



CLASSITA HOLDINGS BERHAD

(Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

(Incorporated in Malaysia)

Interim Financial Statements

For the Quarter Ended 31 December 2022

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Quarter <u>31.12.2022</u> RM'000	Corresponding Quarter <u>31.12.2021</u> RM'000	Current Period To Date <u>31.12.2022</u> RM'000	Corresponding Year To Date** <u>31.12.2021</u> RM'000
Revenue	12,349	15,953	26,262	-
Operating expenses	(13,468)	(14,936)	(27,862)	-
Other operating income	<u>160</u>	<u>722</u>	<u>466</u>	<u>-</u>
(Loss)/profit from operations	(959)	1,739	(1,134)	-
Finance costs	<u>(193)</u>	<u>(132)</u>	<u>(480)</u>	<u>-</u>
(Loss)/profit before taxation	(1,152)	1,607	(1,614)	-
Taxation	<u>(35)</u>	<u>(520)</u>	<u>(141)</u>	<u>-</u>
(Loss)/profit after taxation	<u>(1,187)</u>	<u>1,087</u>	<u>(1,755)</u>	<u>-</u>
(Loss)/profit after taxation attributable to:				
Owners of the Company	(1,187)	1,087	(1,755)	-
Non-controlling interest	<u>-*</u>	<u>-</u>	<u>-*</u>	<u>-</u>
	<u>(1,187)</u>	<u>1,087</u>	<u>(1,755)</u>	<u>-</u>
Total comprehensive (expenses)/income attributable to:				
Owners of the Company	(1,187)	1,087	(1,755)	-
Non-controlling interest	<u>-*</u>	<u>-</u>	<u>-*</u>	<u>-</u>
	<u>(1,187)</u>	<u>1,087</u>	<u>(1,755)</u>	<u>-</u>
(Loss)/earnings per share attributable to equity holders of the Company (sen)				
- Basic	(0.39)	0.42	(0.62)	-
- Diluted	<u>(0.39)</u>	<u>0.42</u>	<u>(0.62)</u>	<u>-</u>

Notes:

* - Amount less than RM1,000

** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Unaudited as at <u>31.12.2022</u> RM'000	Audited as at <u>30.06.2022</u> RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	23,417	23,767
Right-of-use assets	321	364
Investment properties	4,100	4,100
Investment in a jointly controlled company	1,699	-
	<u>29,537</u>	<u>28,231</u>
Current Assets		
Inventories	72,562	56,597
Receivables, deposits and prepayments	12,797	10,354
Tax recoverable	408	298
Fixed deposits with licensed banks	357	9,197
Cash and bank balances	19,825	16,115
	<u>105,949</u>	<u>92,561</u>
TOTAL ASSETS	<u><u>135,486</u></u>	<u><u>120,792</u></u>

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

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONTINUED)

	Unaudited as at <u>31.12.2022</u> RM'000	Audited as at <u>30.06.2022</u> RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	100,055	71,779
Other reserves	10,545	10,545
Accumulated losses	(5,265)	(3,510)
Equity attributable to equity holders of the Company	<u>105,335</u>	<u>78,814</u>
Non-controlling interests	64	-
Total equity	<u>105,399</u>	<u>78,814</u>
Non-current Liabilities		
Lease liabilities	222	260
Term loans	7,598	8,189
Deferred tax liabilities	1,435	1,443
	<u>9,255</u>	<u>9,892</u>
Current Liabilities		
Payables and accrued liabilities	17,780	22,615
Provisions	258	258
Contract liabilities	393	393
Tax payable	-	359
Lease liabilities	70	70
Term loans	1,404	1,758
Short term bank borrowings:		
- Bank overdrafts	927	4,753
- Others	-	1,880
	<u>20,832</u>	<u>32,086</u>
TOTAL LIABILITIES	<u>30,087</u>	<u>41,978</u>
TOTAL EQUITY AND LIABILITIES	<u>135,486</u>	<u>120,792</u>
Net assets per share (RM)	<u>0.31</u>	<u>0.31</u>

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

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Share capital	Reserve on consolidation	Revaluation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	71,779	80	10,465	(3,510)	78,814	-	78,814
Exercise of warrants	28,276	-	-	-	28,276	-	28,276
Loss for the financial period	-	-	-	(1,755)	(1,755)	-*	(1,755)
Acquisition of a subsidiary	-	-	-	-	-	64	64
At 31 December 2022	100,055	80	10,465	(5,265)	105,335	64	105,399

Notes:

* Amount less than RM1,000

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

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

	Share capital	Reserve on consolidation	Revaluation reserve	Retained profit/ (Accumulated losses)	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021 (restated)	59,559	80	10,571	4,873	75,083	(219)	74,864
Exercise of warrants	4,285	-	-	-	4,285	-	4,285
Exercise of private placement	7,935	-	-	-	7,935	-	7,935
Loss for the financial period	-	-	-	(7,202)	(7,202)	-	(7,202)
Disposal of a subsidiary	-	-	-	-	-	219	219
Dividend	-	-	-	(1,287)	(1,287)	-	(1,287)
Transfer of reserve	-	-	(106)	106	-	-	-
At 30 June 2022	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 financial period ended 30 June 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Unaudited For the Financial Period Ended <u>31.12.2022</u> RM'000	Unaudited For the Financial Period Ended** <u>31.12.2021</u> RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(1,614)	-
Adjustments for:		
Depreciation of property, plant and equipment	397	-
Depreciation of right-of-use assets	43	-
Allowance for slow moving inventories:		
- provided for	81	-
- reversal	(376)	-
Interest expense	454	-
Interest income	(81)	-
Net unrealised foreign exchange gain	(240)	-
	<hr/>	<hr/>
Operating loss before working capital changes	(1,336)	-
Decrease in inventories	1,697	-
Increase in Housing Development Accounts	(2)	-
Increase in receivables	(2,443)	-
Decrease in payables	(5,165)	-
	<hr/>	<hr/>
CASH GENERATED FOR OPERATIONS	(7,249)	-
Interest paid	(177)	-
Net income tax paid	(618)	-
	<hr/>	<hr/>
Net cash used in operating activities	(8,044)	-
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition for property, plant and equipment	(20)	-
Acquisition of a subsidiary	(17,000)	-
Investment in a jointly controlled company	(1,699)	-
Interest income received	81	-
	<hr/>	<hr/>
Net cash used in investing activities	(18,638)	-

Note: -

- ** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2022 and the accompany explanatory notes attached to the Interim Financial Statements.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

	Unaudited For the Financial Period Ended <u>31.12.2022</u> RM'000	Unaudited For the Financial Period Ended** <u>31.12.2021</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposit with licensed banks	3,115	-
Repayment of short term bank borrowings	(1,880)	-
Repayments of term loans	(945)	-
Proceeds from exercise of warrants	28,276	-
Repayment of lease liabilities	(45)	-
Interest paid	(270)	-
Net cash from financing activities	28,251	-
NET CHANGES IN CASH AND CASH EQUIVALENT EFFECTS ON EXCHANGE RATE DIFFERENCES	1,569 240	- -
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,945	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	18,754	-
Analysis of cash and cash equivalents		
Cash and bank balances	19,825	-
Fixed deposits with licensed bank	275	-
	20,100	-
Less: Bank overdrafts	(927)	-
Less: Bank balances held under Housing Development Accounts	(419)	-
	18,754	-

Note:-

** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2022 and the accompany explanatory notes attached to the Interim Financial Statements.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134 INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting*, International Accounting Standards 134 *Interim Financial Reporting*, and Paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("the Group") for the financial period ended 30 June 2022. The explanatory notes attached to the unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial positions and performance of the Group since the financial period ended 30 June 2022.

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 July 2021, 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 2022.

Description

- Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework
- Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts* - Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018 - 2020 cycle
 - Amendments to MFRS 1, *First Time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 16, *Leases*
 - Amendments to MFRS 141, *Agriculture*

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.

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1. Basis of Preparation (continued)

(b) Standards 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

- Amendments to MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts* : Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101, *Presentations of Financial Statements* : Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, *Presentation of Financial Statements* : Disclosures of Accounting Policies
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* : Definition of Accounting Estimates
- Amendments to MFRS 112, *Income Tax* : Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- 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

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

2. Auditors' Report on Preceding Annual Financial Statements

The preceding year' audited financial statements for the financial period ended 30 June 2022 was not qualified.

3. Seasonality or Cyclicity of Operations

The Group's business operations were not materially affected by any seasonal or cyclical factors.

4. 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 current financial period under review.

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[Company No.: 199601036023 (408376-U)]

5. Issuances, Repurchases, and Repayments of Debts and Equity Securities

Pursuant to the bonus issue of 128,719,802 warrants on the basis of 1 warrant for every 2 existing ordinary shares held on the entitlement date, the Company has issued 128,719,802 warrants ("Warrants B"). The Warrants B have been listed on the Main Market of Bursa Securities on 29 December 2021.

During the quarter under review, the following shares have been issued and listed on the Main Market of Bursa Securities on the following date as a result of the Warrants B exercised during the current quarter under review.

	No. of shares issued resulting from
Listing Date	Exercise of Warrants B
11 November 2022	80,788,500
Total	80,788,500

As at 31 December 2022, the outstanding Warrants B of the Company is 47,128,302. The Company does not have any other existing convertible securities.

Save as disclosed above, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review.

6. Changes in Estimates

There were no material changes in estimates during the current financial period under review.

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[Company No.: 199601036023 (408376-U)]

7. Segmental Information

The Group is principally involved in Manufacturing and Sales of undergarments, Direct Selling and Retails Business, Property Development and Construction and Investment Holding. The segmental analysis of the Group for the financial period under review are as follows:-

For the financial period ended 31 December 2022	Direct selling/retail RM'000	Property development and construction RM'000	Manufacturing sales RM'000	Investment holding RM'000	Total RM'000
Revenue					
Total revenue	1,227	-	25,503	-	26,730
Inter-segment revenue	-	-	(468)	-	(468)
External sales	<u>1,227</u>	<u>-</u>	<u>25,035</u>	<u>-</u>	<u>26,262</u>
Results					
(Loss)/profit from operations	(322)	(289)	803	(1,326)	(1,134)
Finance costs	(2)	(107)	(371)	-	(480)
(Loss)/profit before taxation	<u>(324)</u>	<u>(396)</u>	<u>432</u>	<u>(1,326)</u>	<u>(1,614)</u>
Taxation					(141)
Loss for the financial period					<u>(1,755)</u>
Segment assets	<u>4,846</u>	<u>65,930</u>	<u>49,719</u>	<u>14,991</u>	<u>143,586</u>
Segment liabilities	<u>357</u>	<u>12,246</u>	<u>15,144</u>	<u>2,340</u>	<u>30,087</u>

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

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7. Segmental Information (continued)

For the financial period ended 31 December 2021**	Direct selling/retail RM'000	Property development and construction RM'000	Manufacturing sales RM'000	Investment holding RM'000	Total RM'000
Revenue					
Total revenue	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
External sales	-	-	-	-	-
Results					
Profit from operations	-	-	-	-	-
Finance costs	-	-	-	-	-
Profit before taxation	-	-	-	-	-
Taxation					-
Profit for the financial period					-
Segment assets	-	-	-	-	-
Segment liabilities	-	-	-	-	-

Note:

** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

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8. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the quarter under review.

9. Material Event During the Interim Period

The following was the material event during the current quarter ended 31 December 2022:-

- (i) On 1 November 2022, the Company has entered into the following agreements:-
 - (a) A shares sale agreement with Harvest Miracle Capital Berhad in relation to the proposed acquisition of 100,000 ordinary shares in Kepayang Heights Sdn. Bhd. ("KHSB") which represents 3.4% of the entire issues and paid-up share capital in KHSB for cash consideration of RM17,000,000.00 ("Proposed Acquisition"). The acquisition of KHSB has been completed on 15 November 2022; and
 - (b) A subscription agreement with KHSB for the issuance and allotment of 100,000,000 ordinary shares in KHSB, representing 97.14% of the enlarged total number of issued shares in KHSB for a total subscription price of RM1,500,000.00 ("Share Subscription"). The share subscription has been completed on 9 December 2022.

Subsequent to the completion of Proposed Acquisition and Share Subscription, KHSB became a 97.24% owned subsidiary of the Company;

- (ii) On 18 November 2022, Classita (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a joint venture and shareholders' agreement with P.T. Bintang Mas Jogja, to form a limited liability company under the laws of the Republic of Indonesia. On 8 December 2022, PT Classita Indonesia Intimates ("PT Classita") has been incorporated under this agreement; and
- (iii) On 9 December 2022, the Board announced that Caely (M) Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a share and purchase agreement with GCH Retail (Malaysia) Sdn. Bhd. for the proposed acquisition of all that piece of leasehold land held under Pajakan Negeri No. 359821 Lot 312012, Mukim of Sungai Raya, District of Kinta, State of Perak, measuring approximately 52,679 square metres in area for a total cash consideration of RM9,000,000.00 ("Proposed Acquisition"). The Proposed Acquisition is pending completion as at the date of this report.

10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter up to 17 February 2023, being the latest practicable date not earlier than seven (7) days from the date of the issue of this report that are expected to have an operational or financial impact on the Group except as follows:-

- (i) On behalf of the Board, TA Securities Holdings Berhad ("TA Securities") has on 6 January 2023 announced that the Company proposed to undertake the proposed renounceable rights issue of up to 965,398,515 new ordinary shares ("Classita Share") in the Company ("Rights Shares") on the basis of 5 Rights Shares for every 2 Classita Shares held on an entitlement date to be determined later, together with up to 579,239,109 free detachable warrants C ("Warrant(s) C") on the basis of 3 Warrants C for every 5 Rights Shares subscribed for ("Proposed Rights Issue").

On 17 January 2023, the Company has submitted the additional listing application in relation to the Proposed Rights Issue to Bursa Securities.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

11. Changes in Composition of the Group

Save as disclosed below, there were no other changes in the composition of the Group during the current financial period under review.

(ii) On 1 November 2022, the Company has entered into the following agreements:-

- (c) A shares sale agreement with Harvest Miracle Capital Berhad in relation to the proposed acquisition of 100,000 ordinary shares in Kepayang Heights Sdn. Bhd. ("KHSB") which represents 3.4% of the entire issues and paid-up share capital in KHSB for cash consideration of RM17,000,000.00 ("Proposed Acquisition"). The acquisition of KHSB has been completed on 15 November 2022; and
- (d) A subscription agreement with KHSB for the issuance and allotment of 100,000,000 ordinary shares in KHSB, representing 97.14% of the enlarged total number of issued shares in KHSB for a total subscription price of RM1,500,000.00 ("Share Subscription"). The share subscription has been completed on 9 December 2022.

Subsequent to the completion of Proposed Acquisition and Share Subscription, KHSB became a 97.24% owned subsidiary of the Company; and

(ii) On 18 November 2022, Classita (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a joint venture and shareholders' agreement with P.T. Bintang Mas Jogja, to form a limited liability company under the laws of the Republic of Indonesia. On 8 December 2022, PT Classita has been incorporated under this agreement.

12. Contingent Liabilities and Contingent Assets

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 17 February 2023 (being the latest practicable date not earlier than seven (7) days from the date of this report).

13. Capital Commitments

Other than disclosed below, there were no material capital commitments at the end of the current quarter under review:-

As at 31.12.2022
RM'000

Authorised and contracted for:-

Acquisition of lands

8,100

14. Dividend

There were no dividends paid during the current financial period under review.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

PART B - EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

15. Review of Performance

15.1 Financial review for the current quarter and financial period-to-date

	Individual Period		Variance		Cumulative Period		Variance	
	Current Quarter 31.12.2022 RM'000	Corresponding Quarter 31.12.2021 RM'000	Amount RM'000	%	Current Period to Date 31.12.2022 RM'000	Corresponding Period to Date** 31.12.2021 RM'000	Amount RM'000	%
Revenue	12,349	15,953	(3,604)	(22.6)	26,262	-	NA	-
Other operating income	160	722	(562)	(77.8)	466	-	NA	-
Operating expenses	(13,468)	(14,936)	1,468	(9.8)	(27,862)	-	NA	-
(Loss)/profit from operation	(959)	1,739	(2,698)	(155.1)	(1,134)	-	NA	-
Finance costs	(193)	(132)	(61)	(46.2)	(480)	-	NA	-
(Loss)/profit before taxation	(1,152)	1,607	(2,759)	(171.7)	(1,614)	-	NA	-
Taxation	(35)	(520)	485	93.3	(141)	-	NA	-
(Loss)/profit after taxation	(1,187)	1,807	(2,274)	(209.2)	(1,755)	-	NA	-

Notes:-

NA - Not applicable

** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

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[Company No.: 199601036023 (408376-U)]

15. Review of Performance (continued)

15.1 Financial review for the current quarter and financial period-to-date (continued)

Current year quarter vs preceding year quarter

Revenue

Overall, the Group's revenue for the current quarter under review was decreased by RM3.6 million as compared to the corresponding quarter ended 31 December 2021 mainly due to decreased in revenue in manufacturing sales and direct selling/retail segments.

The decreased in revenue in manufacturing segment mainly due to the lower sales demands from export market. For direct selling/retail segment, the decreased in revenue was attributed to the cautious spending behavior by consumers.

(Loss)/Profit Before Taxation

The Group has recorded loss before taxation of RM1.2 million in the current quarter under review as compared to the corresponding quarter mainly due to the followings:

- (i) lower sales demand in manufacturing segment as mentioned above;
- (ii) higher raw materials, direct labour, and factory overhead cost incurred;
- (iii) absence of subsidies under the wages subsidies schemes implemented by government in corresponding quarter; and
- (iv) higher professional fee incurred in investment holding segment.

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15. Review of Performance (continued)

15.2 Financial review for the current quarter with the immediate preceding quarter

	Individual Period		Variance	
	Current Quarter	Immediate Preceding Quarter	Amount	%
	31.12.2022	30.09.2022	RM'000	
	RM'000	RM'000	RM'000	
Revenue	12,349	13,913	(1,564)	(11.2)
Other operating income	160	306	(146)	(47.7)
Operating expenses	(13,468)	(14,394)	926	6.4
Loss from operation	(959)	(175)	(784)	(448.0)
Finance costs	(193)	(287)	94	32.8
Loss before taxation	(1,152)	(462)	(690)	149.4
Taxation	(35)	(106)	71	67.0
Loss after taxation	(1,187)	(568)	(619)	(109.0)

Revenue

Decreased in revenue during current quarter under review as compared to immediate preceding quarter mainly due to the followings:-

- (i) lower revenue from manufacturing sales segment mainly due to the decreased in sales demand from export market and labour shortage had resulted lower productivity of the segment; and
- (ii) however, the decreased in revenue in manufacturing sales segment has partially offset by the increased in revenue in direct selling/retail segment. This is mainly due to most of the physical stores had gradually resumed their operation after transition to endemic phase, sale demands increased for the direct selling/retail products.

Loss before taxation

Increased in loss before taxation during current quarter under review as compared to immediate preceding quarter mainly due to the followings:-

- (i) decreased in revenue in manufacturing sales segment as explained above;
- (ii) increase in operating expenses in direct selling/retail segment; and
- (iii) absence of reversal of allowance provided for receivables accounts in property development and construction segment.

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16. Commentary on Prospects

The Group has been continuously seeking to increase its revenue in manufacturing sales by expanding its market into other countries such as Turkey, France and Australia. Recently, the Group has also entered into a joint-venture partnership to set up a manufacturing plant in Indonesia to increase its production capacity. The Group reviews its market position continuously to meet market trends and consumer demand.

The Proposed Rights Issue will provide avenue for the Group to raise funds to fund its property development and construction projects as well as working capital requirements.

The Group had recently acquired a development land in Bentong via acquisition of a subsidiary. This development land is strategically located in Kampung Bukit Tinggi and connects to various tourist attractions such as Genting Highlands, Berjaya Bukit Tinggi Resort and Genting Sempah. Notable residential settlements within the vicinity includes Kampung Janda Baik, Kampung Cheringin Tengah and Kampung Chemperuh.

The Group also embarked on the acquisition of land in Kinta, which is expected to complete in the 2nd quarter of calendar year 2023. The site of the land is located approximately 4 kilometers from Gopeng and 15 kilometers from Ipoh and is nearby residential areas such as Bandar Seri Botani. This is expected to benefit the development of the land due to the accessibility to such areas and benefit the Group's property development and construction business.

In addition, the Group also intends to expand its property development and construction business via various other initiatives such as acquisition of companies that involved in the property development and construction business as well as acquisition of investment properties in strategic locations or acquire land banks for potential development in strategic locations with high development value.

17. Variance on Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

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18. Taxation

	Individual Period		Cumulative Period	
	Current Quarter 31.12.2022 RM'000	Corresponding Quarter 31.12.2021 RM'000	Current Period to Date 31.12.2022 RM'000	Corresponding Period to Date** 31.12.2021 RM'000
Taxation				
- current period	35	494	149	-
Deferred taxation				
- current period	-	26	(8)	-
	<u>35</u>	<u>520</u>	<u>141</u>	<u>-</u>

19. Notes to the Statements of Profit or Loss and Other Comprehensive Income

	Individual Period		Cumulative Period	
	Current Quarter 31.12.2022 RM'000	Corresponding Quarter 31.12.2021 RM'000	Current Period to Date 31.12.2022 RM'000	Corresponding Period to Date** 31.12.2021 RM'000
Depreciation of property, plant and equipment	221	214	397	-
Depreciation of right-of-use assets	22	6	43	-
Impairment loss:				
- provided for	-	146	-	-
- reversal	-	(537)	-	-
Allowance for slow moving inventories:				
- provided for	-	44	81	-
- reversal	(109)	-	(376)	-
Interest expenses	193	378	480	-
Reversal of liquidated ascertained damages	-	(36)	-	-
Interest income	(37)	(46)	(81)	-
Foreign exchange loss/(gain):				
- realised	163	(79)	355	-
- unrealised	63	(53)	(240)	-

Note:-

** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

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20. Status of Corporate Proposals

There were no corporate proposals as at 17 February 2023 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion save as follows:-

(a) The Proposed Acquisition as mentioned in Note 9(i); and

(b) The Proposed Rights Issue mentioned in Note 10(i).

21. Utilisation of Proceeds

Private Placement

On 19 May 2021, the Company has completed a private placement of 23,000,000 new Classita Shares at an issue price of RM0.345 each following the listing of 23,000,000 new Classita Shares in the Main Market of Bursa Securities.

At 31 December 2022, the status of the utilisation of proceeds raised from Private Placement taking into consideration the variation announced on 29 November 2022 is as follows:-

Purpose	Revised utilisation of proceeds after variation (A)	Amount utilised at 31 December 2022 (B)	Balance unutilised (A-B)	Revised timeframe for utilisation of proceeds
	RM'000	RM'000	RM'000	
Property development project	560	(560)	-	-
General working capital	7,140 [#]	(5,629)	1,511	Within 12 months*
Expenses for private placement exercise	235 [#]	(235)	-	-
	7,935	(6,424)	1,511	

Notes:

* - From 29 November 2022 (i.e. the date of Board's approval for the variation).

- As the actual expenses for the corporate exercise was lower than the estimates expenses for the said corporate exercise, hence, the surplus amount (i.e. approximately RM15,000) has been re-allocated the general working capital of the Group.

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22. Borrowings and Debts Securities

	As at 31.12.2022			As at 31.12.2021		
	Long Term RM'000	Short Term RM'000	Total RM'000	Long Term RM'000	Short Term RM'000	Total RM'000
Secured:						
- Lease liabilities	222	70	292	223	70	293
- Term loans	7,598	1,404	9,002	8,556	2,202	10,758
- Bank overdrafts	-	424	424	-	269	269
- Others	-	-	-	-	1,784	1,784
Unsecured:						
- Bank overdrafts	-	503	503	-	215	215
	7,820	2,401	10,221	8,779	4,540	13,319

23. Material Litigation

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

Caely Holdings Bhd v Leong Seng Wui & 7 others

Plaintive (**P**):

Caely Holdings Bhd

Defendants (**D**):

D1. Leong Seng Wui

D2. Kok Kwang Lim

D3. Vahalla Capital

D4. Island Synergy Sdn Bhd

D5. Goh Choon Heng

D6. Goh Choon Kim

D7. Alliancegroup Nominees (Tempatan) Sdn Bhd

D8. Hong Seng Capital Sdn Bhd

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

- 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**);
- 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
- 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.

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.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

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23. Material Litigation (continued)

23.2 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**):

P1. Leong Seng Wui

P2. Kok Kwang Lim

P3. Vahalla Capital Sdn bhd

Defendants (**D**):

D1. Caely Holdings Bhd

D2. Mega Corporate Services Sdn Bhd

D3. Lim Chee Pang

D4. Lim Say Leong

D5. Ng Chun Hau

D6. Beh Hong Shien

D7. Fong Nyok Yoon

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 P 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;

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23. Material Litigation (continued)

23.2 Kuala Lumpur High Court Originating Summons No.: WA-24NCC-178-03/2022 (continued)

- (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
- (i) 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.

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.

23.3 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**):

D1. Lim Chee Pang

D2. Lim Say Leong

D3. Beh Hong Shien

D4. Dato' Wira Ng Chun Hau

D5. Noor Azri bin Dato Sri Noor Azerai

D6. Datuk Seri Mazlan bin Lazim

D7. Caely Holdings Bhd ("CBH")

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

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23. Material Litigation (continued)

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

- (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.

23.4 Ipoh High Court Suit No.: AA-22NCVC-66-08/2022

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

Plaintiffs (**P**):

P1. Caely Holdings Bhd

P2. Caely (M) Sdn Bhd

Defendants (**D**):

D1. Fong Nyok Yoon

D2. Chuah Chin Lai

D3. Goh Choon Kim

D4. Chin Boon Long

D5. Chong Loong Men

D6. Leong Seng Wui

D7. Kok Kwang Lim

D8. Vahalla Capital Sdn Bhd

D9. Hong Seng Capital Sdn Bhd

D10. Goh Choon Heng

D11. Lohur Sejahtera Sdn Bhd

D12. 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;

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23. Material Litigation (continued)

23.4 Ipoh High Court Suit No.: AA-22NCVC-66-08/2022 (continued)

- (e) injunction to restrain the Defendants from requisitioning further extraordinary general meetings to take over the board of P1;
- (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.

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

23.5 Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn. Bhd. (“Plaintiffs (i)”) v Classita (“Defendant (i)”) – Case No.: WA-24NCC-732-06/2022 (“Suit 732”)

The Plaintiffs (i) requisitioned an extraordinary general meeting which was purportedly held on 15 June 2022. The Defendant (i) had on the same day made an announcement stating that the said extraordinary general meeting was adjourned on the various grounds stipulated therein.

The Plaintiffs (i) applied for the following orders pursuant to Suit 732:-

- (a) A declaration that the adjournment of the extraordinary general meeting 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 Act;
- (c) A declaration that the extraordinary general meeting had continued (after the invalid adjournment) with all the Resolutions approved at the continued extraordinary general meeting 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 extraordinary general meeting on 15 June 2022 as per I above shall take effect on 15 June 2022;
- (e) An order to compel the Defendant (i) and/or its agents and/or employees, including but not limited to the Company Secretary of the Defendant (i) to do all necessary to give effect to the Resolutions approved at the continued extraordinary general meeting 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 Securities with immediate effect;

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23. Material Litigation (continue)

23.5 Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn. Bhd. (“Plaintiffs (i)”) v Classita (“Defendant (i)”) – Case No.: WA-24NCC-732-06/2022 (“Suit 732”) (continued)

- (f) An injunction restraining the Defendant (i) 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 No. 3 to 12 of the Notice for the extraordinary general meeting, from acting and/or holding themselves as directors of the Defendant (i), 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 Defendant (i) aside from the open market pending the conclusion of Suit 732; and
- (g) Any omission, defect, error, irregularity and/or deficiency of notice or time in connection with the extraordinary general meeting, including but not limited to the Notice for the extraordinary general meeting and the Special Notice, if any shall be validated and cured.

On 18 August 2022, the Defendant (i) filed an application to transfer Suit 732 to be heard with Suit 171 pertaining to the calling of the extraordinary general meeting (“**Transfer Application**”). On 23 August 2022, the Transfer Application was dismissed. On 24 August 2022, the Defendant (i) appealed against the decision of the Transfer Application (“**Transfer Appeal**”).

On 29 August 2022, the High Court of Malaya in Kuala Lumpur (“**High Court**”) granted an order (“**Order**”) allowing items (a) to (f) of the Plaintiffs (i)’s application in Suit 732 above, with costs of RM30,000.00 subject to allocator.

As a result of the Order, a new board of directors of the Defendant (i) has been appointed.

Between 20 September 2022 and 21 September 2022, Messrs. Bachan & Kartar filed a Notice of Change of Solicitors, an application to stay the Order (“**Stay Application**”) and a notice of appeal to appeal against the Order (“**EGM Regularity Appeal**”) purportedly for and on behalf of the Defendant (i) and Proposed Contemnors (as defined hereunder).

On 14 October 2022, the Defendant (i) filed a striking out application (“**Striking Out Application**”) to, amongst others, strike out the Stay Application and all other cause papers filed by Messrs. Bachan & Kartar purportedly for and on behalf of the Defendant (i) and for a declaration that Messrs. Bachan & Kartar has no authority, mandate and warrant to act for and on behalf of the Defendant (i) and to hold out itself as the solicitors of the Defendant (i).

On 14 October 2022 and 17 October 2022, Messrs. Ahmad Deniel, Ruben & Co. filed Notices of Change of Solicitors in the suit and in the EGM Regularity Appeal to take over conduct from Messrs. Bachan & Kartar.

On 20 October 2022, the Defendant (i) filed a Notice of Motion in EGM Regularity Appeal (“**Striking Out Motion**”) for, amongst others, to strike out the Notice of Appeal and all other cause papers filed by Messrs. Bachan & Kartar or Messrs. Ahmad Deniel, Ruben & Co purportedly for and on behalf of the Defendant (i) and for declarations that Messrs. Bachan & Kartar and Messrs. Ahmad Deniel, Ruben & Co has no authority, mandate and warrant to act for and on behalf of the Defendant (i) and to hold itself as the solicitors of the Defendant (i).

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23. Material Litigation (continue)

23.5 Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn. Bhd. (“Plaintiffs (i)”) v Classita (“Defendant (i)”) – Case No.: WA-24NCC-732-06/2022 (“Suit 732”) (continued)

On 25 October 2022, it was clarified to the Court in Suit 732 that Messrs. Bachan & Kartar and Messrs. Ahmad Deniel, Ruben & Co do not act for the Defendant (i) after the Order. After hearing the parties, the High Court ordered the following:

- (a) upon the application of Messrs. Ahmad Deniel, Ruben & Co to withdraw the Stay Application, the High Court struck out the Stay Application with costs of RM5,000.00 to be paid by the Proposed Contemnors (as defined hereunder) to the Plaintiffs (i);
- (b) order in terms of the Striking Out Application, except for prayer (b) above with the costs of RM5,000.00 to be paid by the Proposed Contemnors (as defined hereunder) to the Defendant (i); and
- (c) allowed the oral amendments to delete reference to the Defendant (i) in the Notices of Change of Solicitors dated 14 October 2022 filed by Messrs. Ahmad Deniel, Ruben & Co.

On 8 November 2022, the Defendant (i) has filed the Notices of Withdrawal of Appeal for the Transfer Appeal and the EGM Regularity Appeal. Further details on the status of the EGM Regularity Appeal are as set out in Part 23.9 below.

On 5 December 2022, leave of the High Court has been granted to the Defendant (i) to commence committal proceedings against Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria and Koo Chen Yeng (“**Proposed Contemnors**”) in respect of breaches of the Order. The Defendant (i) had on 14 December 2022 filed the Notice of Application to commence committal proceedings against the Proposed Contemnors in respect of breaches of the Order (“Enclosure 129”).

The High Court has set the date of 1 March 2023 for case management in relation to the aforementioned committal proceedings to update the High Court on the status of service unto the Proposed Contemnors.

The Defendant (i)’s solicitors are of the opinion that Defendant (i) has put forth good grounds in support of Enclosure 129.

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23. Material Litigation (continued)

23.6 Classita, Caely (M) Sdn Bhd, a wholly-owned subsidiary of Classita (“Plaintiffs (ii)”) v Datin Fong Nyok Yoon, Dato’ Chuah Chin Lai, Siow Hock Lee, Ooi Say Teik, Hem Kan @ Chan Hong Kee, Ng Boon Kang, Tan Loon Cheang, Dato’ Wira Ng Chun Hau, Lim Chee Pang, Lim Say Yeong, Beh Hong Shien, Gok Ching Hee (“Defendants (ii)”) – Case No.: BA-22NCC-133-10/2022 (“Suit 133”)

On 19 October 2022, the Plaintiffs (ii) has filed Suit 133 against the Defendants (ii) relating to the misappropriation of funds of not less than RM30,552,000 from Caely (M) Sdn Bhd (“**Misappropriation**”), 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 Defendants (ii), amongst other, seek for:-

- (a) general damages to be assessed by the Court (“**General Damages**”);
- (b) special damages in the sum of RM30,552,000 (“**Special Damages**”);
- (c) exemplary damages to be assessed and awarded together with the General Damages by the Court (“**Exemplary Damages**”);
- (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.

The Defendants (ii) have filed their memorandum of appearance respectively.

On 15 December 2022, Siow Hock Lee and Hem Kan @ Chan Hong Kee filed their defences and a notice to seek contribution or indemnity against Datin Fong Nyok Yoon and Dato’ Chuah Chin Lai.

On 21 December 2022, Datin Fong Nyok Yoon and Dato’ Chuah Chin Lai filed their defence and counter-claim against the Plaintiffs (ii); Ooi Say Teik filed his defence; Dato’ Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien filed their defence and counter claim against the Plaintiffs (ii) and the present directors of Classita; and Lim Say Yeong filed his defence.

Ng Boon Kang, Tan Loon Cheang and Gok Ching Hee have sought for an extension of time to file their respective defences, to which the Plaintiffs (ii) have no objection for them to file their respective defences on or before 18 January 2023.

During the case management on 30 November 2022, the Plaintiffs (ii) have indicated that they intend to file a composite reply to the Defendants (ii)’s defences.

During the case management on 19 January 2023, the High Court of Malaya in Shah Alam (“High Court (ii)”) has set the next case management date on 3 February 2023.

During the case management on 3 February 2023, the High Court (ii) gave the following directions:-

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23. Material Litigation (continued)

23.6 Classita, Caely (M) Sdn Bhd, a wholly-owned subsidiary of Classita (“Plaintiffs (ii)”) v Datin Fong Nyok Yoon, Dato’ Chuah Chin Lai, Siow Hock Lee, Ooi Say Teik, Hem Kan @ Chan Hong Kee, Ng Boon Kang, Tan Loon Cheang, Dato’ Wira Ng Chun Hau, Lim Chee Pang, Lim Say Yeong, Beh Hong Shien, Gok Ching Hee (“Defendants (ii)”) – Case No.: BA-22NCC-133-10/2022 (“Suit 133”) (continued)

- (i) in respect of the main action, Plaintiffs (ii) to file Reply (to the Defendants (ii)’s defences) on or before 8 February 2023;
- (ii) in respect of Datin Fong Nyok Yoon and Dato’ Chuah Chin Lai’s counter-claim, the Plaintiffs (ii) are to file their Defence to Datin Fong Nyok Yoon and Dato’ Chuah Chin Lai’s counter-claim on or before 8 February 2023;
- (iii) in respect of Dato’ Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien’s counter-claim, the Plaintiffs (ii) are to file their Defence to Dato’ Wira Ng Chun Hau, Lim Chee Pang and Beh Hong Shien’s counter-claim on or before 8 February 2023;
- (iv) in respect of Siow Hock Lee and Hem Kan @ Chan Hong Kee’s application for further and better particulars (“**SHL & HK’s Further and Better Particulars**”), Siow Hock Lee and Hem Kan @ Chan Hong Kee are to file their affidavit in reply to the Plaintiff (ii)’s affidavit in reply dated 17 February 2023;
- (v) in respect of Ooi Say Teik’s striking out application (“**OST’s Striking Out Application**”), the Plaintiffs (ii) are to file their affidavit in reply on or before 17 February 2023, and Ooi Say Teik is to file his affidavit in reply on or before 3 March 2023; and
- (vi) The High Court (ii) has directed that the next case management shall be fixed on 27 March 2023.

On 8 February 2023, the Plaintiffs (ii) filed their Reply and Defence to Counterclaim.

On 13 February 2023 the Plaintiff (ii)’s solicitors received SHL & HK’s Affidavit in Reply in respect of SHL & HK’s Further and Better Particulars.

On 17 February 2023, the Plaintiffs (ii) filed their Affidavit in Reply in respect of OST’s Striking Out Application.

The Plaintiffs (ii)’s solicitors are of the opinion that Plaintiffs (ii) has put forth good grounds in support of Suit 133.

Classita Holdings Berhad (Formerly known as Caely Holdings Bhd.)

[Company No.: 199601036023 (408376-U)]

23. Material Litigation (continued)

23.7 Dato' Wira Ng Chun Hau ("Plaintiff (iii)") v Classita, Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan a/l Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khow Chuan Wah ("Defendants (iii)") – Defamation Suit ("Defamation Suit")

The Plaintiff (iii) had referred to Classita's published or caused to be published a press release entitled – "Caely Lodges Police Report to investigate RM30.55 million Misappropriated Funds by Its Former Board" ("**Press Release**") and asserts that the Press Release contains statements which are defamatory of him.

The Plaintiff (iii) seeks against the Defendants (iii) the following:

- (a) Damages for libel, including aggravated damages and exemplary damages;
- (b) An injunction restraining Classita, whether by itself, its servant, or agents or otherwise and Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan a/l Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khow Chuan Wah from publishing or cause to be published the said or similar statements defamatory of the Plaintiff (iii);
- (c) interests;
- (d) costs; and
- (e) further and/or other relief that the Court deems fit.

During the case management on 17 January 2023, the High Court of Malaya in Kuala Lumpur ("**High Court (iii)**") has set the next case management date on 3 February 2023.

During the case management on 3 February 2023, the High Court (iii) has directed that:-

- (i) in respect of Defendants (iii)'s application to disqualify the Plaintiff (iii)'s solicitors from acting for the Plaintiff (iii), a hearing is fixed on 30 March 2023 ("**Disqualification Application**");
- (ii) the Plaintiff (iii) to file Affidavit in Reply in respect of the Disqualification Application on/before 20 February 2023;
- (iii) the Defendants (iii) to file Affidavit in Reply in respect of the Disqualification Application on/before 6 March 2023;and
- (iv) in respect of the main action of the Defamation Suit, a case management is fixed on 30 March 2023 after the hearing of the Disqualification Application.

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23. Material Litigation (continued)

23.8 Dato' Sri Tee Yam, Wong Siaw Puie ("Plaintiffs (iv)") v Classita ("Defendant (iv)") – Case No.: WA-22NCC-567-11/2022 ("Suit 567")

The Plaintiffs (iv) had allegedly advanced to the Defendant (iv) the total sum of RM3,959,365.49 for day-to-day operation and/or management costs.

The Plaintiffs (iv) seek against the Defendant (iv) for the following:-

- (a) the sum of RM3,959,365.49;
- (b) interest of 5% per annum calculated daily on RM3,959,365.49 from the date of filing of the writ until the date of judgement;
- (c) costs of this action with interest of 5% per annum from the date of judgement; and
- (d) other reliefs as the High Court of Malaya in Kuala Lumpur ("**High Court (iv)**") deems fit and proper to grant.

On 7 December 2022, the Defendant (iv) issued to the Plaintiffs (iv) a letter to seek further and better particulars in respect of the amended statement of claim dated 7 November 2022 and a notice to produce documents pursuant to the pleadings dated 7 November 2022.

On 13 December 2022, the Plaintiffs (iv) replied with a letter providing further and better particulars.

On 20 December 2022, the Plaintiffs (iv) served an affidavit which was affirmed on the same day exhibiting copies of the documents requested by the Defendant (iv).

On 5 January 2023, the Plaintiffs (iv) served their amended writ and re-amended statement of claim, which were both dated 4 January 2023.

On 16 January 2023, the Plaintiffs (iv) filed a Notice of Application dated 16 January 2023 to enter summary judgment against the Defendants on the Plaintiff's claims or any part thereof ("**Summary Judgment Application**").

The Defendant (iv) has sought an extension of time to file their amended defence on or before 2 February 2023, to which the Plaintiffs (iv) have no objection to.

During the case management on 25 January 2023, the High Court (iv) has directed the Defendant (iv) to file and serve their amended defence and counter-claim on or before 9 February 2023 and have set the date of 5 April 2023 for the hearing of the Plaintiffs (iv)'s summary judgment application in relation to Suit 567 against the Defendant (iv).

On 9 February 2023, the Defendant (iv) filed and served its Amended Defence and Counter Claim re-dated 9.2.2023.

On 15 February 2023, the Defendant (iv) filed and served its Affidavit in Reply in respect of the Summary Judgment Application.

The Defendant (iv)'s solicitors are of the opinion that the Defendant (iv) has put forth a strong defence to resist Suit 567.

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[Company No.: 199601036023 (408376-U)]

23. Material Litigation (continued)

23.9 Classita, Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria, Koo Chen Yeng (“Appellants”) v Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn Bhd (“Respondents”) – Court of Appeal Civil Appeal No.: W-02(NCC)(A)-1792-09/2022 (“Suit 1792”)

Suit 1792 is the EGM Regularity Appeal, i.e. the appeal against the Order as stipulated in 23.5 above, allowing Suit 732 (“**Enclosure 1**”).

On 8 November 2022, Classita filed a Notice of Withdrawal of Appeal (“**Notice**”) to withdraw the appeal against the Respondents. Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria and Koo Chen Yeng who are the purported 2nd to 6th Appellants strenuously objected to Classita’s withdrawal of the Appeal against the Respondents.

On 19 December 2022 during the case management and in view of the Notice, the Court of Appeal has:

- (a) fixed Enclosure 1 for disposal in respect of the 1st Appellant therein, i.e. Classita on 12.5.2023;
- (b) fixed Classita’s striking out application dated 20 October 2022 (“**Enclosure 4**”) and the Respondents’ striking out application both dated 25 October 2022 (“**Enclosures 8 and 10**”) for hearing on 12 May 2023;
- (c) fixed Enclosure 1, Enclosure 4 and Enclosures 8 and 10 for further case management on 27 April 2023 to ensure compliance with directions given pertaining to the filing of written submission; and
- (d) fixed Enclosure 1, Enclosure 4 and Enclosures 8 and 10 for further case management on 16 May 2023 to update the Court of Appeal on the status of Suit 1792.

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24. (Loss)/Earnings Per Share

24.1 Basic (loss)/earnings per share

The basis (loss)/earnings per share is calculated by dividing the (loss)/profit after taxation attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

	Individual Period		Cumulative Period	
	Current Quarter 31.12.2022	Corresponding Quarter 31.12.2021	Current Period to Date 31.12.2022	Corresponding Period to Date ** 31.12.2021
(Loss)/profit attributable to equity holders of the Company (RM'000)	(1,187)	1,087	(1,755)	-
Weighted average number of ordinary shares in issue (Unit'000)	304,784	257,439	281,513	-
Basic (loss)/earnings per share (sen)	<u>(0.39)</u>	<u>0.42</u>	<u>(0.62)</u>	<u>-</u>

Note:-

- ** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

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24. (Loss)/Earnings Per Share (continued)

24.2 Diluted (loss)/earnings per share

The diluted (loss)/earnings per share is calculated by dividing the (loss)/profit after taxation attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares that would have been issued upon the full exercise of the remaining Warrants B.

	Individual Period		Cumulative Period	
	Current Quarter 31.12.2022	Corresponding Quarter 31.12.2021	Current Period to Date 31.12.2022	Corresponding Year to Date ** 31.12.2021
(Loss)/profit attributable to equity holders of the Company (RM'000)	(1,187)	1,087	(1,755)	-
Weighted average number of ordinary shares in issue (Unit'000)	304,784	257,439	281,513	-
Effects of dilution*: Effect of outstanding warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Unit'000)	304,784	257,439	281,513	-
Diluted (loss)/earnings per share (sen)	(0.39)	0.42	(0.62)	-

Notes:-

* - The effects of potential ordinary shares arising from the exercise of warrants are anti-dilutive and accordingly, they have been ignored in the calculation of dilutive (loss)/earnings per share. As a result, the dilutive (loss)/earnings per share is the same as basic (loss)/earnings per share.

** - In view of the changed of financial year end from 12 months ended 31 March 2022 to 15 months ended 30 June 2022, there is no comparative figures for the preceding year-to-date. The current reporting financial period is for a period of 6 months, made up from 1 July 2022 to 31 December 2022.

25. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the directors on 24 February 2023.