“LBT”) of RM0.83 million recorded in Q2FY2021. The increase of RM3.05 million of PBT was mainly contributed by improved manufacturing sales and the recovery of amount of RM1.86 million received from the receivables of Property & Construction segment which amounts have been impaired in last financial year and a gain from disposal of a subsidiary. On top of that the group also received RM0.33 million of subsidies under the wages subsidies scheme implemented by the government.



**(ii) Three-month review**

The Group's revenue for the current financial quarter under review was RM16.28 million in Q2FY2022 against RM15.85 million in Q2FY2021. The RM0.43 million increase in revenue was because there was no negative revenue recorded in Property & Construction segment recorded in current quarter compared with last financial quarter. There was negative revenue of RM1.47 million in Q2FY2021 due from the cancellation of Sales & Purchase Agreement ("SPA") by purchasers. Revenue from Manufacturing segment for Q2FY2022 was lower than the Q2FY2021 by RM0.63 million, while revenue from Direct Sales and Retail segment for Q2FY2022 was RM0.37 million lower than Q2FY2021.

The Group recorded a PBT of RM1.20 million in Q2FY2022 as compared to RM0.89 million in Q2FY2021. The higher PBT recorded was mainly from the recovery of amount of RM0.66 million received from the receivables of Property & Construction segment which amounts have been impaired in last financial year.

**(b) Segmental Results Commentary:**

**(i) Property and Construction Segment**

**(a) Six-month review**

For the six-month period under review, the Property and Construction segment recorded zero revenue in Q2FY2022 compared with negative revenue of RM1.47 million recorded in Q2FY2021.

Despite the zero revenue, this segment has recorded a PBT of RM0.57 million in Q2FY2022 compared with LBT of RM1.40 million in Q2FY2021. The PBT recorded was mainly due from the recovery of amount of RM1.86 million from the receivables which amount have been impaired in last financial year.

**(b) Three-month review**

Zero revenue was recorded during the three-month current financial period ended Q2FY2022. A negative revenue of RM1.47 million was recorded in Q2FY2021 which was resulting from the cancellation of SPA of the property buyers.

A LBT of RM0.11 million was recorded in Q2FY2022 as compared to RM0.65 million LBT in the corresponding quarter Q2FY2021. The lower LBT in Q2FY2022 was mainly due from the recovery of amount of RM0.66 million received from the receivables during the period which amount have been impaired in quarter four of last financial year.

**(ii) Manufacturing Segment**

**(a) Six-month review**

For the six-month period under review, the Manufacturing segment achieved revenue of RM27.23 million in Q2FY2022 against the RM24.81 million in Q2FY2021, an increase of RM2.42 million or 9.75%. The increase in sales came from fabric face mask product and undergarment product with incremental sales of RM1.10 million and RM1.3 respectively. Demands for fabric face masks have been favourable due to public awareness for personal protection from Covid-19 pandemic. Gradual recovery of global economy from the hit of Covid-19 pandemic contributed to better export sales of undergarment.

PBT increased by RM1.27 million to RM2.64 million for Q2FY2022 compared to RM1.37 million for Q2FY2021. The increase in PBT was overall contributed by higher sales revenue and better profit margin resulting from lower operating expenses. The manufacturing segment has also received RM0.33 million of subsidies under the wages subsidies schemes implemented by the government.

**(b) Three-month review**

During the financial period ended Q2FY2022, revenue recorded for Manufacturing segment was RM15.10 million, a decrease of RM0.63 million or 4.01% as compared to the RM15.73 million recorded in the corresponding financial period of Q2FY2021.

Despite of the decrease in revenue, PBT increased by RM0.23 million to RM1.87 million for Q2FY2022 compared to PBT of RM1.64 million for Q2FY2021. While the operation performance was relatively stable between the Q2FY2022 and Q2FY2021, the higher PBT recorded in Q2FY2022 was resulting from the wage subsidies of RM0.33 million received in Q2FY2022 under the wages subsidies schemes implemented by the government.

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

**(a) Six-month review**

For the six-month period under review, the Direct Selling and Retail segment recorded a revenue of RM1.93 million in Q2FY2022 against RM2.78 million in Q2FY2021. The decline of RM0.85 million or 30.58% was attributed to the cautious spending behaviour by consumers after suffering from the negative economy impact of the various phases of Movement Control Order (MCO) implemented by the government.

In line with the decrease in revenue, a LBT of RM0.20 million was incurred in Q2FY2022 as compared to PBT of RM0.18 million in Q2FY2021.

**(b) Three-month review**

For the three-month period under review, this segment has recorded a revenue of RM1.06 million in Q2FY2022 against RM1.44 million in Q2FY2021, a decrease of RM0.38 million or 26.39%. The cautious spending behaviour by consumers after suffering from the negative economy impact of the various phases of Movement Control Order (MCO) implemented by the government was the main contribution to the decline in sales.

In correspondence to the decrease in revenue, a LBT of RM101,076 was incurred in Q2FY2022 as compared to PBT of RM125,208 in Q2FY2021.

**17. 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. The effect of political uncertainty in Myanmar, where one of our subcontractor whose volume of output for lingerie products contribute a significant percentage to the total revenue of the Company and the Group is located, has been slowly subdued. The operations of the subcontractor has recovered for almost 70%. We will continue to keep monitoring and following up closely the political development there. The Company will continue to source for 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 plans cautiously for its Property Development segment by going in small scale in the effort to complete the balance phases of property development projects located in Taman Universiti Wallagonia, Tapah Road, Perak and Estana Court Casamas Condominium, Ulu Kelang, Kuala Lumpur.

The Company has been producing fabric face masks in large scale to cater for the market demand for fabric face masks as part of the personal protection equipment against the infection of Covid-19 pandemic virus. The Director General of Health Department of Malaysia has also encouraged people of Malaysia to double masks themselves to better protect them against the Covid-19 infection especially with the mutation of new Delta variant.

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.

**18. Profit Forecast and Profit Guarantee**

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

**19. Taxation**

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.09.2021 RM	30.09.2020 RM	30.09.2021 RM	30.09.2020 RM
Taxation				
- current period	446,403	(172,011)	558,969	(172,011)
Deferred taxation				
- current period	(79,305)	26,434	85,662	392,629
Tax charge	<u>367,098</u>	<u>(145,577)</u>	<u>644,631</u>	<u>220,618</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.

**20. Unquoted Investments and Properties**

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

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

As at 30 September 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)	Project Development project	6,923	80	6,843	24 months	
ii)	General Working capital	762	334	428	24 months	
iii)	Expenses for private placement exercise	250	201	49	1 months	Unutilised amount to be used for general working capital
Total		<u>7,935</u>	<u>615</u>	<u>7,320</u>		

**22. 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 September 2021 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	2,683,049	9,003,458	11,686,507
Unsecured	<u>156,068</u>	<u>0</u>	<u>156,068</u>
	2,839,117	9,003,458	11,842,575
<u>US Dollar</u>			
Secured	<u>1,790,037</u>	<u>0</u>	<u>1,790,037</u>
	<u><u>4,629,154</u></u>	<u><u>9,003,458</u></u>	<u><u>13,632,612</u></u>

**23. 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 September 2021.

**24. 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.

**25. Changes in Material Litigation**

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

**26. Proposed Dividend**

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

**27. Earnings/(Loss) Per Share [EPS/(LPS)]**

Basic EPS / (LPS) is calculated by dividing the profit / (loss) 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 6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
<u>Basic EPS/(LPS)</u>				
Profit / (Loss) attributable to equity holders of the Company (RM)	831,341	778,821	1,571,390	(541,187)
Weighted average no. of ordinary shares in issue	257,439,604	178,135,300	257,439,604	178,135,300
Basic EPS/(LPS) (sen)	0.32	0.44	0.61	(0.30)

For the financial period ended 30 September 2021, diluted EPS / (LPS) was calculated by dividing the profit / (loss) 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 6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
<u>Diluted EPS/(LPS)</u>				
Profit / (Loss) attributable to equity holders of the Company (RM)	831,341	778,821	1,571,390	(541,187)
Weighted average no. of ordinary shares in issue	257,439,604	216,650,193	257,439,604	216,650,193
Diluted EPS/(LPS) (sen)	0.32	0.36	0.61	(0.25)

**28. Capital Commitments**

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

**29. Profit Before Taxation**

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

	3 Months Ended 30.09.2021 RM	6 Months Ended 30.09.2021 RM
(a) Interest income	(46,561)	(60,863)
(b) Interest expense	246,127	493,125
(c) Depreciation		
- Property, plant & equipment	171,964	324,926
- Right-of-use assets	15,849	43,048
(d) Allowance for expected loss / credit loss		
- Reversal	(656,180)	(1,859,141)
(e) Allowance for slow moving inventories		
- Provided for	152,513	258,726
(f) Reversal of liquidated ascertained damages	(102,944)	(217,944)
(g) Foreign exchange loss / (gain)		
- Realized	(103,912)	(403,864)
- Unrealized	(8,827)	327,692
(h) Gain on PPE Disposal	(30,000)	(136,500)
(i) Gain from disposal of a subsidiary	0	(227,800)

**30. Authorisation for issue**

The Board of Directors has authorised the release of the unaudited interim financial statements for the fourth quarter ended 30 September 2021 pursuant to a resolution dated 16 November 2021.