

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

Interim Report For The Financial Period Ended 30 June 2022



CAELY

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Quarter <u>30.06.2022</u> RM'000	Corresponding Quarter <u>30.06.2021</u> RM'000	Current Year To Date <u>30.06.2022</u> RM'000	Corresponding Year To Date <u>30.06.2021</u> RM'000
Revenue	15,747	-	75,810	-
Provision for and write (off) / back of inventories	(78)	-	(505)	-
Cost of sales	(12,778)	-	(60,179)	-
Gross profit	2,891	-	15,126	-
Interest Income	47	-	196	-
Other operating income	684	-	4,998	-
Operating expenses	(2,688)	-	(13,483)	-
Depreciation and amortization	(222)	-	(1,028)	-
Foreign exchange gain or (loss)	(34)	-	(479)	-
Provision for receivables	(411)	-	(5,395)	-
Net loss on impairment of financial assets	-	-	(213)	-
Profit / (loss) from operation	266	-	(278)	-
Finance costs	(232)	-	(1,105)	-
Profit / (loss) before taxation	34	-	(1,383)	-
Taxation	(387)	-	(5,439)	-
Total comprehensive loss	(352)	-	(6,822)	-
Loss after taxation attributable to :				
Owners of the Company	(352)	-	(6,822)	-
Non-controlling Interest	-	-	-	-
	(352)	-	(6,822)	-
Total comprehensive (loss) attributable to :				
Owners of the Company	(352)	-	(6,822)	-
Non-controlling Interest	-	-	-	-
	(352)	-	(6,822)	-
Loss per share (sen)				
- Basic	(0.14)	-	(2.65)	-
- diluted	(0.09)	-	(1.77)	-

NOTES:

- The financial year end of the Group has been changed from 31 March 2021 to 30 June 2022. The next set of audited financial statements shall be for a period of fifteen months from 1 April 2021 to 30 June 2022.
- There will be no comparative financial information available for the financial period ended 30 June 2022.
- The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompany explanatory notes attached to the Interim financial statements.

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Unaudited as at <u>30.06.2022</u> RM'000	Audited as at <u>31.03.2021</u> RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	23,767	23,715
Right-of-use assets	364	192
Investment properties	4,100	4,100
Deferred tax assets	-	3,782
	<hr/> 28,231	<hr/> 31,789
Current Assets		
Inventories	56,687	54,178
Receivable, deposits and prepayments	10,034	15,069
Tax recoverable	239	184
Deposits with licensed banks	9,197	3,129
Deposits, bank and cash balances	16,163	2,802
	<hr/> 92,320	<hr/> 75,362
Assets held for sales	-	581
	<hr/> 92,320	<hr/> 75,943
TOTAL ASSETS	<hr/> 120,551	<hr/> 107,732

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Unaudited as at <u>30.06.2022</u> RM'000	Audited as at <u>31.03.2021</u> RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	71,779	59,559
Other reserves	10,566	10,651
Retained profit / (loss)	(3,151)	4,873
	<hr/> 79,194	<hr/> 75,083
Non-controlling Interests	-	(219)
	<hr/> 79,194	<hr/> 74,864
Total equity		
Non-current liabilities		
Lease liabilities	261	108
Term loans	7,745	10,413
Deferred tax liabilities	1,415	1,270
	<hr/> 9,421	<hr/> 11,791
Current Liabilities		
Payable and accrued liabilities	20,558	12,837
Provisions	258	258
Contract liabilities	1,893	360
Tax payable	322	558
Lease liabilities	70	77
Term loans	2,202	1,577
Short term borrowings	1,880	1,777
Bank overdrafts	4,753	2,606
	<hr/> 31,936	<hr/> 20,050
Liabilities held for sales	-	1,027
	<hr/> 31,936	<hr/> 21,077
Total liabilities	<hr/> 41,357	<hr/> 32,868
TOTAL EQUITY AND LIABILITIES	<hr/> 120,551	<hr/> 107,732
Net assets per share (RM)	0.31	0.36

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompany explanatory notes attached to the Interim financial statements)

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Share capital	Reserve on consolidation	Revaluation reserve	Retain profit / (loss)	Attributable to Owner of the Company	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2021	59,559	80	10,571	4,873	75,083	(219)	74,864
Dividend to owner of the company First Interim 2022	-	-	-	(1,287)	(1,287)	-	(1,287)
Loss for the financial period	-	-	-	(6,822)	(6,822)	-	(6,822)
Total Comprehensive loss	-	-	-	(6,822)	(6,822)	-	(6,822)
Disposal of a subsidiary	-	-	-	-	-	219	219
Exercise of Warrants	4,285	-	-	-	4,285	-	4,285
Private Placement Exercise	7,935	-	-	-	7,935	-	7,935
Transfer of reserve	-	-	(85)	85	-	-	-
At 30 June 2022	71,779	80	10,486	(3,151)	79,194	-	79,194

NOTES:

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- ii. There will be no comparative financial information available for the financial period ended 30 June 2022.
- iii. The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompany explanatory notes attached to the Interim financial statements.

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Share capital	Reserve on consolidation	Revaluation reserve	Retain profit / (loss)	Attributable to Owner of the Company	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2020 (as previously stated)	50,266	80	10,656	21,316	82,318	(1,168)	81,150
Prior year adjustment				(2,250)	(2,250)		(2,250)
As at 1 April 2020 (restated)	50,266	80	10,656	19,066	80,068	(1,168)	78,900
Loss for the financial period	-	-	-	(14,278)	(14,278)	949	(13,329)
Total Comprehensive income / (loss)	-	-	-	(14,278)	(14,278)	949	(13,329)
Exercise of Warrants	9,293	-	-	-	9,293	-	9,293
Transfer of reserve	-	-	(85)	85	-	-	-
At 31 March 2021 (restated)	59,559	80	10,571	4,873	75,083	(219)	74,864

NOTES:

- The financial year end of the Group has been changed from 31 March 2021 to 30 June 2022. The next set of audited financial statements shall be for a period of fifteen months from 1 April 2021 to 30 June 2022.
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Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD YEAR ENDED 30 JUNE 2022

	Unaudited For the Financial Period Ended <u>30.06.2022</u> RM'000	Audited For the Financial Year Ended <u>31.03.2021</u> RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(1,383)	(13,701)
Adjustments for :		
Depreciation of property, plant and equipment	959	691
Depreciation of right-of-use assets	69	188
Allowance for impairment losses on :		
- provision	8,106	16,791
- write back	(2,631)	(2,014)
Allowance for slow moving inventories		
- provision for	519	267
- reversal	(14)	(123)
Amortization of government grant	(461)	(1,091)
Liquidated ascertained damages		
- provision for liquidated ascertained damages	1,533	-
- write back liquidated ascertained damages	-	(771)
Interest expense	1,105	1,159
Interest income	(196)	(66)
Fair value (gain) / loss on:		
- marketable securities	-	(9)
- derivatives financial instruments	-	(12)
Fair value (gain) / loss on:		
- property	252	-
Gain on disposal of property, plant and equipment	(139)	(10)
Gain on disposal of subsidiary	(228)	-
Gain on disposal of marketable securities	-	(2)
Net unrealized foreign exchange (gain) / loss	360	(425)
Operating profit / (loss) before working capital changes	<u>7,491</u>	<u>872</u>
Increase in inventories	(2,631)	(2,306)
Decrease in Housing Development Accounts	(412)	-
Decrease in receivables	(440)	7,101
(Decrease) / Increase in payable	8,731	(3,338)
CASH GENERATED FROM FOR OPERATIONS	<u>12,739</u>	<u>2,329</u>
Liquidated ascertained damages and compensation paid	-	(1,231)
Interest paid	(262)	(475)
Income tax refund	-	1
Income tax paid	(1,798)	(119)
NET CASH GENERATED FROM OPERATING ACTIVITIES CARRIED FORWARD	<u>10,679</u>	<u>505</u>

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Unaudited For the Financial Period Ended <u>30.06.2022</u> RM'000	Audited For the Financial Year Ended <u>31.03.2021</u> RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES BROUGHT FORWARD	10,679	505
CASH FLOWS FOR INVESTING ACTIVITIES		
Property , plant and equipment		
- purchase	(1,377)	(108)
- disposal	383	10
Acquisition for subsidiary	(400)	-
Interest income received	196	66
Fixed deposit pledged with bank	(7,400)	-
Marketable securities disposed	-	14
Net cash used in investing activities	<u>(8,598)</u>	<u>(18)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits released under lien for credit facilities with licensed banks	-	(67)
Withdrawal / (Repayments) of short term bank borrowings	103	(332)
Repayments of advances to a director	(343)	(826)
Repayments of lease liabilities	(241)	(128)
Repayments of term loan	(2,018)	(565)
Government grant received	461	1,091
Withdrawal of fixed deposits pledged as security	1,400	-
Dividend paid	(1,287)	-
Interest paid	(843)	(685)
Warrants exercised	4,285	9,293
Private placement exercised	7,935	-
Net cash generated from financing activities	<u>9,452</u>	<u>7,781</u>
Net change in cash and cash equivalents	11,533	8,268
Foreign exchange translation differences	(357)	-
Cash and cash equivalent at beginning of the year	(183)	(8,451)
Cash and cash equivalent at end of the year	<u>10,993</u>	<u>(183)</u>

Notes :

Cash and cash equivalent at the end of the financial year
comprise the following:

	RM'000	RM'000
Deposit, cash and bank balance	16,163	2,802
Less : Bank overdraft	(4,753)	(2,606)
Less :Bank balances held under Housing Development Account	(417)	(415)
Add : Transfer to assets classified as held for sales	-	36
	<u>10,993</u>	<u>(183)</u>

NOTES:

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- There will be no comparative financial information available for the financial period ended 30 June 2022.
- The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompany explanatory notes attached to the Interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (MFRS 134)

1. Basis of Accounting and Accounting Policies

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021. The explanatory notes attached to the financial statements provided an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2022.

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*
 - 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*

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

- Amendments from other Standards (Continued)
 - 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:

Description	Effective for the Financial period beginning on or after
• 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 MFRS 128 <i>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. Declaration of Audit Qualification

The audited financial statements of the Group for the financial year ended 31 March 2021 was not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The Group's business operations for the period ended 30 June 2022 were not materially affected by significant seasonal or cyclical fluctuations.

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 June 2022.

6. Changes in Estimates

There were no major changes in estimates that have had a material effect in the current quarter.

7. Segmental Information

	REVENUE		PROFIT BEFORE TAX	
	3 months ended <u>30.06.2022</u> RM'000	15 months ended <u>30.06.2022</u> RM'000	3 months ended <u>30.06.2022</u> RM'000	15 months ended <u>30.06.2022</u> RM'000
OPERATING SEGMENTS				
Direct Selling / Retail	815	4,900	70	(65)
Property Development & construction	-	63	(505)	(5,248)
Manufacturing	14,880	70,442	1,919	7,143
Investment Holdings	-	-	(1,395)	(2,958)
Others	52	405	(55)	(255)
Group	15,747	75,810	34	(1,383)

8. Valuation 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.

9. Subsequent Events

There were no material subsequent events to the end of the financial period ended 30 June 2022.

10. 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.

11. Changes Of Financial Year End

On 27 July 2022, the Board had approved the change of the Company's financial year end from 31 March 2021 to 30 June 2022, covering a period of 15 months. Thereafter, the financial year of the Company shall revert to 12 months ending 30 June, and for each subsequent year.

12. 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 review.

13. Capital Commitments

As at 30 June 2022, there was no material capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements.

14. Dividend

The company had announced on 23rd February 2022, proposed 1st single tier interim dividend of RM0.005 per share amounting to RM1,287,198.02 on 257,439,604 ordinary shares for the financial period ending 30 June 2022, was paid on 31 March 2022 to the shareholders of Caely whose names appear in the Register of Depositors of Caely on 16 March 2022.

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APP'X 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

15. Analysis of Unaudited Performance of the Group by Operating Segment

Operating Segments	Quarter Ended		Variance	
	30.06.2022	30.06.2021		
	RM'000	RM'000	RM'000	%
Revenue				
Direct Selling / Retail	815	870	(55)	(6.33)
Property development & construction	-	-	-	-
Manufacturing	14,880	12,130	2,750	22.68
Others	52	3	48	1,422.55
Group	15,747	13,003	2,743	21.10
Profit / (loss) Before tax				
Direct Selling / Retail	70	(101)	171	169.04
Property development & construction	(505)	688	(1,193)	(173.40)
Manufacturing	1,919	469	1,450	309.15
Others	(1,449)	(38)	(1,411)	(3,717.39)
Group	34	1,018	(983)	(96.56)
Profit / (loss) after tax				
Direct Selling / Retail	70	(101)	171	169.04
Property development & construction	(505)	523	(1,028)	(196.56)
Manufacturing	1,532	356	1,176	329.89
Others	(1,449)	(38)	(1,411)	(3,717.39)
Group	(352)	740	(1,092)	(147.57)

On 27 July 2022, the Board had approved the change of the Company's financial year from 31 March 2022 to 30 June 2022, covering a period of fifteen months. As such, there is no comparative figures for the current quarter for the three months ended 30 June 2022.

However, for the purpose of reference the Company provide herewith the comparative for the period 1 April 2022 to June 2022 compared against 1 April 2021 to 30 June 2021.

(a) **Current Quarter**

i) **Revenue**

Group

The revenue increase by RM2.7 millions or 21.1%, compare to previous quarter due to increase in manufacturing sales RM2.7 million or 22.7%, following the gradual recovery of economy arising from post Covid-19 endemic.

ii) **Profit before tax**

Group

Profit before tax recorded RM34,000, decrease by RM0.98 million or 96.56% compare to previous quarter due to:

A) **Manufacturing**

The profit before tax for manufacturing segment improve to RM1.4 million from RM0.5 million due to gradual recovery of economy arising from post Covid-19 endemic and partially from unrealized gain in foreign exchange of RM0.6 million

B) **Others**

The loss before tax for others segment was RM1.4 million mainly due to the increase of Legal fees of RM0.4 million and impairment of RM0.5 million

iii) **Profit / (loss) after tax**

Group

Loss after tax increase by RM1.1 million or 147.6% compare to previous quarter due to:

A) **Property Development Cost**

Loss in property development segment increased by RM0.8.

B) **Others**

The loss before tax for others segment was RM1.4 million mainly due to the increase of Legal fees of RM0.4 million and impairment of RM0.5 million

C) **Manufacturing**

Unrealized gain in foreign exchange of RM0.6 million and manufacturing profit of RM0.6 million.

16. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

Operating Segments	Quarter Ended		RM'000	Variance %
	30.06.2022	31.03.2022		
Revenue	RM'000	RM'000	RM'000	%
Direct Selling / Retail	815	948	(133)	(13.98)
Property development & construction	-	(312)	312	100.00
Manufacturing	14,880	18,201	(3,321)	(18.24)
Others	52	-	52	-
Group	15,747	18,837	(3,090)	(16.40)
Profit / (loss) Before tax				
Direct Selling / Retail	70	242	(172)	(71.22)
Property development & construction	(505)	(5,358)	4,853	90.57
Manufacturing	1,919	562	1,357	241.28
Others	(1,449)	(1,078)	(372)	(34.50)
Group	34	(5,632)	5,666	100.60
Profit / (loss) after tax				
Direct Selling / Retail	70	(4,510)	4,580	101.54
Property development & construction	(505)	(4,784)	4,279	89.44
Manufacturing	1,532	332	1,201	362.33
Others	(1,449)	(1,078)	(372)	(34.50)
Group	(352)	(10,040)	9,688	96.49

Quarter vs Quarter
Revenue

The Group revenue decrease by RM3.1 million or 16.4% from RM18.8 million to RM15.7 million in comparison to preceding quarter due to Lower productivity arising from labour shortage.

Profit before tax

The Group profit before tax improved by RM5.7 million from loss of RM5.6 million previous quarter due to one off impairment of receivable incurred by property development and constructions segment in the previous quarter.

Profit after tax

The loss after tax improved by RM9.7 million or 96.5% from the loss of RM10.0 million to a loss of RM0.4 million due to property development segment lower impairment of trade receivable and write back of defer tax assets.

17. Commentary on Prospects

The current war between Ukraine and Russia has created uncertainty on the recovery of the world economy despite many countries, including Malaysia are moving toward endemicity stage of the Covid-19.

The manufacturing sector is expected to improve in line with the higher level of economic activities. However, moving forward with geo-political tension, higher inflation, shortage of labours and raising interest rate may impact the performance of the manufacturing activity.

18. Profit Forecast or Profit Guarantee

Not applicable.

19. Taxation

Taxation represents current period provision

The effective tax rate for the current year was higher than the statutory tax rate was mainly due to write back of defer tax assets amounting to RM3.8 million, which was previously recognized as follows:

- (a) Year ended 2019 RM1.0 million;
- (b) Year ended 2020 RM1.5 million; and
- (c) Year ended 2021 RM1.3 million.

20. Profit before Taxation

Profit before taxation for the financial period is arrived at after charging / (crediting) the following (income) / expenses:

	Current Quarter Ended 30.06.2022 RM'000	Cumulative Period to Date 30.06.2022 RM'000
Depreciation of property, plant & equipment	200	959
Depreciation of right-of-use Assets	22	69
Impairments losses on receivables	411	5,395
Gain on disposal of PPE	-	(139)
Interest expense	232	1,105
Interest income	(47)	(196)

21. Corporate Proposals

There was no corporate proposal announced but not completed in the current period of fifteen months up to 30 August 2022, being the last practicable date from the date of the issue of this report.

22. Borrowings and Debts Securities

	As at 30.06.2022 RM'000	As at 31.03.2021 RM'000
Secured :		
- Short term borrowings	7,414	5,430
- Long term borrowings	7,745	10,336
Unsecured :		
- Short term borrowings	1,421	605
Total borrowings	<u>16,580</u>	<u>16,371</u>

23. Material Litigation

Other than stated below, there were no change in material litigation since the last annual balance sheet date:

(i) Suit No. WA-24NCC-171-03/2022

The Plaintiff has filed an Originating Summon no. WA-24NCC-171-03/2022 in the High Court of Malaya Kuala Lumpur on 16 March 2022 naming the following persons as Defendants:-

Leong Seng Wui -1st Defendant

Kok Kwang Lim – 2nd Defendant

Valhalla Capital Sdn Bhd – 3rd Defendant

Island Synergy Sdn Bhd, - 4th Defendant

Goh Choon Heng – 5th Defendant

Goh Choon Kim – 6th Defendant

Alliancegroup Nominees (Tempatan) Sdn Bhd – 7th Defendant

Hong Seng Capital Sdn Bhd – 8th Defendant

The Originating Summons was filed pursuant to the Capital Markets Services Act 2007, the Securities Industry (Central Depositories) Act 1991 and the Rules of Take-Overs, Mergers and Compulsory Acquisitions to seek the court’s determination on the following matters:-

- (a) whether the Plaintiff and/or its present directors have to provide the Plaintiff’s Register of Depositors to the 1st to 3rd Defendants in order to facilitate the despatch of the notice of the Plaintiff’s extraordinary general meeting currently indicated to be on 15.4.2022 that the 1st to 3rd Defendants intend to call (“the Intended 15.4.2022 EGM”);
- (b) whether the Defendants are entitled to exercise their voting rights in respect of the Intended 15.4.2022 EGM or any other general meeting of the Plaintiff; and
- (c) whether the Defendants are entitled to nominate themselves or their nominees namely the 1st Defendant, Ng Keok Chai, Kang Chez Chiang and Krishnan a/l Dorairaju as the directors of the Plaintiff.

On 26 August 2022, the Court allowed the Company’s withdrawal of the Originating Summons with no order as to costs

23. Material Litigation (Continue)

(ii) Suit No. WA-24NCC-178-03/2022

Mr. Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn Bhd (collectively referred as “the Plaintiffs”) has filed an Originating Summons no. WA-24NCC-178-03/2022 in the High Court of Malaya Kuala Lumpur on 18 March 2022 naming the following persons as Defendants:-

Caely -1st Defendant

Mega Corporate Services Sdn Bhd – 2nd Defendant

Lim Chee Pang – 3rd Defendant

Lim Say Leong - 4th Defendant

Dato’ Wira Ng Chun Hau – 5th Defendant

Beh Hong Shien – 6th Defendant

Datin Fong Nyok Yoon – 7th Defendant

(collectively referred as “the Defendants”)

The Originating Summons was filed pursuant to the Companies Act 2016, Securities Industry (Central Depositories) Act 1991, Specific Relief Act 1950, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of Court 2012 pertaining to the proposed Notice of Extraordinary General Meeting (“EGM”) dated 31.03.2022, proposed EGM of the Company by the Plaintiffs to be held on 15.04.2022 and proposed resolutions to remove and to appoint directors during the EGM to seek the court’s jurisdiction on the following matters:

- (a) A declaration that the Plaintiffs are entitled to the Record of Depositors of the 1st Defendant as at 15.03.2022 (“the 1st ROD”) and Record of Depositors of the 1st Defendant as at 07.04.2022 (“the 2nd ROD”) on the basis of meeting timeline to comply with all the requirements of the Notice of EGM dated 31.03.2022 and for the purposes of convening the proposed EGM on 15.04.2022 (“the Proposed EGM”);
- (b) An order to compel the 1st and/or the 2nd Defendants, jointly and/or severally to provide the Plaintiffs with the 1st ROD immediately or at any date determined by this Honourable Court in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia Depository Sdn Bhd (“Bursa Malaysia Depository”) including the mailing labels to facilitate the dispatch of the Notice of EGM dated 31.03.2022;
- (c) Alternatively, an order to compel the 3rd to 7th Defendants to cause the 1st Defendant to provide the Plaintiffs with the 1st ROD immediately or at any date determined by this Honourable Court in hardcopy and soft copy (in format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia Depository including the mailing labels to facilitate the dispatch of the Notice of EGM dated 31.03.2022;
- (d) An order to compel the 1st and/or the 2nd Defendants, jointly and/or severally to provide the Plaintiffs with the 2nd ROD on or before 4:00 p.m. on 08.04.2022 in hardcopy and softcopy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia Depository including the mailing labels whereby the 2nd ROD is a record prepared not less than 3 markets days before the Proposed EGM;
- (e) Alternatively, an order to compel the 3rd to 7th Defendants to cause the 1st Defendant to provide the Plaintiffs with the 2nd ROD on or before 4:00 p.m. on 08.04.2022 in hardcopy and softcopy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia Depository including the mailing labels whereby the 2nd ROD is a record prepared not less than 3 markets days before the Proposed EGM;

23. Material Litigation (Continue)

- (f) An order that the Plaintiffs are entitled to call and hold the Proposed EGM subject to any protocols or requirements as determined by this Honourable Court to ensure a fair and smooth running of the Proposed EGM;
- (g) An order that any defects or irregularities in the short notice calling for the Proposed EGM be rectified pursuant to Section 582 of the Companies Act 2016 in the event the 1st ROD and/or the 2nd ROD are not provided within time;
- (h) Cost; and
- (i) Any order and/or other reliefs deems fit and just by this Honourable Court.

On 21 June 2022, the Court allowed the Plaintiffs' withdrawal of the Originating Summons with cost

(iii) Suit No. BA-24NCC-38-04/2022

The Company had on 26 April 2022 received an Originating Summons no. BA-24NCC-38-04/2022 filed in the Shah Alam High Court by Datin Fong Nyok Yoon ("Plaintiff") naming the following persons as Defendants:-

Lim Chee Pang – 1st Defendant

Lim Say Leong – 2nd Defendant

Beh Hong Shien – 3rd Defendant

Dato' Wira Ng Chun Hau – 4th Defendant

Noor Azri Bin Dato' Sri Noor Azerai – 5th Defendant

Datuk Seri Mazlan Bin Lazim – 6th Defendant

Caely Holdings Bhd – 7th Defendant

DETAILS OR CIRCUMSTANCES LEADING TO THE ORIGINATING SUMMONS ("OS")

The Plaintiff applied for the following order in the OS:-

1. that the 1st to 6th Defendants be prohibited from allotting and issuing new ordinary shares in the 7th Defendant through a private placement exercise or in any manner whatsoever pursuant to the resolution passed at Caely's Annual General Meeting ("AGM") held on 22 September 2021 ("General Mandate") and if any new ordinary share is allotted and issued, such new ordinary share be cancelled;
2. further or alternatively, the power to allot and issue new ordinary share pursuant to the General Mandate shall only be exercisable provided that prior approval by way of resolution validly passed at a meeting of members of Caely has been obtained;
3. the resolution appointing the 5th Defendant as a director of Caely on 23 March 2022 be cancelled;
4. the resolution appointing the 6th Defendant as a director of Caely on 29 March 2022 be cancelled;
5. the resolution re-designating the Plaintiff from Executive Director to Non-Independent Non-Executive Director of Caely be cancelled;
6. the special notices issued by the 4th Defendant for and on behalf of Caely to the directors of Classita (M) Sdn Bhd, Caely Development Sdn Bhd and Marway Industries (M) Sdn Bhd and all dated 5 April 2022 to convene Extraordinary General Meeting ("EGM") be cancelled;

23. Material Litigation (Continue)

7. further or alternatively, such order as this Honourable Court thinks fit under Section 346(2) of the Companies Act 2016 with the view of bringing to an end or remedying the matters complained of herein;
8. that costs of this application and all other consequential and incidental costs be paid by 1st to 6th Defendants jointly and severally to the Plaintiff;
9. that interest at the rate of 5% per annum on the costs awarded from the date of awards of costs until full payment of costs; and
10. any further or other relief that the Court may think just and expedient.

On 9 May 2022, the Board of Directors of the Company announced that the Company received an unsealed copy of Notice of Application (Application for interlocutory injunction) filed by the Plaintiff for the following order:-

1. that the 7th Defendant, whether by itself, its agents or servants or otherwise be restrained, and an injunction be granted to restrain them from convening, conducting or taking any step to convene and conduct an Extraordinary General Meeting or any adjournment thereof of Classita (M) Sdn Bhd ("Classita"), Caely Development Sdn Bhd ("Caely Development") and Marywah Industries (M) Sdn Bhd ("Marywah Industries") pursuant to Section 313 of the Companies Act 2016, which was requisitioned by way of special notices from the 7th Defendant to the directors of Classita, Caely Development and Marywah Industries and all dated 5 April 2022 pending the final disposal of this action;
2. that the 7th Defendant, whether by itself, its agents or servants or otherwise be restrained, and an injunction be granted to restrain them from moving or taking any step to move the ordinary resolutions as stated in the special notices from the 7th Defendant to the directors of Classita, Caely Development and Marywah Industries and all dated 5 April 2022 pending the final disposal of this action;
3. costs; and
4. any further or other relief that this Honourable Court may think just and expedient.

The Company had on 22 August 2022 applied for leave and / or an extension of time to file an Affidavit(s) In Reply, which shall be heard by the court on 30 September 2022.

The Company will make further announcement on any material development on this matter.

(iv) Suit No. WA-24NCC-732-06/2022

On 22 June 2022, the Board of Directors announced that the Company had on 20 June 2022 received an Originating Summons no.WA-24NCC-732-06/2022 filed in the Kuala Lumpur High Court from the following Plaintiffs:

- * Leong Seng Wui
- * Kok Kwang Lim
- * Valhalla Capital Sdn. Bhd.

The Plaintiffs requisitioned an EGM which was purportedly held on 15 June 2022. The Company had on the same day made an announcement stating that the said EGM was adjourned on the various grounds stipulated therein.

23. Material Litigation (Continue)

The Plaintiff applied for the following order:

- (a) a declaration that the adjournment of the EGM 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 Companies Act, 2016;
- (c) a declaration that the EGM had continued (after the invalid adjournment) with all the Resolutions approved at the continued EGM 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 EGM on 15 June 2022 as per prayer 3 shall take effect on 15 June 2022;
- (e) an order to compel the Company and/or its agents and/or employees, including but not limited to the Company Secretary of the Company to do all necessary to give effect to the Resolutions approved at the continued EGM 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 Malaysia Securities Berhad with immediate effect;
- (f) an injunction restraining the Company 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 Nos.3 to 12 of the Notice, from acting and/or holding themselves as directors of the Company, 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 Company aside from the open market pending disposal of this Originating Summons;
- (g) any omission, defect, error, irregularity and/or deficiency of notice or time in connection with the EGM, including but not limited to the Notice and the Special Notice, if any shall be validated and cured;
- (h) costs; and
- (i) any order and/or other reliefs deemed fit and just by this Honourable Court.

On 29 August 2022, the Court has allowed the Plaintiffs' claim against the Company.

(v) Material litigation Caely Holdings Bhd initiate joint claims against 12 persons

- 1. FONG NYOK YOON
- 2. CHUAH CHIN LAI
- 3. GOH CHOON KIM
- 4. CHIN BOON LONG
- 5. CHONG LOONG MEN
- 6. LEONG SENG WUI
- 7. KOK KWANG LIM
- 8. VALHALLA CAPITAL SDN BHD
- 9. HONG SENG CAPITAL SDN BHD
- 10. GOH CHOON HENG
- 11. LUHUR SEJAHTERA SDN BHD
- 12. ZAIDI BIN ZAINUDIN

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

23. Material Litigation (Continue)

The Company, as the First Plaintiff and the 100% holding company of Caely (M) Sdn Bhd (the Second Plaintiff), are jointly claiming against the First and Second Defendants for:

- a) Recovery of misappropriated funds in the Second Plaintiff company to the extent of RM30,552,000.00; and
- b) Breach of fiduciary duty as directors of the Company and Second Plaintiffs.

The Company and Caely (M) Sdn Bhd further brought this action against all the other Defendants for their conspiracy with the First and Second Defendants to cover up the aforesaid misappropriations and breach of fiduciary duty and to stultify the Company's further and in-depth investigations by attempting to remove the current directors and appointing their nominees (including the Sixth Defendant) into the Board of Directors of the Company.

The Company will make further announcement as and when there are material developments on the above matter.

24. Status of The Utilization of Proceeds From Corporate Proposals

As at 30 June 2022, the status of the utilization of proceeds from the private placement exercise which was completed on 19 May 2021, amounting to RM7,935million is as follows:

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Intended Time frame for Utilisation from the date of Receipts of Proceeds	Remarks
i)	Development project	6,923	560	6,363	24 months	
ii)	General Work capital	762	334	428	24 months	
iii)	Expenses for private placement exercise	250	235	15	1 month	Unutilised amount to be used for general working capital
	Total	7,935	1,129	6,806		

Caely Holdings Bhd (Company No. 19960103603 (408376-U))

25. Loss Per Share

The basic loss per share of the Group is calculated by dividing the profit attributable to the owners of the Company over the weighted average number of ordinary shares in issue.

	3 months ended 30.06.2022 RM'000	15 months ended 30.06.2022 RM'000
Net loss for the financial quarter / year-to-date	(352)	(6,822)
Weighted average number of ordinary shares in issue	257,440	257,440
Adjustment for assumed exercise of warrants	<u>127,917</u>	<u>127,917</u>
Adjusted weighted average number of ordinary shares issued and issuable	<u>385,356</u>	<u>385,356</u>
Basic loss per share (sen)	<u>(0.14)</u>	<u>(2.65)</u>
Fully diluted loss per share (sen)	<u>(0.09)</u>	<u>(1.77)</u>

26. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with the resolution of the directors on 30 August 2022.