

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

**Interim Financial Statements
For the Quarter Ended
30 September 2022**



Caely Holdings Bhd (Company No. 199601036023 (408376-U))

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Quarter <u>30.09.2022</u> RM'000	Corresponding Quarter <u>30.09.2021</u> RM'000	Current Year To Date <u>30.09.2022</u> RM'000	Corresponding Year To Date <u>30.09.2021</u> RM'000
Revenue	13,913	16,278	13,913	16,278
Provision for inventories	(185)	(82)	(185)	(82)
Cost of sales	<u>(12,171)</u>	<u>(13,354)</u>	<u>(12,171)</u>	<u>(13,354)</u>
Gross profit	1,557	2,842	1,557	2,842
Interest Income	44	37	44	37
Other operating income	262	738	262	738
Operating expenses	(1,928)	(2,006)	(1,928)	(2,006)
Depreciation and amortization	(221)	(439)	(221)	(439)
Foreign exchange gain	111	272	111	272
Profit / (loss) from operation	<u>(175)</u>	<u>1,444</u>	<u>(175)</u>	<u>1,444</u>
Finance costs	<u>(287)</u>	<u>(246)</u>	<u>(287)</u>	<u>(246)</u>
Profit / (loss) before taxation	(462)	1,198	(462)	1,198
Taxation	<u>(106)</u>	<u>(367)</u>	<u>(106)</u>	<u>(367)</u>
Total comprehensive Profit / (loss)	<u>(568)</u>	<u>831</u>	<u>(568)</u>	<u>831</u>
Profit / (loss) after taxation attributable to :				
Owners of the Company	(568)	831	(568)	831
Non-controlling Interest	-	-	-	-
	<u>(568)</u>	<u>831</u>	<u>(568)</u>	<u>831</u>
Total comprehensive Profit / (loss) attributable to :				
Owners of the Company	(568)	831	(568)	831
Non-controlling Interest	-	-	-	-
	<u>(568)</u>	<u>831</u>	<u>(568)</u>	<u>831</u>
Profit / (loss) per share (sen)				
- Basic	(0.22)	0.32	(0.22)	0.32
- diluted	(0.15)	0.32	(0.15)	0.32

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the period ended 30 June 2022 and the accompanying explanatory notes attached to the Interim financial statements

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

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

	Unaudited as at <u>30.09.2022</u> RM'000	Audited as at <u>30.06.2022</u> RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	23,591	23,767
Right-of-use assets	319	364
Investment properties	4,100	4,100
	<u>28,010</u>	<u>28,231</u>
Current Assets		
Inventories	54,699	56,597
Receivable, deposits and prepayments	10,270	10,354
Tax recoverable	284	298
Fixed deposits with licensed banks	9,212	9,197
Deposits, bank and cash balances	17,977	16,115
	<u>92,442</u>	<u>92,561</u>
TOTAL ASSETS	<u>120,452</u>	<u>120,792</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the period ended 30 June 2022 and the accompanying explanatory notes attached to the Interim financial statements

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

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

	Unaudited as at <u>30.09.2022</u> RM'000	Audited as at <u>30.06.2022</u> RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	71,779	71,779
Other reserves	10,545	10,545
Retained loss	(4,078)	(3,510)
	<hr/> 78,246	<hr/> 78,814
Total equity	<hr/> 78,246	<hr/> 78,814
Non-current liabilities		
Lease liabilities	243	260
Term loans	7,491	8,189
Deferred tax liabilities	1,435	1,443
	<hr/> 9,169	<hr/> 9,892
Current Liabilities		
Payable and accrued liabilities	22,514	22,615
Provisions	258	258
Contract liabilities	393	393
Tax payable	440	359
Lease liabilities	70	70
Term loans	2,204	1,758
Short term borrowings	1,978	1,880
Bank overdrafts	5,180	4,753
	<hr/> 33,037	<hr/> 32,086
Total liabilities	<hr/> 42,206	<hr/> 41,978
TOTAL EQUITY AND LIABILITIES	<hr/> 120,452	<hr/> 120,792
Net assets per share (RM)	0.30	0.31

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the period ended 30 June 2022 and the accompany explanatory notes attached to the Interim financial statements

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

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

	Share capital	Reserve on consolidation	Revaluation reserve	Retained 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 July 2022	71,779	80	10,465	(3,510)	78,814	-	78,814
Loss for the financial period	-	-	-	(568)	(568)	-	(568)
Total Comprehensive loss	-	-	-	(568)	(568)	-	(568)
At 30 September 2022	71,779	80	10,465	(4,078)	78,246	-	78,246

The Unaudited Condensed Consolidated Statement of changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2022 and the accompanying explanatory notes attached to the interim Financial Statements.

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

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

	Share capital	Reserve on consolidation	Revaluation reserve	Retained 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	-	-	-	(7,202)	(7,202)	-	(7,202)
Total Comprehensive income / (loss)				(7,202)	(7,202)		(7,202)
Disposal of a subsidiary						219	219
Exercise of Warrants	4,285				4,285		4,285
Exercise of Warrants	7,935	-	-	-	7,935	-	7,935
Transfer of reserve	-	-	(106)	106	-	-	-
At 30 September 2021 (restated)	71,779	80	10,465	(3,510)	78,814	-	78,814

The Unaudited Condensed Consolidated Statement of changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2022 and the accompanying explanatory notes attached to the interim Financial Statements

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PEIROD YEAR ENDED 30 SEPTEMBER 2022

	Unaudited For the Financial Period Ended <u>30.09.2022</u> RM'000	Audited For the Financial Year Ended <u>30.06.2022</u> RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(462)	(1,758)
Adjustments for :		
Property, plant and equipment		
- depreciation	176	929
- gain on disposal	-	(60)
Right-of-use assets		
- depreciation	45	99
- gain on disposal	-	(79)
Allowance for expected credit loss / impairment losses on :		
- charge for the financial year	-	5,363
- reversal	-	(2,630)
Allowance for slow moving inventories		
- provision for	81	856
- reversal	(267)	-
Amortization of government grant	-	(454)
Liquidated ascertained damages		
- provision for liquidated ascertained damages	-	262
Interest expense	287	991
Interest income	(44)	(196)
Gain on disposal of subsidiary	-	(228)
Net unrealized foreign exchange (gain) / loss	108	(149)
Operating profit / (loss) before working capital changes	<u>(76)</u>	<u>2,946</u>
Increase / (decreased) in inventories	2,158	(3,274)
Increase / (decrease) in Housing Development Accounts	1	(2)
Decrease in receivables	77	2,131
(Decrease) / Increase in payable	(174)	9,960
CASH GENERATED FROM FOR OPERATIONS	<u>1,986</u>	<u>11,761</u>
Liquidated ascertained damages and compensation paid	-	(228)
Interest paid	(105)	(128)
Income tax paid	-	(1,803)
NET CASH GENERATED FROM OPERATING ACTIVITIES CARRIED FORWARD	<u>1.881</u>	<u>9,602</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the period ended 30 June 2022 and the accompany explanatory notes attached to the Interim financial statements

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

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

	Unaudited For the Financial Period Ended <u>30.09.2022</u> RM'000	Audited For the Financial Year Ended <u>30.06.2022</u> RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES BROUGHT FORWARD	1,881	9,602
CASH FLOWS FOR INVESTING ACTIVITIES		
Property , plant and equipment		
- purchase	(27)	(862)
- disposal	-	60
Right-of-use assets		
- purchase	-	(264)
- disposal	-	320
Acquisition for subsidiary	-	(36)
Interest income received	44	196
Net cash used in investing activities	<u>17</u>	<u>(586)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits released under lien for credit facilities with licensed banks	-	(68)
Withdrawal of short term bank borrowings	99	103
Repayments of advances to a director	-	(184)
Repayments of lease liabilities	(17)	(221)
Repayments of term loan	(248)	(2,043)
Government grant received	-	454
Dividend paid	-	(1,287)
Interest paid	(188)	(863)
Warrants exercised	-	4,285
Private placement exercised	-	7,935
Net cash generated from financing activities	<u>(354)</u>	<u>8,111</u>
Net change in cash and cash equivalents	1,544	17,127
Foreign exchange translation differences	(109)	-
Cash and cash equivalent at beginning of the year	<u>16,944</u>	<u>(183)</u>
Cash and cash equivalent at end of the year	<u>18,379</u>	<u>16,944</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	17,977	16,115
Fixed deposits with licensed bank less than 3 months	6,000	6,000
Less : Bank overdraft	(5,180)	(4,753)
Less :Bank balances held under Housing Development Account	(418)	(418)
	<u>18,379</u>	<u>16,944</u>
Fixed deposits pledged with a licensed bank	<u>3,212</u>	<u>3,197</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the period ended 30 June 2022 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 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 Company 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 realization of assets and settlement of liabilities in the normal course of business.

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

(a) Standards issued and effective

On 1 April 2020, the Group and the Company have also adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2021.

Description

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance contracts and MFRS 16, Leases: Interest Rate Benchmark Reform - Phase 2
- Amendments to MFRS 16, Leases: covid-19-Related Rent Concessions beyond 30 June 2021

The directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements 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

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

- Amendments to MFRS 17, Insurance Contracts 1 January 2023
- Amendments to MFRS 101, *Presentations of Financial Statements: Classification of Liabilities as Current or Non-current* 1 January 2023
- Amendments to MFRS 101, *Presentation of Financial Statement : Disclosures of Accounting Policies* 1 January 2023
- Amendments to MFRS 108, *Accounting Policies Changes in Accounting Estimates and Errors : Definition of Accounting Estimates* 1 January 2023
- Amendments to MFRS 10, *Consolidated Financial Statements* and *MFRS 128 Investment in Associate and Joint Ventures: 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 preceding year' audited financial statements of the Group for the financial period ended 30 June 2022 was not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The Group's business operations for the period ended 30 September 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 September 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 30.09.2022	3 months ended 30.09.2021	3 months ended 30.09.2022	3 months ended 30.09.2021
OPERATING SEGMENTS	RM'000	RM'000	RM'000	RM'000
Direct Selling / Retail	499	1,060	(115)	(101)
Property Development & construction	-	-	(99)	(113)
Manufacturing	13,409	15,098	425	1,857
Investment Holdings	-	-	(663)	(207)
Others	5	120	(10)	(238)
Group	13,913	16,278	(462)	1,198

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**(a) Exercise of Warrants B:**

The exercises of warrants subsequent to year end were as follows:-

Date of exercise	No. of warrants exercised	Consideration received (RM)
07 November 2022	62,000,000	21,700,000.00
07 November 2022	18,788,500	6,575,975.00

10. Changes in Composition of the Group

There were no changes in the composition of the Group, including business combinations , acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the current quarter and financial period ended 30 September 2022.

11. Changes Of Financial Year End

The is no changes in the Financial year end.

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 September 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

No dividend was paid during the current quarter and financial period ended 30 September 2022.

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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	
	30.09.2022	30.09.2021		
	RM'000	RM'000	RM'000	%
Revenue				
Direct Selling / Retail	499	1,060	(561)	(52.88)
Property development & construction	-	-	-	-
Manufacturing	13,409	15,098	(1,689)	(11.18)
Others	5	120	(115)	(96.68)
Group	13,913	16,278	(2,365)	(14.53)
Profit / (loss) Before tax				
Direct Selling / Retail	(115)	(101)	(14)	(14.14)
Property development & construction	(99)	(113)	14	(12.29)
Manufacturing	425	1,857	(1,432)	(77.11)
Others	(673)	(445)	(228)	(51.23)
Group	(462)	1,198	(1,660)	(138.57)
Profit / (loss) after tax				
Direct Selling / Retail	(115)	(101)	(14)	(14.14)
Property development & construction	(99)	42	(141)	(339.17)
Manufacturing	319	1,335	(1,016)	(76.10)
Others	(673)	(445)	(228)	(51.01)
Group	(568)	831	(1,399)	(168.20)

(a) Current Quarter

i) Revenue

Group

The revenue decrease by RM2.37 millions or 14.53%, compare to previous quarter due to decrease in manufacturing sales RM1.69 million or 11.18%, and the local retails segment reduce by RM0.56 million or 52.88% respectively. The decrease in revenue mainly due to lower production arising from labour shortage.

ii) Loss before tax

Group

The Group loss before tax recorded decrease by RM1.66 million or 138.57%, compare to previous quarter due to:

A) Manufacturing

The profit before tax for manufacturing segment decrease to RM0.43 million from RM1.86 million due to unfavorable of exchange rate

B) Others

The loss before tax for others segment was RM0.67 million mainly due to the increase of professional fees.

Caely Holdings Bhd (Company No. 199601036023 (408376-U))

iii) Profit / (loss) after tax

Group

Loss after tax increase by RM1.40 million or 168.20% compare to previous quarter due to:

- A) Property Development Cost
Loss in property development segment increased.
- B) Others
The loss before tax for others segment was RM0.67 million mainly due to the increase of professional fees
- C) Manufacturing
Unrealized gain in foreign exchange of RM0.14 million and manufacturing profit of RM0.81 million.

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

Operating Segments	Quarter Ended		RM'000	Variance %
	30.09.2022	30.06.2022		
	RM'000	RM'000	RM'000	%
Revenue				
Direct Selling / Retail	499	815	(316)	(38.73)
Property development & construction	-	-	-	100.00
Manufacturing	13,409	14,880	(1,471)	(9.89)
Others	5	52	(47)	(92.26)
Group	13,913	15,747	(1,834)	(11.65)
Profit / (loss) Before tax				
Direct Selling / Retail	(115)	70	(185)	(265.72)
Property development & construction	(99)	(505)	406	80.34
Manufacturing	425	1,691	(1,266)	(74.87)
Others	(673)	(1,222)	549	44.96
Group	(462)	34	(496)	(1,444.24)
Profit / (loss) after tax				
Direct Selling / Retail	(115)	70	(185)	(265.72)
Property development & construction	(99)	(505)	406	80.34
Manufacturing	319	1,305	(986)	(75.54)
Others	(673)	(1,222)	549	45.04
Group	(568)	(352)	(216)	(60.91)

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Quarter vs Quarter

Revenue

The Group revenue decrease by RM1.83 million or 11.65% from RM15.75 million to RM13.91 million in comparison to preceding quarter due to lower productivity arising from labour shortage.

Loss before tax

The Group loss before tax increased by RM0.50 million from profit of RM34,000 previous quarter due to the professional fee incurred during the quarter.

Loss after tax

The loss after tax was marginally decrease compare to the previous quarter.

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

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.09.2022 RM	30.09.2021 RM	30.09.2022 RM	30.09.2021 RM
Taxation				
- current period	106	446	106	446
Deferred taxation				
- current period		(79)		(79)
Tax charge	106	367	106	367

20. Profit before Taxation

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

	Current Quarter Ended 30.09.2022 RM'000	Cumulative Period to Date 30.09.2022 RM'000
Depreciation of property, plant & equipment	176	176
Depreciation of right-of-use Assets	45	45
Allowance for slow moving inventories		
- provision for	81	81
- reversal	(267)	(267)
Foreign exchange loss / (gain)		
- Realized	192	192
- Unrealized	(303)	(303)
Gain on disposal of PPE	-	-
Interest expense	287	287
Interest income	(44)	(44)

21. Corporate Proposals

Acquisition of 97.24% stake in Kepayang Heights Sdn Bhd

Caely has entered into a shares sales agreement (“SSA”) on 1 November 2022 and a supplemental agreement on 8 November 2022 with Harvest Miracle Capital Berhad (formally known as Vortex Consolidated Berhad) to acquire 100,000 ordinary shares in Kepayang Heights Sdn Bhd (“KHSB”) for a total cash consideration of RM17,000,000.

Subsequent to the completion of SSA, Caely to subscribe for 100,000,000 ordinary shares in KHSB representing 97.14% of the enlarged issued shares in KHSB for a total subscription price of RM1,500,000 pursuant to a Subscription Agreement (“SA”) dated 1 November 2022 entered between Caely and KHSB.

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21. Corporate Proposals (continue)

Classita (M) Sdn Bhd Joint Venture with P.T. Bintang MAS JOGJA

Classita (M) Sdn Bhd (“CLASSITA”) had on 18 November 2022 entered into a Shareholders’ Agreement with P.T. Bintang MAS JOGJA (“BMJ”), to form of a limited company under the laws of the Republic of Indonesia and having its domicile in Jakarta for the purpose of carrying the business of manufacturing of apparel, undergarments and lingerie.

The initial issued and paid-up capital of the NEWCO shall be IDR6,000 million (approximately RM1.74 million equivalent) to be held by CLASSITA and BMJ in the proportion 60 : 40 respectively.

Within one month from execution of the Shareholders’ Agreement, the parties shall complete the allotment and issuance of shares according to the Agreed Proportion.

22. Borrowings and Debts Securities

	As at 30.09.2022 RM'000	As at 30.09.2021 RM'000
Secured :		
- Short term borrowings	7,912	2,839
- Long term borrowings	7,491	9,003
Unsecured :		
- Short term borrowings	1,448	1,790
Total borrowings	<u>16,850</u>	<u>13,632</u>

23. Material Litigation

Status of material litigation

(i) Kuala Lumpur High court Originating Summons No. : WA-24NCC-171-03/2022

Caely Holdings Bhd v Leong Seng Wui & 7 others

Plaintiff (**P**) : Caely Holdings Bhd

Defendants (**D**):

This is an action was brought by P to determine, among others : -

- (a) Whether P and/or its directors have to provide P's Register of Depositors to D1 - D3, in order to facilitate the despatch of the notice of the P's extraordinary general meeting, indicated to be on 15.4.2022 that D1 - D3 intend to call (**Proposed EGM 15.4.2022**);
- (b) Whether the D are entitled to exercise their voting rights in respect of the Proposed EGM 15.4.2022 or any other general meeting of P; and
- (c) Whether D are entitled to nominate themselves or their nominees namely D1, Ng Keok Chai, Kang Chez Chiang and Krishnan a/l Dorairaju as the directors of P.

YA Liza Chan Sow Keng JC

On 26.8.2022, upon P's application to withdraw the suit, the Court struck out the suit with total cost of RM7,500 to be paid by P.

Action relates to administration, directorship and shareholders' rights of Caely Holdings Bhd.

(ii) Kuala Lumpur High court Originating Summons No.: WA-24NCC-178-03/2022

Leong Seng Wui & 2 others v Caely Holdings Bhd & 7 others

Plaintiffs (**P**):

- 1. Leong Seng Wui
- 2. Kok Kwang Lim
- 3. Vahalla Capital Sdn bhd

Defendants (**D**):

- 1. Caely Holdings Bhd
- 2. Mega Corporate Services Sdn Bhd
- 3. Lim Chee Pang
- 4. Lim Say Leong
- 5. Ng Chun Hau
- 6. Beh Hong Shien
- 7. Fong Nyok Yoon

23. Material litigation (continued)

(ii) Kuala Lumpur High court Originating Summons No.: WA-24NCC-178-03/2022 (continue)

This is an action was brought by P for orders among others:-

- (a) a declaration that P are entitled to the Record of Depositors of D1 as at 15.3.2022 (**the 1st ROD**) and Record of Depositors of D1 as at 7.4.2022 (**the 2nd ROD**) on the basis of meeting timeline to comply with all the requirements of the Notice of Extraordinary General Meeting dated 31.3.2022 and for the purposes of convening the proposed Extraordinary General Meeting dated 31.3.2022 and for the purposes of convening the proposed Extraordinary General Meeting on 15.4.2022 (the Proposed EGM);
- (b) an order to compel D1 and/or D2, jointly and/or severally to provide P 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**) including the mailing labels to facilitate the dispatch of the Notice of Extraordinary General Meeting dated 31.3.2022;
- (c) Alternatively, an order to compel D3 to D7 to cause D1 to provide P 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 including the mailing labels to facilitate the dispatch of the Notice of Extraordinary General Meeting dated 31.3.2022;
- (d) An order to compel D1 and/or D2, jointly and/or severally to provide O with the 2nd ROD on or before 4:00pm on 8.4.2022 in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia including the mailing labels whereby the 2nd ROD is a record prepared not less than 3 market days before the Proposed EGM;
- (e) Alternatively, an order to compel D3 to D7 with the 2nd ROD on or before 4:00pm on 8.4.2022 in hardcopy and soft copy (in the format of Microsoft Word and/or Microsoft Excel) as furnished by Bursa Malaysia including the mailing labels whereby the 2nd ROD is a record prepared not less than 3 market days before the Proposed EGM;
- (f) An order that P 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; and
- (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.

YA Liza Chan Sow Keng JC

On 21.6.2022, upon the application by P to withdraw the suit, the Court struck out the suit with costs. No costs to be paid by D1.

Action relates to administration, directorship and shareholders' right of Caely Holdings Bhd.

23. Material litigation (continued)

(iii) Shah Alam High Court Originating Summons No.: BA-24NCC-38-04/2022

Datin Fong Nyok Yoon v Lim Chee Pang & 6 others

Plaintiff (P):

Datin Fong Nyok Yoon

Defendants (D):

1. Lim chee Pang
2. Lim Say Leong
3. Beh Hong Shien
4. Dato' Wira Ng Chun Hau
5. Noor Azri bin Dato Sri Noor Azerai
6. Datuk Seri Mazlan bin Lazim
7. Caely Hondings Bhd

This is an action was brought by Datin Fong Nyok Yoon to/for, among others:-

- (a) prohibit D1 - D5 from allotting and issuing new ordinary shares in Caely Holdings Bhd ;
- (b) Resolution/ appointment of D5 and D6 to be cancelled;
- (c) Resolution re-designating P from executive director to non-independent non-executive director of CHB to be cancelled;
- (d) Special notices issued by D4 to the directors of Classita (M) Sdn Bhd, Caely Development Sdn Bhd and Marywah Industries (M) Sdn Bhd and all dated 5.4.2022 to be cancelled; and
- (e) Costs and interest.
- (f) resolution re-designating the Plaintiff from executive director to non-independent non-executive director of CHB to be cancelled;
- (g) special notices issued by the 4th Defendants to the directors of Classita (M) Sdn Bhd, Caely Development Sdn Bhd and Marywah Industries (M) Sdn Bhd and all dated 5.4.2022 to be cancelled; and
- (h) costs and interest.

On 7.10.2022, the Court struck out the suit without liberty to file afresh and no order as to costs, following P's Notices of Discontinuance.

Action relates to administration, directorship and shareholders' rights of Caely Holdings Bhd.

23. Material litigation (continued)

(iv) Kuala Lumpur High Court Originating Summons No.: WA-24NCC-732-06/2022 (**OS 732**)

Leong Seng Wui & 2 others v Caely Holdings Bhd

Plaintiffs (**P**):

1. Leong Seng Wei
2. Kok Kwang Lim
3. Vahalla Capital Sdn Bhd

Defendant (**D**):

Caely Holdings Bhd

This Originating Summons was filed by Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd pertaining to the regularity of the EGM 15.4.2022.

YA Tuan Ong Chee Kwan J

On 18.8.2022, D filed an application to transfer the suit to be heard with the 1st Suit pertaining to the calling of the 15.4.2022 EGM. On 23.8.2022, the transfer application was dismissed. On 24.8.2000, D appealed against the decision (**Transfer appeal**).

On 29.8.2022, the Court granted an order as follows: -

1. *A declaration that the adjournment of the EGM is invalid;*
2. *That any minutes or any records filed with any authorities based on the invalid adjournment be struck out under Section 602 of the Companies Act 2016;*
3. *A declaration that the EGM had continued (after the invalid adjournment) with all the Resolutions approved at the continued EGM on 15.06.2022 are valid save and except for Resolution No. 1 (withdrawn) and Resolution No. 2 (not carried out);*
4. *A declaration that the Resolutions approved at the continued EGM on 15.06.2022 as per prayer 3 shall take effect on 15.06.2022;*
5. *An order to compel the Defendant and/or its agents and/or employees, including but not limited to the Company Secretary of the Defendant to do all that is necessary to give effect to the Resolutions approved at the continued EGM on 15.06.2022, 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;*
6. *An injunction restraining the Defendant and/or its agents (including but not limited to its Company Secretary) and/or employees and/or its Board of Directors, namely persons 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 Defendant, including but not limited to appointing any additional directors to fill any casual vacancies; and*
7. *Costs of RM30,000.00 subject to allocatur.*

As a result of Order dated 29.8.2022, a new board of directors of D has been effected.

23. Material litigation (continued)

(iv) Kuala Lumpur High Court Originating Summons No.: WA-24NCC-732-06/2022 (**OS 732**)

Between 20.9.2022 and 21.9.2022, Messrs Bachan & Kartar filed a Notice of Change of Solicitors, an application to stay Order dated 29.8.2022 (**Stay Application**) and a notice of appeal to appeal against Order 29.8.2022 (**EGM Regularity Appeal**) purportedly for and on behalf of the Company and proposed interveners. At all material times (at the time of filing and at present), the Company had never engaged, authorised and mandate Messrs Bachan & Kartar to act and/or hold out itself as the Company's solicitors, let alone to file such cause papers.

On 14.10.2022, D filed a striking out application (**Striking Out Application**) for orders, among others to strike out the Stay Application and all other cause papers filed by Messrs Bachan & Kartar purportedly for and on behalf of the Company and for a declaration that Messrs Bachan & Kartar has no authority, mandate and warrant to act for and on behalf of the Company and to hold out itself as the solicitors of D.

On 14.10.2022 and 17.10.2022, Messrs Ahmad Deniel, Ruben & Co. filed Notices of Change of Solicitors in the suit and also in the EGM Regularity Appeal to take over conduct from Messrs Bachan & Kartar.

On 25.10.2022, it was clarified to the Court that Messrs Bachan & Kartar and Messrs Ahmad Deniel, Ruben & Co do not act for the Company after Order dated 29.8.2022.

After hearing parties, the Court ordered the following: -

- (a) upon the application of Messrs Ahmad Deniel, Ruben & Co. to withdraw the Stay Application, the Stay Application is struck out with costs of RM5,000 to be paid by PI to D; and
- (b) order in terms of the Striking Out Application, except for prayer 2(b), with costs of RM5,000 to be paid by PI to d; and
- (c) Allowed the oral amendments to delete reference to D in the Notices of Change of Solicitors dated 14.10.2022 filed by Messrs Ahmad Deniel, Ruben & Co.

Action relates to administration, directorship and shareholders' right of Caely Holdings Bhd.

Appeals - Transfer Appeal and EGM Regularity Appeal

Court of Appeal Civil Appeal No.: W-02(IM)(NCC)-1599-08/2022

Caely Holdings Bhd v Leong Seng Wui & 2 others

Appellant:
Caely Holdings Bhd

Respondent (**R**):
1. Leong Seng Wui
2. Kok Kwang Lim
3. Vahalla Capital Sdn Bhd

23. Material litigation (continued)

- (iv) Kuala Lumpur High Court Originating Summons No.: WA-24NCC-732-06/2022 (**OS 732**)
(continue)

This is the Transfer Appeal arising from OS 732.

On 8.11.2022, the Appellant filed a Notice of Withdrawal of Appeal to withdraw the Appeal.

Court of Appeal Civil Appeal No.: W-02(NCC)(A)-1972-09/2022 (**Appeal 1792**)

Caely Holdings Bhd & 5 others v Leong Seng Wui & 2 others

Appellants (**A**):

1. Caely Holdings Bhd
2. Loh Ming Choon
3. Wong Siaw Puie
4. Sin Hock Min
5. Mohamad Hanafiah bin Zakari
6. Koo Chen Yeng

Respondents (**R**):

4. Leong Seng Wui
5. Kon Kwang Lim
6. Vahalla Capital Sdn Bhd

This is the EGM Regularisation appeal arising from OS 732

On 20.10.2022, A1 filed a Notice of Motion in EGM Regularity Appeal (**A1's Striking Out Motion**) for orders among others to strike out the Notice of Appeal dated 20.9.2022 and all other cause papers filed by Messrs Bachan & Kartar and Messrs Ahmad Daniel, Ruben & Co has no authority, mandate and warrant to act for and on behalf of the A1 and to hold out itself as the solicitors of A1.

On 25.10.2022, R filed a Notice of Motion in the EGM Regularity appeal (**R's Striking Out Motion**) for orders among others to strike out the Notice of Appeal dated 20.9.2022.

On 8.11.2022, A1 filed a Notice of Withdrawal of appeal to withdraw the appeal against R.

On 9.11.2022, A2 - A6 filed an affidavit in reply (**A2 - A6's AIR**) to oppose A1's Striking Out Motion and strenuously objected to A1's withdrawal of the Appeal against R.

On 21.11.2022, R filed an affidavit in reply to A2 - A6's AIR.

Case Management: 19.12.2022 (for the Appeal, A1's Striking Out Motion and R's Striking Out Motion)

23. Material litigation (continued)

(v) Ipoh High Court suit No.: AA-22NCVC-06-08/2022

Caely Holdings Bhd & Caely (M) Sdn Bhd v Fong Nyok Yoon & 11 others

Plaintiffs (**P**):

Caely Holdings Bhd & Caely (M) Sdn Bhd

Defendants (**D**):

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. Vahalla Capital Sdn Bhd
9. Hong Seng Capital Sdn Bhd
10. Goh Choon Heng
11. Lohur Sejahtera Sdn Bhd
12. Zaidi bin Zainudin

This is a suit filed on 26.8.2022 pertaining misappropriation of funds in P2 and conspiracy.

The cause of action of the suit arises from the misappropriation of funds of not less than RM30,552,000 from CMSB (**Misappropriation**).

The prayers in the suit, among others are: -

- (a) a declaration that P1 and P2 have a right to recover the funds misappropriated from P2 of RM30,552,000;
- (b) judgment for RM30,552,000;
- (c) exemplary damages;
- (d) damages for conspiracy in causing loss to P1 and P2;
- (e) injunction to restrain the Defendants from requisitioning further extraordinary general meetings to take over the board of P1; and
- (f) injunction to restrain the Defendants from acting in any manner whatsoever to impede the progress of the further and in-depth investigations into the misappropriation and/or breach of fiduciary duty of P1 and P2, and/or other wrongdoers; and
- (g) interest and costs.

On 7.11.2022, P filed a Notice of Discontinuance to discontinue the Suit.

Case Management: 7.12.2022

Action relates to management, affairs and finance of Caely Holdings Bhd and Caely M

23. Material litigation (continued)

- (vi) Shah Alam High court suit No.: BA-22NCC-133-10/2022 Caely Holdings Bhd & Caely (M) Sdn Bhd v Fong Nyok Yoon & 11 others

Plaintiffs (P):

Caely Holdings Bhd & Caely (M) Sdn Bhd (**Caely M**)

Defendants (D):

1. Datin Fong Nyok Yoon
2. Dato' chuah Chin Lai
3. Siow Hock Lee
4. Ooi Say Teik
5. Hen Kan @ Chan Hong Kee
6. Ng Boon Kang
7. Tan Loon cheang
8. Dato' Wira Ng Chun Hau
9. Lim Chee Pang
10. Lim Say Leong
11. Beh Hong Shien
12. Gok Ching Hee

This is a suit filed on 19.10.2022 against 12 previous directors, chief executive officers and/or chief financial officers of P1 and P2.

The cause of the suit relates to the Misappropriation and also conducts of non-disclosure of the Misappropriation, fraudulent concealment, conspiracy, fraud and deception, breach of directors' duties arising from or related to the Misappropriation.

The prayers of the suit, among others, are:

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

On 2.11.2022, D8, D9 and D11 filed their Memorandum of Appearance.

During the case management on 16.11.2022, the Court gave the following directions:-

- (a) D8, D9 and D11 to file Defence on/before 8.12.2022; and
- (b) P to file Reply on/before 22.12.2022.

On 21.11. 2022, D1 and D2 filed their Memorandum of Appearance.

On 22.11.2022, D3 filed his Memorandum of Appearance.

Case Management : 30.12.2022 to update the Court on the status of other Defendants' appearance.

Action relates to management, affairs and finance of Caely Holdings Bhd and Caely M

23. Material litigation (continued)

(vii) Dato' Wira Ng Chun Hau v Caely Holdings Bhd & 7 others

Plaintiffs (P);

Dato' Wira Ng Chun Hau

Defendants (D):

1. Caely Holdings Bhd
2. Dato' Kang Chez Chiang
3. Ng Keok Chai
4. Leong Seng Wui
5. Krishnan A/L dorairaju
6. Dato' Mior faridalathrash bin Wahid
7. Chong Seng Ming
8. Kenny Khaw Chuan Wah

This is a suit by a previous executive chairman of D1, Dato' Wira Ng Chun Hau against D1 and the present board of directors (D2 - D8) for defamation.

The prayers in the suit include among others:-

- (a) Damages for libel, including aggravated damages and exemplary damages;
- (b) An injunction restraining D1, whether by itself, its servants, or agents or Otherwise and D2 - D8 from publishing or causing to be published the said or Similar statements defamatory of P;
- (c) Interest; and
- (d) Costs.

On 31.10.2022, D filed their Memorandum of Appearance.

During the case management on 21.11.2022, the Court gave the following directions -

- (a) D to file defence on or before 29.11.2022; and
- (b) Any interlocutory applications are to be filed before next case management.

Case Management: 28.12.2022 to update the Court on the status of Pleadings

Defamation Suit

23. Material litigation (continued)

(viii) Kuala Lumpur High Court Civil Suit No.: WA-22NCC-567-11/2022

Dato' Sri Tee Yam & Wong Siaw Puie v Caely Holdings Bhd

Plaintiffs (**P**):

Dato' Sir Tee Yam & Wong Siaw Puie

Defendant (**D**):

Caely Holdings Bhd

This is a suit by P against D for debt recovery of purported monies advanced to D by P.

The prayers in the suit include among others: -

- (a) Defendant immediately pay in full to P1 the outstanding advancement to RM1,144,145.65;
- (b) Defendant immediately pay in full to P1 the outstanding advancement amounting to RM2,600,395.34;
- (c) Defendant immediately pay in full to P1 the outstanding advancement amounting to RM214,824.50;
- (d) Interest; and
- (e) Costs.

On 17.11.2022, D filed its Memorandum of appearance.

During the case management on 18.11.2022, the court gave the following directions -

- (a) D to file Defence on or before 12.12.2022;
- (b) P to file Reply on or before 2.1.2023;
- (c) Any interlocutory applications are to be file by 16.1.2023

Case management: 25.1.2023 to update the Court on the status of Pleadings.

Action relates to management, affairs and finance of Caely Holdings Bhd

24. Status of The Utilization of Proceeds From Corporate Proposals

As at 30 September 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	Excess proceeds reallocated RM'000	Actual Utilisation RM'000	Balance utilisation RM'000	Intended Time Frame for Utilisation from the date of receipts of Proceeds	Remarks
	(A)	(B)	(C)	(D = A + B + C)		
i) Development project	6,923	-	(560)	6,363	24 months	
ii) General Working capital	762	15	(777)	-	24 months	
iii) Expenses for private placement exercise	250	(15)	(235)	-	1 month	Unutilised amount to be used for general working capital
Total	7,935	-	(1,572)	6,363		

Caely Holdings Bhd (Company No. 199601036023 (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 30.09.2022 RM'000	3 months ended 30.09.2022 RM'000
Net loss for the financial quarter / year-to-date	(568)	(568)
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>(0.22)</u>	<u>(0.22)</u>
Fully diluted loss per share (sen)	<u>(0.15)</u>	<u>(0.15)</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 28 November 2022.