Caely Holdings Bhd.

[Registration No. 199601036023 (408376-U)]

Stepping Forward

ANNUAL REPORT 2020

CONTENTS

VISION

To be No. 1 International Lingerie manufacturer and leading direct selling company through multi-level marketing system in Malaysia

MISSION

- Committing to produce superb quality and innovation product
- Adapting to the rapid economical and technological changes
- Emphasizing on excellent services to our customers.
- Leading the field with an innovative and competent team of people
- Yielding consistent profit growth in line with the needs of shareholders, employees, business associates and the community in which we operate

BOARD OF DIRECTORS

Datin Fong Nyok Yoon
Executive Chairperson/
Non-Independent Executive Director

Dato' Chuah Chin Lai
Managing Director/
Non-Independent Executive Director

Ng Boon Kang
Independent Non-Executive Director

Tan Loon Cheang
Independent Non-Executive Director

Lai Kian Huat
Non-Independent Non-Executive Director

RISK MANAGEMENT AND AUDIT COMMITTEE

Chairman
Ng Boon Kang

Member
Tan Loon Cheang

REMUNERATION COMMITTEE

Chairman
Tan Loon Cheang

Members
Datin Fong Nyok Yoon
Ng Boon Kang

NOMINATION COMMITTEE

Chairman
-

Members
Ng Boon Kang
Tan Loon Cheang

COMPANY SECRETARIES

Chan Sau Leng
(MAICSA 7012211)
(SSM Praticing Cert. No. 202008002709)
Ruzeti Emar Binti Mohd Rosli
(LS 0010372)
(SSM Praticing Cert. No. 202008000974)

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name : CAELY
Stock Code : 7154

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Koo Kay Kim
Seksyen 13,
46200 Petaling Jaya,
Selangor
Tel : 03 - 7890 4800
Fax : 03 - 7890 4650

AUDITORS

PKF (AF 0911)
Chartered Accountants
No. 416, Jalan Dato Keramat
10460 Georgetown
Penang.
Tel : 04 - 218 9653
Fax : 04 - 218 9653

SHARE REGISTRAR

Mega Corporate Service Sdn Bhd
(187984-H)
Level 15-2
Bangunan Faber Imperial Court,
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03 - 2692 4171
Fax : 03 - 2732 5388

PRICIPAL BANKERS

OCBC Bank (Malaysia) Bhd
Malayan Banking Bhd
Hong Leong Bank Bhd
Ambank (M) Bhd
Affin Bank Bhd
CIMB Bank Bhd

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting ("AGM") of Caely Holdings Bhd. will be convened and held at Lower Perak Club, Jalan Denai Intan, Bandar Baru, 36000 Teluk Intan, Perak Darul Ridzuan on Monday, 28 September 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

AGENDA

ORDINARY BUSINESS

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2020 together with the Directors' and Auditors' Reports thereon. (Please refer to Explanatory Note I)

2. To approve the payment of Directors' fees amounting to RM312,000.00 for the financial year ended 31 March 2020. (Ordinary Resolution 1)

3. To approve the payment of Directors' fees and benefits up to an amount of RM450,000.00 to the Directors with effect from 29 September 2020 until the next AGM. (Ordinary Resolution 2)

4. To approve the re-election of the following Directors who retire pursuant to Clause No. 99 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
   i. Datin Fong Nyok Yoon; and (Ordinary Resolution 3)
   ii. Dato' Chuah Chin Lai. (Ordinary Resolution 4)

5. To re-appoint Messrs PKF as Auditors of the Company for the financial year ending 31 March 2021 and to authorise the Directors to determine their remuneration. (Ordinary Resolution 5)

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution:-

6. **Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016** (Ordinary Resolution 6)

   "THAT subject always to the Companies Act, 2016 ("the Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and the approval of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. To transact any other business of the Company which due notices shall be given in accordance with the Companies Act, 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHAN SAU LENG (MAICSA 7012211)
(SSM Practicing Certificate No. 202008002709)
RUZETI EMAR BINTI MOHD ROSLI (LS 0010372)
(SSM Practicing Certificate No. 202008000974)
Joint Secretaries

Selangor Darul Ehsan
28 August 2020

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at **17 September 2020** ("General Meeting Record of Depositors") shall be regarded as members entitled to attend, speak and vote at the Meeting.

2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.

3. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised

6. The instrument appointing a proxy must be deposited at the Registered Office situated at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of General Meeting to be put to vote by poll.

PERSONAL DATA PRIVACY :

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES :

1. **Statutory Financial Statements for the financial year ended 31 March 2020**

   This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act requires the Statutory Financial Statements to be laid at the AGM. As such, this agenda item does not require shareholders' approval and hence, is not put forward for voting.

2. **Ordinary Resolution No. 2 – Directors' Fees and Benefits**

   Ordinary Resolution No. 2 relates to the proposed payment of Directors' fees and benefits to the Directors from 29 September 2020 until the next AGM of the Company, which comprise the following:-

	Board Chairman	Executive Directors	Non-Executive Directors
Directors' Fees	RM72,000.00	RM72,000.00	RM168,000.00
Meeting Allowance for attendance of Board and Board Committee Meetings	RM500.00 per meeting	RM300.00 per meeting	RM300.00 per meeting
Other Benefits	Company car	Company car	-

3. **Ordinary Resolution No. 6 – Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   The Resolution 6, if approved, will empower the Directors of the Company, from the date of the above AGM, authority to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next AGM of the Company.

   The Mandate is for renewal of the Mandate granted by the members at the last AGM held on 18 September 2019. The Mandate granted at the last AGM was not utilised by the Company and thus, no proceeds were raised.

   The Renewed Mandate will empower the Directors to raise fund via issuance of new shares without delay, in the event of business opportunities arise.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NAMES OF DIRECTORS STANDING FOR RE-ELECTION

1. Ordinary Resolutions 3 and 4 - Re-election of Directors

   a) Director who are retiring pursuant to Clause No. 99 of the Constitution of the Company and seeking for re-election at the forthcoming Twenty-Fourth AGM are as follows:-
      i. Datin Fong Nyok Yoon; and
      ii. Dato' Chuah Chin Lai.

Details of the above Directors are set out in the Directors' Profiles section and their interest in the Company, where applicable, are set out in the Analysis of Shareholdings and Analysis of Warrant Holdings section appearing on pages 14 and 181 to 184 of the Company's Annual Report respectively.

ADMINISTRATIVE GUIDE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING ("24TH AGM") FOR THE SHAREHOLDERS, PROXIES AND OTHER ATTENDEES

Dear Valued Shareholders,

In view of the COVID-19 outbreak, your safety remains our utmost priority. The 24th AGM of the Company will be conducted in accordance with the General Standard Operating Procedures of the Malaysian Government and Private Sector ("General SOP") issued by Malaysian National Security Council on 16 June 2020, Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia on 18 June 2020 ("SC Guidance Note & FAQs").

This Administrative Guide is necessary to ensure that safety measures and controls are undertaken by the Company to safeguard the well-being of our valued shareholders/proxies during the 24th AGM as well as to comply with the Government and/or authorities' directives and guidelines on public gatherings and events which may be issued from time to time.

The Company wishes to highlight that the 24th AGM may be re-scheduled and/or postponed in view of the current COVID-19 Outbreak and the Malaysian Government's announcements or guidelines made from time to time. Please be rest assured that all members, proxies and invited guests of the 24^{th} AGM will be kept informed of any unexpected changes.

PUBLIC HEALTH PRECAUTIONS AND PREVENTIVE MEASURES

- In light of the COVID-19 outbreak, we appreciate if all shareholders, proxies and invited guests take all the necessary precautions and preventive measures as directed by the Ministry of Health when attending the 24th AGM.

- If you are feeling unwell or having **sore throat, flu, fever, cough, aches and pains, nasal congestion, runny nose, diarrhoea or shortness of breath**, and/or you are under high risk group which is **above age of 60**, your attendance in person at the 24th AGM will be denied. Under such circumstances, you are hereby strongly advised and encouraged to submit your Form of Proxy prior to the 24th AGM.

To further safeguard the health and safety of our valued shareholders, proxies and invited guests attending the 24th AGM in person, the Company will also implement the following precautionary measures:-

(a) The Company will limit the number of attendees including invited guests to be physically present at the venue of the 24th AGM to **50 persons only** based on the size of the venue. Hence, the total **shareholders allowed to be present in person or by proxy or attorney or authorised representative shall preferably be limited to not more than 35 persons only,** after taking into consideration of the attendance of the Directors, Group Accountant, Company Secretary, Poll Administrators, Scrutineers and Auditors. The registration for the 24th AGM shall be on a ***first-come-first-serve basis***.

(b) Shareholders, proxyholders and corporate representatives ("Participants") are required to undergo a compulsory body temperature screening and will be required to provide his/her health declaration status via the MySejahtera application during the registration process. Any person with a body temperature of above 37.5° C or is experiencing any symptoms of being unwell as mentioned above, will **NOT** be allowed to enter the venue of the 24th AGM.

(c) The Participants are required to wear face mask before entering the 24^{th} AGM venue and throughout the proceedings. Please be informed that the Company will not be providing face masks.

(d) Participants are required to use the hand sanitiser provided by the Company before and after the 24^{th} AGM.

ADMINISTRATIVE GUIDE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING ("24TH AGM") FOR THE SHAREHOLDERS, PROXIES AND OTHER ATTENDEES (continued)

REGISTRATION PROCESS

1. **Pre-Registration**

   Pursuant to SC Guidance Note & FAQs, the Participants who attend the 24th AGM in person are required to pre-register themselves with the Company by providing their name, NRIC/Passport No. and CDS account no. to the Company via email at yenwahchoo@classita.com.my not later than **Saturday, 26 September 2020 at 10.00 a.m**., failure whereof the Participants will be denied entry at the 24th AGM.

   Thereafter, Participants will be notified via email once the registration is successful. This is to allow the Company to make the necessary arrangements for the 24th AGM.

2. **Registration Document**

   In compliance with the General SOP issued by the Malaysian National Security Council for the proper conduct of the 24th AGM, the Participants are required to present their original Malaysian Identity Card ("MyKad") to the registration staff for the purpose of verification against the pre-registration of attendance mentioned above.

3. **MySejahtera Application**

   Please download the MySejahtera application in advance and upon verification and body temperature screening, scan the QR code for health declaration during the registration process.

4. **Identification Wristband**

   Participant will be given an identification wristband to enter the meeting hall.

Please be mindful of the one meter social distancing practice at all times.

VOTING BY PROXY

In view of the COVID-19 situation, the Company encourages shareholders to exercise their right to vote at the 24th AGM by appointing the Chairperson of the 24th AGM as their proxy and indicate their voting instructions in the Form of Proxy as an alternative to attending the 24th AGM in person.

Please submit your Form of Proxy to the Registered Office of the Company, at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than **Saturday, 26 September 2020 at 10.00 a.m**.

ENQUIRY

If you have any enquiry prior to the 24th AGM, please contact the following during the office hours from Mondays to Fridays, 9.00 a.m. to 5.30 p.m. (except on public holidays):-

a) **Caely Holdings Bhd**
General Line : 605-621 8888
Fax Number : 605-621 5115/605-621 5286
Email : yenwahchoo@classita.com.my

b) **Mega Corporate Service Sdn Bhd**
(Share Registrar)
General Line : 603-2692 4271
Fax Number : 603-2732 5388
Email : hisham@megacorp.com.my
info@megacorp.com.my

Caely Holdings Bhd.
[Reg No. 199601036023 (408376-U)]

- 100% — 卡絲達（馬）有限公司 CLASSITA (M) SDN. BHD. SINCE 1990
  [Reg. No. 198901012685 (189994-T)]
- 100% — Caely (M) Sdn Bhd
  [Reg. No. 198601008796 (157988-V)]
- 100% — CAELY DEVELOPMENT SDN BHD
  [Reg. No. 198901005844 (183149-V)]
- 100% — MARYWAH INDUSTRIES (M) SDN. BHD.
  [Reg. No. 199101002555 (212866-H)]
- 51% — OMNI GREEN SDN BHD
  [Reg. No. 200701014906 (772912-K)]

5 Years Financial Highlights of the Group

	Financial Year Ended 31.03.2020 RM'000	Financial Year Ended 31.03.2019 RM'000	Financial Year Ended 31.03.2018 RM'000	Financial Year Ended 31.03.2017 RM'000	Financial Year Ended 31.03.2016 RM'000
FINANCIAL PERFORMANCE					
Revenue	69,456	85,503	97,946	119,130	118,135
Profit / (loss) before tax	(8,637)	2,589	2,2911	7,182	7,534
Profit / (loss) AFTER tax	(7,542)	1,456	1,263	5,102	4,878
Profit / (loss) attributable to equity holders of the Company	(7,450)	1,508	1,328	5,515	5,159
FINANCIAL POSITION					
ASSETS					
Total Assets	126,474	151,468	141,917	148,822	157,703
Total assets less current liabilities	93,771	102,165	96,725	97,790	95,331
FD, Bank & Cash Balanes	5,184	3,972	4,995	4,963	10,912
LIABILITIES AND SHAREHOLDERS FUNDS					
Borrowings	25,553	28,601	23,089	23,613	31,920
Equity attributable to owners of the Company	81,150	88,356	86,565	86,102	82,797
Gearing (times)	0.32	0.32	0.27	0.27	0.39
Interest cover (times)	0.52	1.36	1.29	4.83	9.62
FINANCIAL RATIOS					
PBT / (LBT) Margin	(12.44)	3.03	2.26	6.03	6.38
PAT / (LAT) after NCI Margin	(10.73)	1.76	1.36	4.63	4.37
Net EPS / (LPS) (sen)	(4.53)	1.85	1.66	6.89	6.45
Return on total assets (%)	-6%	1%	1%	4%	3%
Return on equity (%)	-9%	2%	2%	6%	6%

5 Years Financial Highlights of the Group (continued)

SHARE INFORMATION

The Group is continually endeavoured to enhance shareholders' value by improving its market capitalization. The below illustration sets out the five (5) years highest and lowest transacted prices of the Shares on the Bursa Securities

Year high (RM)	0.595	1.279	1.37	0.565	0.66
Year low (RM)	0.185	0.730	0.38	0.465	0.455
Year Close (RM)	0.215	1.05	0.94	0.495	0.52
Trading volume ('000)	78	413.8	1738.3	83	232.1
Market capitalization (as at the financial year end) (RM ' 000,000)	35.36	85.40	75.20	39.60	41.60

DATIN FONG NYOK YOON

Malaysian / Age 58 / Female
Executive Chairperson
Non-Independent Executive Director

Datin Fong Nyok Yoon was appointed to the Board on 2nd October 2002. She is a member of the Remuneration Committee.

Datin Fong has been involved in the ladies undergarments industry since she started her career in 1985 and has garnered extensive experience and knowledge in this industry. She is the driving force in the Original Equipment Manufacturer (OEM)'s export markets, which has been the dominant revenue contributor to the Group.

Datin Fong is the spouse to Dato' Chuah Chin Lai, the Managing Director and a major shareholder of the Company and Mr. Chuah Lim Tai is her son whom is the General Manager of Direct Sales and Trading Sales segment. Other than Caely Holdings Bhd, she does not hold any other directorship in any other public companies or listed issuer in Malaysia. Currently, she holds directorship in the subsidiaries of CHB.

Save as disclosed above, she does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with CHB. She has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor any sanctions and/or penalties imposed on her by any relevant regulatory bodies during the financial year. She attended all five (5) Board meetings of CHB held during the financial year ended 31st March 2020.

DATO' CHUAH CHIN LAI

Malaysian / Age 60 / Male
Managing Director
Non-Independent Executive Director

Dato' Chuah Chin Lai was appointed to the Board on 2nd October 2002. As Managing Director, he is responsible for strategic management of the Group.

Dato' Chuah has gained vast business acumen with his involvement with various businesses. He and his spouse, Datin Fong Nyok Yoon, were among the founders of the Group's business and Mr. Chuah Lim Tai is his son whom is the General Manager of Direct Sales and Trading Sales segments. He heads the direct selling division and is actively involved in the Group's Property and Construction and OEM export businesses.

Except for Caely Holdings Bhd, he does not hold any external directorships or listed issuer in Malaysia. Currently, he holds directorship in the subsidiaries of CHB.

Saved as disclosed above, he does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with CHB. He does not have any convictions for any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2020. Dato' Chuah attended all five (5) Board Meetings of CHB held during the financial year ended 31st March 2020.

LAI KIAN HUAT

Non-Independent Non-Executive Director
Malaysian / Age 54 / Male

Lai Kian Huat is a Non-Independent Non-Executive Director and was appointed to the Board on 16th April 2018.

Mr. Lai is a fellow Member of the Association of International Accountants in United Kingdom and Certified Financial Planner of the Financial Planning Association of Malaysia. He has over 26 years of experience in accounting, audit, taxation and management matters as well as corporate exercise, treasury and cash management, investigation audit and due diligence assignments.

He had previously held various senior positions in several public and private companies, notably as Independent Non-Executive Director of Ta Win Holdings Berhad., Independent Non-Executive Director and Chairman of Audit Committee of Ideal Jacobs (Malaysia) Corporation Berhad., Executive Director and Chief Financial Controller of SMTrack Berhad., Senior Finance Manager of Perwaja Steel Sdn. Bhd. (Subsidiary of Perwaja Holdings Berhad) and Senior Finance Manager of Megasteel Sdn. Bhd. (a subsidiary of Lion Corporation Berhad.).

Mr. Lai has no family relationship with the other Director and major shareholders of CHB. He has no conflict of interest with CHB and has not been convicted for any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2020. During the financial year, Mr. Lai attended five (5) Board Meetings.

NG BOON KANG

Independent Non-Executive Director
Malaysian / Age 49 / Male

Ng Boon Kang, is an Independent Non-Executive Director and was appointed to the Board on 15th October 2018. He is the Chairman of the Risk Management and Audit Committee, and a member of Nomination Committee and the Remuneration Committee.

Mr. Ng graduated with a Bachelor of Accountancy from University Utara Malaysia in 1996. He is a member of the Malaysia Institute of Accountants, a Certified Financial Planner of the Financial Planning Association of Malaysia and a Registered Financial Planner of Malaysian Financial Planning Council. He has also obtained a tax agent license from the Ministry of Finance Malaysia in 2010.

Mr. Ng started his career with Chuah & Associates as an Audit Assistant in 1996 and was promoted to Audit Senior in 1997. In 1998, he left Chuah & Associates and joined KH Chew & Co as an Audit Manager. In 2004, he left KH Chew & Co. and set up Crest Consulting, which provided business consulting, business planning and restricting services. Crest Consulting has ceased its operations since 21 January 2006. Since 2006, he has joined BK Ng & Associates and TTP & Associates as a Tax Managing Partner and Audit Principal respectively. Previously, he was also an Independent Non-Executive Director of Heng Huat Resources Berhad where he resigned on 2 August 2016.

Mr. Ng has no family relationship with the other Directors and major shareholders of the CHB. He has no conflict of interest with CHB and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2020. During the financial year, he attended five (5) Board Meetings.

TAN LOON CHEANG

Independent Non-Executive Director
Malaysian / Age 50 / Male

Tan Loon Cheang is an Independent Non-Executive Director and was appointed to the Board on 1st October, 2018. He holds the post of Chairman of the Remuneration Committee and is a member of the Risk Management and Audit Committee and Nomination Committee.

Mr. Tan holds an LLB degree from the University of London and was admitted to the Malaysia Bar on 10th February 2001 as an Advocate and Solicitor of the High Court of Malaya. He is a partner in a legal firm dealing in a broad range of the law covering areas such as conveyancing, corporate, civil litigation and family matters.

Mr. Tan has no family relationship with the other Directors and major shareholders of the CHB. He has no conflict of interest with CHB and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31st March 2020. During the financial year, he attended four (4) Board Meetings.

CHUAH LIM TAI

General manager
Malaysian / Age 35 / Male

Mr. Chuah Lim Tai was appointed as a General Manager of Direct Sales and Trading Sales segment on 1st April 2011. He holds a Bachelor of International Trade and Marketing from the University of Victoria, Australia.

Mr. Chuah began his career with Caely (M) Sdn. Bhd. as a Sales and Training Executive on 3rd September 2007 and was promoted to Marketing Manager on 1st May 2009. He was then promoted as a Deputy General Manager on 01st May 2010 and finally to his current position on 1st April 2011. He has thirteen years (13) years of experience in heading the direct sales and retail business in the Group.

Mr. Chuah is the son of Dato' Chuah Chin Lai and Datin Fong Nyok Yoon, the Managing Director and Executive Chairperson of the Group respectively.

Save as disclosed above, Mr. Chuah does not has any family relationship with any Director and/or major shareholders of the Company and does not has any conflict of interest with CHB. He has not convicted of any offences (other than traffic offence, if any) within the past five (5) years. He has not been imposed of any public sanctions and/or penalties by any relevant regulatory bodies during the financial year.

GOK CHING HEE

Chief Financial Officer
Malaysian / Age 49 / Male

Mr. Gok was appointed as a Chief Financial Officer on 11th April 2019. He holds a Bachelor Degree in Accounting (Hons) from Universiti Utara Malaysia in 1996.

Mr. Gok has extensive experience in external and internal auditing, accounting, management consultation and costing is his expertise. Formerly, he was the Chief Executive Officer cum Chief Financial Officer of GTM Group of Companies involving in Construction, Property Development, Hospitality and Manufacturing business, overseeing the operations of the Group's core business.

He does not hold any other directorship in any other public companies or listed issuer in Malaysia, and has no family relationship with any Directors and major shareholders of the Company.

Mr. Gok has no conflict of interest with CHB and does not have any convictions for any offences (other than traffic offences, if any) within the past five (5) years.

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1.1 AUDIT AND NON-AUDIT FEE

A breakdown of fees for audit and non-audit services incurred by the Company and its subsidiary companies for the financial year ended 31 March 2020 is tabulated below:-

	Group (RM'000)	**Company (RM'000)**
Audit Fees	164	65
Non-audit Fees	15	6
Total	179	71

1.2 MATERIAL CONTRACTS

During the financial year, there were no material contracts (not being contracts entered into the ordinary course of business) entered by the Company or its subsidiaries involving the interests of the Directors and major shareholders.

1.3 PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not make any release on the profit estimate, forecast or projection during the financial year ended 31 March 2020.

1.4 PROFIT GUARANTEE

The Company did not make any arrangement which require profit guarantee during the financial year ended 31 March 2020.

1.5 REVALUATION POLICY ON LANDED PROPERTIES

The Group applied revaluation model under Malaysia Financial Reporting Standards ("MFRS") 116 Property, Plant and Equipment, to measure the landed properties.

The Group's landed properties, comprising freehold and leasehold land, factory buildings and residential properties were last revalued on 31 March 2020 valuations are performed at an interval of every five (5) years or at a shorter period to ensure that the fair value of a revalued asset does not differ materially from its carrying value.

This Management Discussion and Analysis ("MDA") enlightens the shareholders with an overview and better understanding of the key business strategies, risks and future prospects of the Group. The MDA should be read in conjunction with the accompanying financial statements for the financial year ended 31 March 2020.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

31 July 2003 is a remarkable day for Caely Holdings Bhd. as it was listed on the Main Market of Bursa Malaysia Securities Berhad. The Manufacturing, Property Development and Construction and Direct Selling and Retail segments remains the principle contributor of the Group's revenue and earnings.

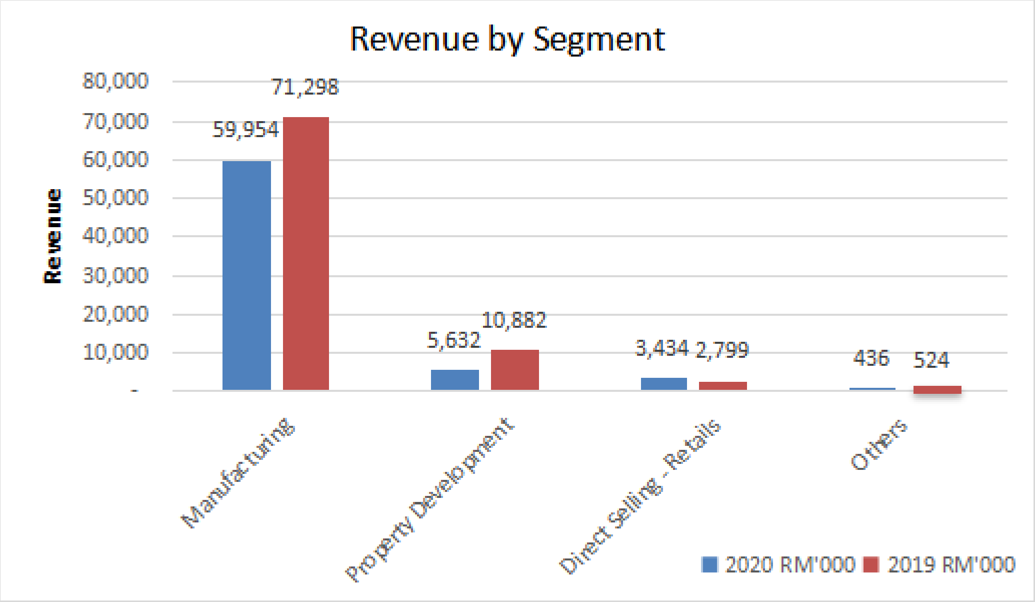
Caely Holdings Bhd. is an investment holding company with its subsidiaries principally involve in Manufacturing and sales of undergarments, Direct Selling and retails business. In 2013, the Group ventured into Property Development and Construction. In the same year, the Group has also decided to footprint into recreational and hospitality business, of which it acquire a 51% equity interest in Omni Green Sdn Bhd.

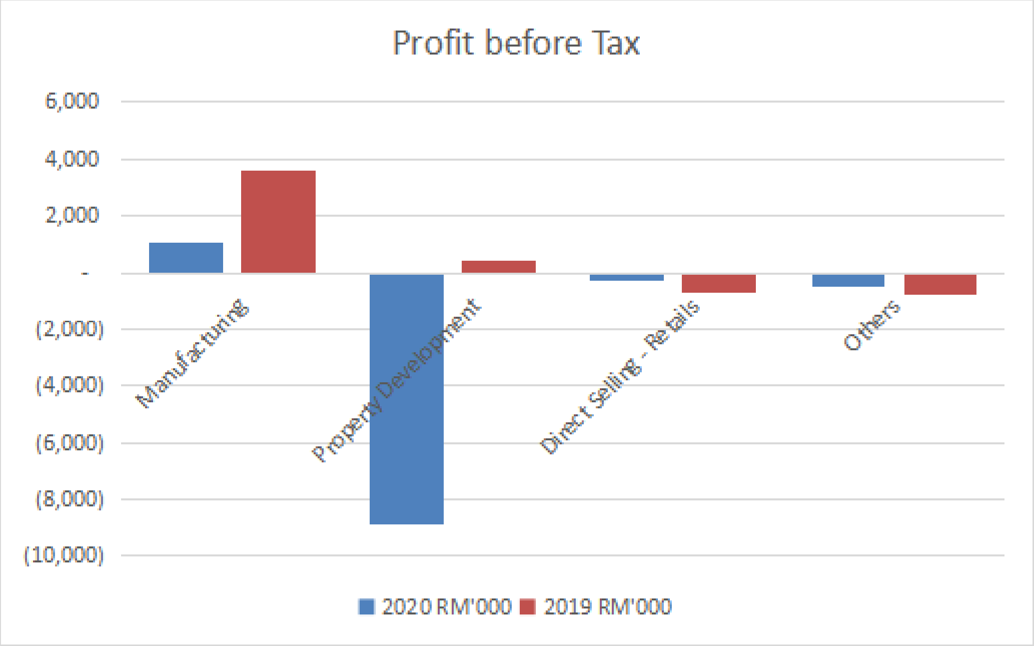
FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 March 2020 under review, our Group recorded a revenue of RM69.46 million, decline by 18.76% from RM85.50 million generated last year. The lower revenue was primarily due to the adverse global economy situation and Covid-19 pandemic which has caused sharp decline of demand in manufacturing segment. The continuing soft property demand due to glut supplies and cautious behaviour of consumers during the uncertain economy situation in the country keep the performance of the property development segment under pressure.

The Group posted a pre-tax loss of RM8.64 million as compared to pre-tax profit of RM2.59 million in the previous financial year. The contributing factors to loss incurred by the Group were adverse economy effect caused by Covid-19 pandemic, provision of Liquidated and Ascertained Damages (LAD), debts impairment, and writing off development expenditure arising from unsuccessful bidding of projects.

The following graph is the summary of revenue and profit before tax comparison for financial years 2020 and 2019 of the Group's business segments.


Revenue by Segment
Revenue
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
59,954
71,298
5,632
10,882
3,434
2,799
436
524
Manufacturing
Property Development
Direct Selling - Retails
Others
2020 RM'000
2019 RM'000


Profit before Tax
6,000
4,000
2,000
-
(2,000)
(4,000)
(6,000)
(8,000)
(10,000)
Manufacturing
Property Development
Direct Selling - Retails
Others
2020 RM'000
2019 RM'000

BUSINESS SEGMENTS

1) Manufacturing segment

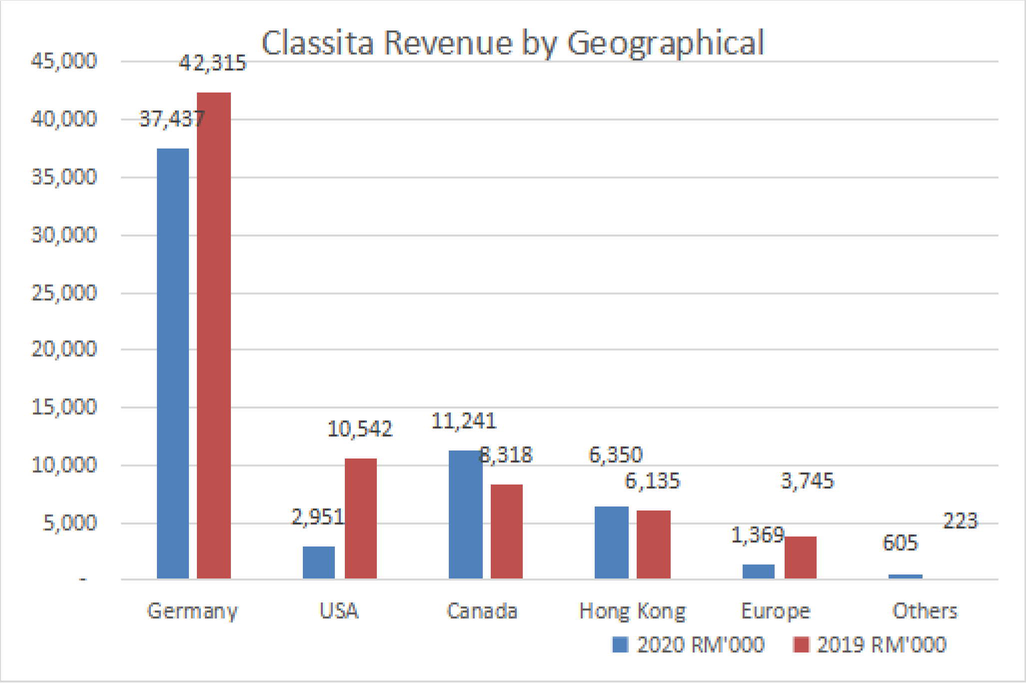
The manufacturing and sales of lingerie is OEM dominant which the customers has its own design and requirement. Majority volume in this segment is for export market, local market has the minimum percentage in term of sales quantum.

During the financial year, revenue from Manufacturing segment, registered a drop of RM11.34 million or 15.91% to RM59.95million from RM71.29million in 2019. The decrease was attributed to the implementation of lockdown by other affected countries and the Movement Control Order (MCO) by Malaysia government and Covid-19 pandemic outbreak throughout the world where supply chain activities and demand for our products were affected adversely.

From the sales order received thus far, the Company foresee that this segment remains the key contributor to our Group's performance in term of revenue and profit from operations. In the local front, our products are primarily marketed under our own brands of Caely and Lunavie; whilst for the export market our products are completely manufactured under foreign OEM brands, such as LC Waikiki, Viania, After Eden, Elbrina, Bon Prix, Voglo and etc.

The export market contributed 86.1% (2019: 83.4%) revenue to the Group in the current financial year. Our Group remains the dominant Malaysian manufacturer of ladies undergarments in the export markets.

The breakdown of manufacturing revenue generated by geographical segment is presented as follows:



In line with the decrease in revenue, current year profit before tax for this segment has decreased by RM2.54 million to RM1.06 million from RM3.60 million in 2019.

Relatively low profit margin earned from the OEM manufacturing sales while it generates majority of the Group's revenue has kept the management highly cost conscious. In the effort of mitigating the high operational cost and keep the operational cost low, the Group has been continually engaged subcontractors in foreign countries such as Myanmar and Bangladesh, to take advantage of the availability of cheaper labour costs and the import duties exemption incentive granted by the importing countries. The manufacturing facility in Malaysia will continue to focus on high margin orders as well as research and development activities to come up with new designs and fittings.

In the effort to increase the source of revenue and tapping into the opportunity during the Covid-19 pandemic outbreak since December 2019, the Group has gradually ventured into manufacturing of medical device products such as reusable fabric face masks and Personal Protective Equipment products consisting of head cover, boots and gowns. The Group is proud to announce that it has successfully obtained the ISO 13485 certification on 17 August 2020, which is a requirement for the medical device products manufacturer.

2) Property Development and Construction segment

The Group started the Construction segment in 2013 and the Property Development segment in the following year. This segment contributed RM5.63 million (2019: RM10.88 million) of our Group's revenue.

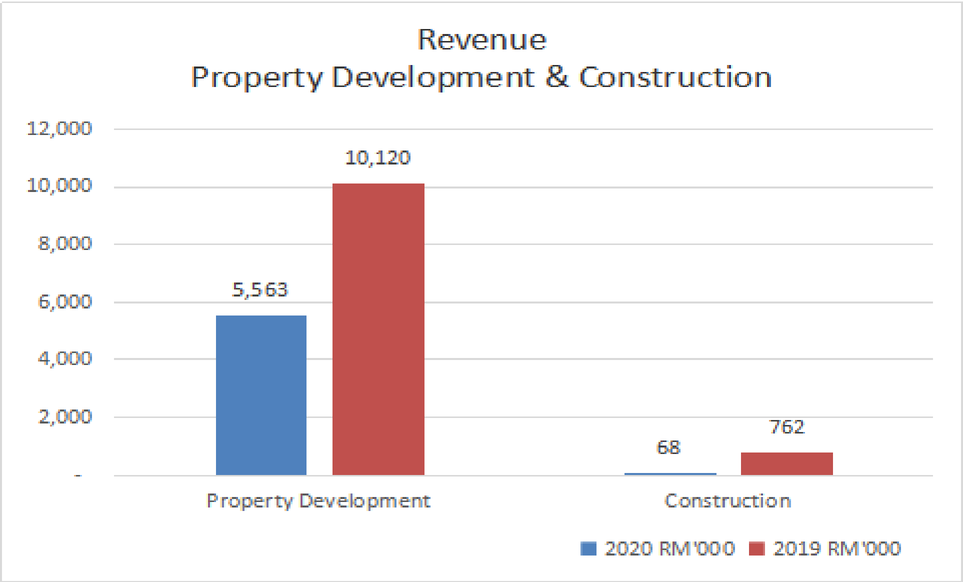
In 2014, our Group started our maiden mixed development project at Taman Universiti Wallagonia, Tapah Road, Perak. This development project is adjoining the Universiti Teknologi Mara ("UiTM"), Tapah campus. Our Group had completed the first phase of this mixed development project with Certificate of Completion and Compliance ("CCC") obtained in September 2017. The next phase of this mixed development project has not been launched yet because of the weak demand in the current property market and Bank Negara's tight credit policy.

We have obtained certificate of fitness for occupation in January 2020 for the development project in the Ulu Kelang area in Selangor, a project consists of 126 units of affordable high rise condominium. This project was once abandoned which our Group has managed to completely revived. A vacant lot measuring approximately 2 acres adjacent to the current condominium project is next in line awaiting future development.

Revenue from Property Development and Construction segment decreased by RM5.25 million or 48.25% from RM10.88 million in 2019 to RM5.63 million in 2020. The decrease was mainly due to weak demand in the local property market.

The segment incurred a loss before tax of RM8.89 million in 2020 compared with profit before tax of RM0.41 million in 2019. The incurring of loss before tax was mainly due to decrease in revenue, provision of LAD and writing off of project development expenditure for unsuccessful bidding of projects.

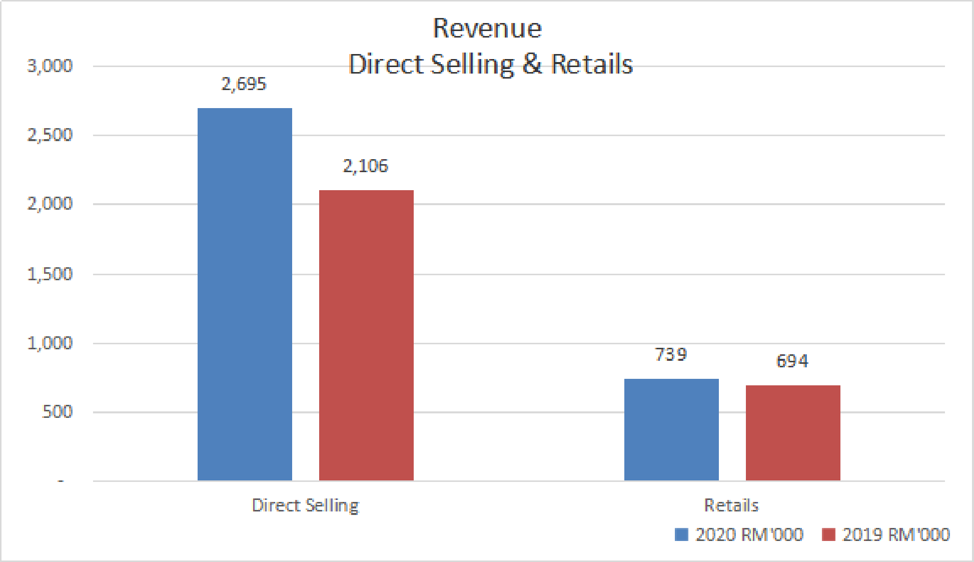
The breakdown of Property Development and Construction segment revenue generated is presented as follows:



3) Direct Selling and Retail segment

The Direct Selling and Retail segment involves the marketing of our house brands of ladies undergarment, childcare and maternity products and other consumer products via direct sales as well as in the retail markets locally. This segment started out initially as multi-level direct selling. In line with the changes of times, our marketing approach has been realigned to suit current consumers' tastes, preference and spending behavior. In 2015, our Group introduced e-commerce marketing platform at www.lunavie.com to penetrate into the younger generation market segment. In addition, our venture into the retail markets created yet another avenue to increase our customer base as well as to promote our house brands to the local market.

The breakdown of Direct Selling and Retail revenue generated by segment is presented as follows:



The revenue for the Direct Selling and Retail segment increased by RM0.63 million or 22.50% to RM3.43 million in 2020 from RM2.80 million as compared to the previous financial year.

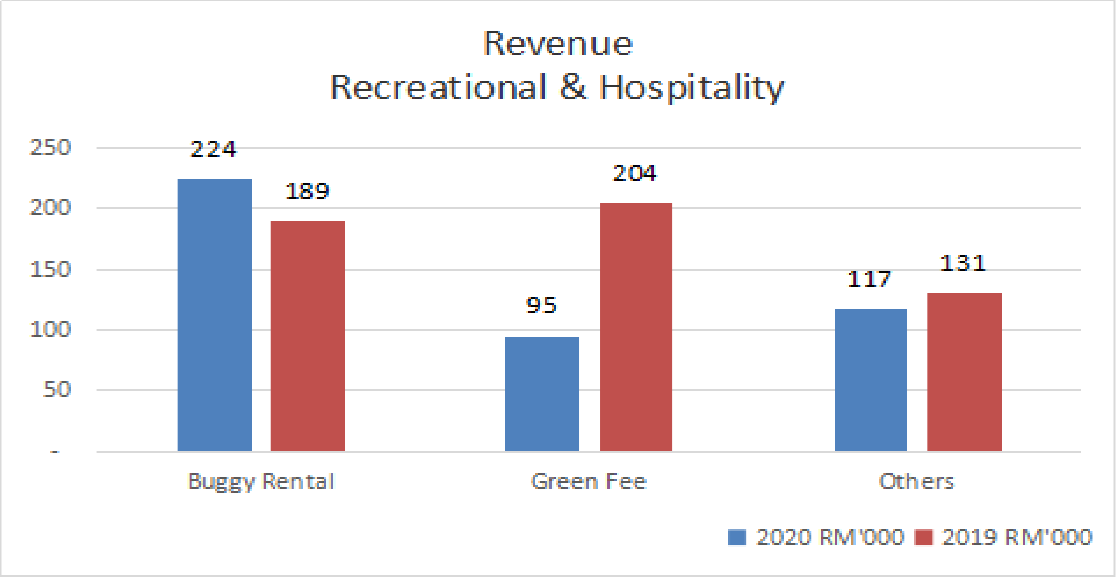
In line with the increase in revenue, this division reported a lower loss before tax of RM0.30 million in year 2020 million compared with loss before tax of RM0.68 million in year 2019.

4) Recreational and Hospitality segment

This segment involves the operation of an 18 holes golf course situated at Lower Perak region. In 2013, our Group acquired a 51% equity interest in Omni Green Sdn. Bhd., which holds a long term management lease for operation of the golf course for a period of 20 years with an option to renew for another 10 years, subject to further terms and conditions.

During the financial year under review, this segment contributed a total revenue of RM0.43 million (2019: RM0.52 million), representing 0.63% (2019: 0.61%) of the Group's revenue. Despite the lower revenue in current financial year, a lower loss before tax of RM0.37 million was recorded in year 2020 as compared with loss before tax of RM0.47 million in year 2019 due to lower depreciation charges and operating expenses.

The breakdown of Recreational and Hospitality revenue generated by segment is presented as follows:



LIQUIDITY AND CAPITAL RESOURCES

The Group maintains a prudent approach towards managing its capitals resources and enhancing efficiency throughout its operations. As at the current financial year end, our Group recorded a decrease in net current assets to RM61.9 million, from RM71.5 million reported as at the previous financial year end.

The Group's total borrowings decreased to RM25.6 million in 2020 from RM28.6 million in 2019. The decrease was due to crystalisation of non-cash working capital items such as inventories and receivables.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Although the total borrowings has decreased by RM3 million during the financial year 2020, the Group's gearing ratio was maintained at 0.32 times as in 2019. The impact of the reduction in borrowings amount was set off by the loss incurred by the Group during the financial year.

Our Group's trade and other receivables as at 31 March 2020 was RM36.5 million, a decrease of RM19.7 million as compared to RM56.2 million in 2019. The decrease was mainly due to lower manufacturing export sales in Q4 2020 compared to Q4 2019 and progress billing collection from Casamas project, Ulu Kelang after the project has obtained its 'CF' in Jan 2020.

As at 31 March 2020, our Group's trade and other payables decreased by RM15.5 million to RM16.1 million from RM31.6 million. This decrease was mainly due to low credit purchase being recorded during the Q4 2020 due to disruption in supply chain caused by Covid-19 pandemic outbreak throughout the world where almost all our import orders could not be delivered by overseas suppliers when all the affected countries were subjected to movement control or lockdown order. In addition, low volume of construction activities towards the end of the financial year after the Casamas project has obtained its Certificate of Fitness CF in Jan 2020 has also help to reduce the payable outstanding balance.

POTENTIAL RISKS

As our Group is principally involved in the manufacturing and trading of ladies undergarments products and property development and construction, our Group is subjected to certain risk factors. The outbreak of Covid-19 pandemic instability in the political arena of Malaysia coupled with the anticipated global trade war and have intensified the potential business risks.

These risks, inter-alia, include:

(i) slow down in global economy;
(ii) pressure on cost of labour and raw materials;
(iii) constraints in the supply of labour and raw materials;
(iv) changes in consumers' preferences and tastes;
(v) competition from overseas players;
(vi) changes in the regulatory, economic and business conditions; and
(vii) financial risks such as credit, foreign currency volatility, interest rate and liquidity.

Our Group strives to manage these risks through, amongst others, continuous review and evaluation of our operations and strategies and prudent business policies. Operational efficiency and effectiveness are key areas which our Group emphasises to improve its financial performance. The Group is always on the lookout for additional revenue source which will optimise the utilisation of company resources.

FORWARD-LOOKING STATEMENT

For labour-intensive Manufacturing segment, our Group will strive to improve our manufacturing efficiency and remain competitive by engaging more overseas sub-contractors particularly in Myanmar and Bangladesh, in an effort to mitigate the increasing labour cost and also taking advantage of export incentives granted by importing countries. On the other hand, our Group will continue to look for new buyers overseas to expand our revenue base by promoting our latest designs and quality of our ladies' undergarments products.

In the midst of uncertainties, the Property Development and Construction segment is expected to remain sluggish on the back of a slowing economy and tightening credit and financing conditions. However, this slowdown is still manageable as Malaysia economic fundamentals are relatively strong and stable. In order to maintain the performance of this segment and also taking into consideration the financial impact of each development project, our Management targets to launch a new development project in near future by way of joint-venture with land owner concentrating on affordable residential house and commercial buildings. We believe the affordable prices for our residential and commercial units are still attractive despite the slowdown in property sector.

For the Direct Selling and Retail segment, the revenue contribution remains resilient and will continue to focus on improving trading revenue. We will be upgrading and improving our retail outlets and product assortments so as to attract more customers while building on our own brands. The direct selling and retail markets remains challenging as the domestic economic conditions remain uncertain caused by especially the outbreak of Covid-19 pandemic where economic activities have been very much negatively affected. Restriction on movement control implemented by the government has affected the footfall in the retail outlets. Purchasing trend of consumers have reduced due to cautious spending manner adopted by consumers when facing risk of losing their employment and source of income. However, we are able to react to the negative impact of pandemic outbreak by focusing our marketing channel on on-line shopping. We strive to improve further the selling and retailing business in the years to come.

For the Recreational and Hospitality segment, our Management has put in extra efforts to achieve break-even in the near future, as prolonged losses had dragged down our Group's profitability. Sustainable cost control steps and measures are being implemented and this has contributed to the overall improvement in this segment. In addition, the on-going construction of West Coast Expressway which will connect Taiping in Perak to Banting in Selangor will further improve the overall accessibility to our golf course.

DIVIDEND

Our Board did not recommend dividend for the financial year ended 31 March 2020.

The Board of Directors ("the Board") of Caely Holdings Bhd. ("the Company") is pleased to provide an overview of the Company's corporate governance practices during the financial year ended 31 March 2020.

This Corporate Governance Overview Statement is guided by the principles and the Malaysian Code on Corporate Governance 2017 ("the Code") issued by Securities Commission on 26 April 2017, in accordance to paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") to implement its governance system and the compliance.

The overview of the Corporate Governance Statement with reference to the three (3) key Principles as set out in the Code. The Company's application of each Practice set out in the Code during the financial year 2020, are as follows:

a) Principle A : Board Leadership and Effectiveness
b) Principle B : Effective Audit and Risk Management; and
c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board remains committed to high standards of corporate governance driven by the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Company and its subsidiaries ("the Group"). The Company's Corporate Governance Report ("CG Report") which is available on the Company's website at www.caelyholdings.com as well as via the Company's announcement made to Bursa Securities.

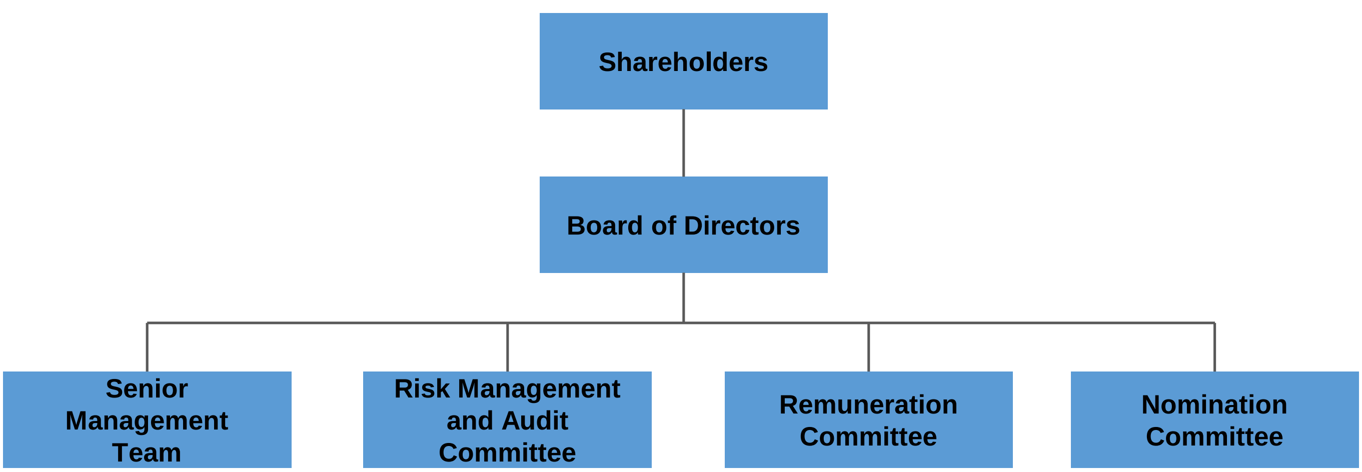
The Board recognises the importance of corporate governance and is committed to maintain high standard of corporate governance throughout the Group as a fundamental role in discharging its responsibilities towards achieving the optimal governance framework. The Board evaluates and continues to reinforce the existing corporate governance practices in order to remain relevant with the developments in market practice and regulations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Roles and Responsibilities of the Board

The Board is responsible for the Group's objectives, policies and stewardship of the Group's resources. The Executive Directors decide and implement operational decisions whilst the Non-Executive Directors contribute to the formulation of policies and decision-making through their knowledge and experience in similar or other businesses and sectors. Their roles are clearly demarcated.



1. Board Responsibilities (continued)

Roles and Responsibilities of the Board (continued)

The Non-Executive Directors are independent of management and free from any business relationship which could interfere with the exercise of their independent judgement. Together, they play an important role in ensuring that the strategies proposed by the management are fully deliberated and examined, taking into account the long-term interests of the shareholders, employees, customers, other stakeholders and the various communities in which the Group conducts its business.

The Board assumes the following duties and responsibilities:

- Reviewing and adopting strategic plans for the Group;
- Overseeing the overall conduct of the Group's businesses to ensure that they are being properly managed;
- Identifying principal risks and ensuring that appropriate control systems are implemented to manage those risks;
- Formulating and implementing policies for succession planning including recruiting, training, rewarding and, where appropriate, replacing senior management;
- Developing and implementing an investor's relations program or shareholder communications policies; and
- Reviewing the adequacy and the integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

To facilitate the discharge of the Board's responsibilities and duties, the Board is assisted by various Board Committees namely Risk Management and Audit Committee, Nomination Committee and Remuneration Committee, which have been established under their respective terms of reference as approved by the Board. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairman of the Board Committees and the tabling of minutes of the Board Committee meeting at Board meetings. The ultimate responsibility for decision-making, however, lies with the Board.

The board adopts an enterprise-wide risk management program to formalize the process by which risks are identified, assessed, controlled and reviewed. The Board and Risk Management and Audit Committee will continue to review the Group's whole system of internal control including operational, compliance and risk management as well as financial controls.

Role of Executive Chairperson, Managing Director and Independent Directors

The positions of Executive Chairperson and Managing Director are held by two different individuals with clear separation of duties defined in the Board Charter to ensure balance of power and authority. Presently, the Company does not have a Chief Executive Officer.

The Executive Chairperson is involved in the operations of the Manufacturing and Sale of the Undergarments Division. She also leads the Board in the oversight of Management. The Managing Director focuses on the overall business and day-to-day operations of the Recreational, Property and Construction Division of the Company.

The Independent Non-Executive Directors are person of high calibre and credibility. They provide professional and independent views, expertise and judgement in exercising their duties and responsibilities. This provides as a check-and-balance mechanism in the execution of the Board's functions, as all the Board's decisions are made on consensus.

The Board, being mindful that the Executive Chairperson is not a Non-Executive member as prescribed by the Code, is of the opinion that the element of independence is currently strong as the Independent Directors comprise at least half of the Board. This provides assurance of proper balance of power and authority in the governance of the Board and the Company.

1. **Board Responsibilities (continued)**

Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries from Boardroom Corporate Services Sdn. Bhd., the Board has unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries have attended all Board meetings as well as Board Committee meetings for FYE 31 March 2020 and ensured that accurate and proper records of the proceedings of such meetings are kept. The Company Secretaries play an advisory role to the Board on matters involving the Company's constitution and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The Board is satisfied with the performance and support provided by the Company Secretaries in discharging their duties.

Access to Information and Advice

All Board Members are provided with the agenda for the meeting together with detailed reports and information on a timely basis before each Board Meeting is convened. Board papers are circulated prior to Board Meetings and the board papers provide among others, financial and corporate information, significant operational, financial and corporate issues, performance reports and management proposals for Board's approvals. Senior management staff are invited to attend Board Meetings when necessary to provide further explanation and clarification on matters being tabled.

All Directors have full and unrestricted access to all information within the Group and they have fiduciary duties to make enquiries, if any, in discharging their duties. The Directors can also have access to the advice and services of the Company Secretaries and independent professional advisers whenever deemed necessary at the Company's expense.

In discharging its duties, the Board meets at least once quarterly. Additional meeting will be called if necessary. The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities.

During the financial year ended 31 March 2020, the number of Board meeting held and attendance of each Director are as follows:

Directors	Number of Meetings Attended
Datin Fong Nyok Yoon (Non-Independent Executive Chairperson)	5/5
Dato' Chuah Chin Lai (Non-Independent Executive Director)	5/5
Lai Kian Huat (Non-Independent Non-Executive Director)	5/5
Ng Boon Kang (Independent Non-Executive Director)	5/5
Tan Loon Cheang (Independent Non-Executive Director)	4/5
Hem Kan @ Chan Hong Kee (Independent Non-Executive Director) (Resigned on 21 August 2020)	5/5

1. **Board Responsibilities (continued)**

Board Charter

The Board affirms the importance of the roles and responsibilities of the Board and Management. As an integral part of the corporate governance process, the Board has set out these roles and responsibilities in the Board Charter to ensure accountability for both parties. The Board will review the Board Charter periodically to ensure that it is in line with the Board's objectives and responsibilities. The details of the Board Charter are available for reference on the Company's website at www.caelyholdings.com.

Formalised Ethical Standards through Code of Conduct and Whistleblowing Policy

The Board has adopted the Code of Conducts and Ethics and the revised Whistleblowing Policies and Procedures together with the adopted Anti-Bribery and Anti-Corruption Policy of the Company pursuant to section 17A of Malaysian Anti-Corruption Commission Act 2009 in 2020. The Company shall observe and comply with the Code of Conduct and Ethics which can be accessed on the Company's website at www.caelyholdings.com.

The Code of Conduct and Ethics describes the behaviour expected of our employees and how they relate to our Business Principles and core values whilst the Whistleblowing Policy is designed to cultivate a positive environment where integrity and ethical behavior is fostered and in which employees can raise genuine concerns without fear of recrimination and enable prompt corrective action to be taken where appropriate. Generally, all disclosures pursuant to the Whistleblower Policy are to be made to the Group Chairperson who will then refer the disclosure together with a general recommendation to the Risk Management and Audit Committee Chairman.

2. **Composition of the Board**

Composition and Independence of the Board

Presently, the Board consists of two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfils under the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (⅓) of the Board, whichever is higher, must be independent. It also further complied with the Code that at least half of the Board are independent. In addition, the Company shall fill the vacancy of directors within three (3) months in the event of any vacancy in the Board of Directors, resulting in non-compliance with the MMLR of Bursa Securities.

Collectively, the Directors have a good combination of experience as well as skills and knowledge in Manufacturing, Sales and Retail, Property Development, Construction and Recreational industry operations, accounting, finance, law and general management. Their profiles can be found in the Annual Report.

In addition, all Directors shall seek for re-election at the Annual General Meeting under the following requirements:-

- Constitution of the Company, where one-third (1/3) of the Directors is to retire;
- The Code's requirements for Independent Directors who have served the Board for cumulative term of more than nine (9) years to continue serving as Independent Directors.
- Pursuant to Clause 102 of the Constitution of Company, those directors who were appointed in the 1st year, shall retire at the forthcoming AGM.

2. Composition of the Board (continued)

Annual Assessment of Independence

The Board, through its Nomination Committee ("NC"), assesses the independence of the Independent Directors annually. Such assessment is to ensure that the Independent Directors would bring independent and objective judgement and opinion to the Board. The Board is satisfied with the level of independence demonstrated by the Independent Directors. During the financial year ended 31 March 2020, the Nomination Committee held two (2) meetings to carry out assessment on the contribution and performance of each individual Director and this includes an assessment on the independence of the Independent Directors. The Board is satisfied with the contribution and performance of each individual Director. The Independent Directors comply with the criteria of Independence set under the MMLR.

Tenure of Independent Directors

In regards to the recommendation of the Code, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Board is of the view that the ability of an Independent Director to exercise independent judgments and observations is not affected by the length of his/her service as an Independent Director. The ability and aptness of Independent Director to carry out his/her roles and responsibilities effectively are very much dependent on his/her competence, experience and personal qualities. This restriction on the tenure may cause the loss of experience and expertise towards the Board's efficiency.

The Board has assessed the independence of all the Independent Directors and is of the opinion that all the Independent Directors remain objective and independent in expressing their view and in participating in deliberations and decision making of the Board and the Board Committees.

Pursuant to Practice 4.2 of the Code, the Board shall annually seek shareholders' approval through two-tier voting process if the Board continues to retain the Independent Director after the twelfth (12^{th}) year at the forthcoming AGM.

Recruitment and Appointment of Directors

The NC was established to assist the Board in proposing suitable new nominees for appointment of Directors, to Board and Board Committees wherever necessary as well as assessing the Directors on an ongoing basis as to their skills and other qualities.

The NC is empowered by the Board to make recommendations as to the appointment of any new Directors or to fill board vacancies as and when they arise. When making the recommendation, the NC will take into consideration the required mix of skills, knowledge, expertise, experience and other qualities required to become a new Board member.

Currently, the Group does not have a specific policy regarding gender, ethnicity and age group as all candidates shall be given fair and equal treatment. The suitability of candidates is evaluated based on the candidates' character, competency, experience, time commitment and integrity in meeting the needs of the Group. The Board believes in the principles of non-discrimination and merit when making appointment to the Board and Board Committees, regardless of race, ethnicity, gender, age, religion or belief.

2. Composition of the Board (continued)

Recruitment and Appointment of Directors (continued)

The Board is also supportive of gender diversity in the boardroom as the Government's initiatives to increase women representatives in the corporate world. The Board will endeavor to ensure greater diversity will be taken into consideration in nominating and appointing new directors to the Board. Currently, the Chairperson remains the sole female representative in the Board.

Nomination Committee

The NC of the Company comprises exclusively of Independent Directors. The members of the NC are as follows:

Name of NC Members	Number of Meetings Attended
Ng Boon Kang	2/2
Tan Loon Cheang	2/2
Hem Kan @ Chan Hong Kee (Chairman) (Resigned on 21 August 2020)	2/2

The Terms of Reference of the NC is available for reference on the Company's website at www.caelyholdings.com.

Annual Assessment of Directors

The NC reviews annually the required mix of skills and experience of Directors, including core competencies which the Directors should bring to the Board. The NC also assesses the effectiveness of the Board as a whole as well as the contribution of each individual Director including the Independent Non-Executive Directors.

The summary of assessment and comments by each individual Director are tabled to the NC and reported to the Board.

During the financial year under review, the NC had carried out the annual assessment and was satisfied that the Board and Board Committees are effective as a whole and having the required mix of skills, size and composition, experience, competencies and other qualities. The NC was also satisfied that each of its Director has the character, experience, integrity, competence and time to effectively discharge their respective roles.

Directors' Training

The Group acknowledges the importance of continuous education and training to enable the Board Members to keep abreast on the state of economy, technology advances, regulatory updates and management strategies so as to effectively discharge their duties and responsibilities. Education / training programmes are in place to ensure that the Directors are given the opportunity to further enhance their skills and knowledge continuously. All the Directors have attended trainings conducted either in-house or by external party.

The Directors are aware of the importance of having a knowledge-based management and staff force. To this end, the management and staff are encouraged to attend trainings and education programmes to embrace themselves with the latest development and industry updates, etc.

2. Composition of the Board (continued)

Directors' Training (continued)

During the financial year ended 31 March 2020, all Directors have attended training programmes as summarised below:

Directors	Seminar/Training Programmes Attended
Datin Fong Nyok Yoon	- Practical Integrated Reporting forum & workshop - Team Building – Team Work Wins - Document Control Management & SA8000 Awareness
Dato' Chuah Chin Lai	- Practical Integrated Reporting forum & workshop - Team Building – Team Work Wins - Document Control Management & SA8000 Awareness
Ng Boon Kang	- National Tax Conference 2019 - Half Year Tax Updates for 2019
Tan Loon Cheang	- Thinking IN & OUT of the Conveyancing BOX
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	- Practical Integrated Reporting forum & workshop - Team Building – Team Work Wins - Document Control Management & SA8000 Awareness
Lai Kian Huat	- Practical Integrated Reporting forum & workshop

Throughout the financial year, the Board of Directors also received regular updates and briefings provided by the Company Secretaries, Internal and External Auditors, particularly on information pertaining to significant changes in regulatory framework, legal, accounting and governance practices and activities.

3. Remuneration Policies and Remuneration of Directors and Senior Management

Remuneration

The Remuneration Committee ("RC") was established to assist the Board in assessing the remuneration packages of the Directors of the Company and its subsidiaries. The RC is to recommend to the Board, the level of remuneration for the Directors. The Board will decide after considering the recommendations of the RC. The Terms of Reference of the RC is available for public viewing on the Company's website at www.caelyholdings.com.

The members of the RC are as follows:

Name of RC Members	Number of Meeting Attended
Tan Loon Cheang (Chairman)	1/1
Datin Fong Nyok Yoon	1/1
Ng Boon Kang	1/1

The Remuneration Policy is based on the need to attract, motivate and retain qualified members of the Board as well as to align the interests of the Board with the interests of the Company's shareholders.

3. Remuneration Policies and Remuneration of Directors and Senior Management (continued)

Remuneration (continued)

The Executive Directors' remuneration is linked to performance, services, seniority, experience and scope of responsibilities and comprises salaries, fees, allowances and bonuses. Other customary benefits are also made available as appropriate. Other factors like market rates and industry practices are considered during the review of salaries, as and when the Board deems appropriate.

For instance, the basic salary takes into account the performance of the individual, the scope of responsibility, information from independent sources on the rates of salary for similar jobs and other relevant indicators. Bonuses to Executive Directors are based on various performance measures of the Group, together with an assessment of each individual's performance during the year. Other customary benefits-in-kind, such as cars are made available as appropriate. Contributions are also made to the Employees Provident Fund where applicable.

In the case of Independent Directors, the level of fees reflects the experience, expertise and the responsibilities undertaken by the individual Independent Director. All Directors are paid meeting allowance for attendance at each meeting.

Details of the Directors and Senior Management's Remuneration for the financial year ended 31 March 2020 are as follows:-

The Company	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Director					
Datin Fong Nyok Yoon	72,000	-	2,500	-	74,500
Dato' Chuah Chin Lai	72,000	-	1,500	-	73,500
Lai Kian Huat	48,000	-	1,500	-	49,500
Ng Boon Kang	48,000	-	1,500	-	49,500
Tan Loon Cheang	36,000	-	1,200	-	37,200
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	36,000	-	1,500	-	37,500
Total	**312,000**	**-**	**9,700**	**-**	**321,700**

3. **Remuneration Policies and Remuneration of Directors and Senior Management (continued)**

Remuneration (continued)

The Group	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Directors					
Datin Fong Nyok Yoon	72,000	487,998	2,500	18,000	580,498
Dato' Chuah Chin Lai	72,000	389,677	1,500	23,950	487,127
Lai Kian Huat	48,000	-	1,500	-	49,500
Ng Boon Kang	48,000	-	1,500	-	49,500
Tan Loon Cheang	36,000	-	1,200	-	37,200
Hem Kan @ Chan Hong Kee (Resign on 21 August 2020)	36,000	-	1,500	-	37,500
Senior Management					
Chuah Lim Tai	-	137,604	-	-	137,604
Gok Ching Hee	-	177,352	-	-	177,352
Total	**312,000**	**1,192,631**	**9,700**	**41,950**	**1,556,281**

*** Inclusive of defined contribution plan**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Risk Management and Audit Committee

The Board aims to present a balanced and meaningful assessment of the Group's position and prospects to shareholders via announcements of its quarterly and annual financial results. In the preparation of financial statements, the Risk Management and Audit Committee assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial reports and Annual Financial Statements for consistency and appropriateness of the applicable accounting standards and requirements of Companies Act 2016 and for reasonableness and prudence in making estimates, statements and explanations, prior to recommending them for approval by the Board and issuance to shareholders.

The Risk Management and Audit Committee comprises two (2) members, all of whom are Independent Non-Executive Directors.

The current composition of the RMAC does not comply with Chapter 15 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") with the resignation of Mr Hem Kan @ Chan Hong Kee on 21 August 2020, who was the Independent Non-Executive Director of Caely Holdings Bhd.

The Company is in the midst of looking for suitable candidate(s) to fill the vacancy of member of the RMAC within three (3) months from 21 August 2020 to ensure compliance with Paragraph 15.09(1) of the Main LR of Bursa Securities.

The Risk Management and Audit Committee Report is set out on pages 40 to 44 of this Annual Report.

2. Functions and Roles of the Risk Management and Audit Committee

A. Overseeing Financial Reporting

I. Review the unaudited quarterly reports and the consolidated results, any change in accounting policies, significant matters highlighted the going concern assumption, and compliance with accounting standards and regulatory requirements prior to their recommendation to the Board of Directors for approval;

II. Review the consolidated audited financial statements of the Company and the Group for the financial year ended 31 March 2020 ensuring that the statements comply with the Malaysia Financial Reporting Standards ("MFRS"), for recommendation to the Board for approval;

III. Review the significant matters highlighted by the auditors in the financial statements and significant judgments made by the Management; and

IV. Review the adequacy of the processes and controls in place for effective and efficient financial reporting and disclosures under the MFRS and the Listing Reuirements of Bursa Securities.

B. External Audit

I. Review with the External Auditors, Messrs PKF ("PKF"), the Audit Status Update Memorandum on the audit of the financial statements for the financial year ended 31 March 2020, setting out their comments and conclusions on the significant auditing and accounting issues highlighted;

II. Review with PKF the audit plan for the financial year ended 31 March 2020, outlining scope of work, areas of audit emphasis, and development in laws and regulations affecting financial reporting and the responsibilities of Directors, Managements, and Auditors;

III. Evaluate the performance of PKF for the financial year ended 31 March 2020 covering areas such as calibre, quality processes, audit team, audit governance, and independence of PKF.

2. Functions and Roles of the Risk Management and Audit Committee (continued)

C. Internal Audit

I. Review with the Internal Auditors, Messrs. RSM Corporate Consulting (Malaysia) Sdn. Bhd. ("RSM"). The internal audit reports (including follow-up review reports) on the audit findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by Management.

D. Others

I. Review on a quarterly basis, the Recurrent Related Party Transactions ("RRPT") entered into by the Company and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPT are adhered to, and disclosure requirements of the MMLR are observed.

II. Review the Risk Management and Audit Committee Report and Statement on Risk Management and Internal Control before recommending these for the Board's approval for inclusion in the Annual Report.

3. Risk Management and Internal Control Framework

The Board recognises that risk management is an integral part of the Group's business operations. Risk Management is an on-going process that involves different levels of management to identify, evaluate, monitor, manage and mitigate the risks that may affect the Group in achieving its business and corporate objectives.

The management is responsible for creating risk awareness culture so as to build the necessary structure for an effective risk management. Important issues related to risk management and internal controls are brought to the attention of the Board. If necessary, the Board may seek the assistance and consultation of external parties to form an opinion.

The Group has formalised an appropriate risk management framework and the details of the risk management and internal controls are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The Board recognises their responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risks. Although every effort is made to provide the best possible system of internal control and risk management, the system can only provide reasonable but not absolute assurance against material misstatement or loss.

3. Risk Management and Internal Control Framework (continued)

For the financial year ended 31 March 2020, the Company has outsourced its internal audit functions to RSM. The representative(s) of RSM have unrestricted access to the Risk Management and Audit Committee Members and report directly to the Committee.

During the financial year, the internal audit reports were provided to the Risk Management and Audit Committee and Management in regards to any major findings on the weakness in the systems and controls of the operations. The highlighted areas on the weaknesses, improvements and the implementation of the recommendations are monitored and the reports thereof were presented to the Risk Management and Audit Committee.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board acknowledges the importance for shareholders to be informed on all material business matters relating to the Group. The Board is committed to provide shareholders and investors with high quality disclosure of material information on a timely basis. This corporate disclosure policy and procedure is available on the Company's website at www.caelyholdings.com.

2. Leverage on Information Technology for Effective Dissemination of Information

The Company affirms the importance of transparency and accountability to its shareholders and investors. As such, the Board ensures that shareholders and investors are informed of the financial performance and major corporate information of the Company. This information is communicated to the shareholders and investors through various announcements and disclosures to Bursa Securities such as the quarterly interim financial results, annual reports and, if appropriate, circulars and press releases. Besides the mandatory announcements to Bursa Securities, the Company also maintains a website www.caelyholdings.com which shareholders and investors can access to information on the Group's performance and business activities.

3. Conduct of General Meetings

The AGM is the principal form of dialogue with shareholders. At the AGM, the Executive Chairperson shall inform shareholders that they are encouraged to participate and are given opportunity to raise questions or seek more information on the Company. The Executive Chairperson, Managing Director and other Board Members are also available during the AGM to respond to shareholders' queries.

4. Encourage Poll Voting

Pursuant to Paragraph 8.29(A)of the MMLR of Bursa Securities, the Company will comply that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

5. Effective Communication and Proactive Engagements with Shareholders

The Board is committed to promote effective communication and proactive engagement with shareholders. During general meetings, the Board Members, Company Secretary and External Auditors would be present to answer questions that may be raised. The Executive Chairperson would allot time for shareholders to raise questions for each agenda in the notice of the general meetings.

KEY FOCUS AREAS AND FUTURE PRIORITITES

Moving forward, the Board will accordingly continue to implement improvement measures in the area of corporate governance. More specifically, the Board has identified the following forward-looking agenda items to propel the Group forward in its corporate governance objectives.

1. To focus on major strategic issues to ensure sustainability and growth;

2. To continue exploring and looking for additional source of income from new business activities with the objective of enhancing shareholders' value;

3. To leverage on its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. The Group will also actively engage stakeholders to formalize a better understanding of what is expected and desired from its sustainability reporting;

4. To continue monitoring succession planning for the senior leadership team, to ensure a healthy pipeline of talent is emerging for future senior executive management; and

5. To ensure that the Company's website is updated with the latest developments on the Group and users are able to easily navigate through the website. The Company will endeavor to harness technological advancements to improve the efficiency at which the general meetings are run and to pave the way for remote shareholders' participation.

In compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2017 ("the Code"), the Board is pleased to present the Risk Management and Audit Committee ("RMAC") Report which lays out the activities held for the financial year ended 31 March 2020.

The Board is satisfied that the RMAC members have discharged their functions, duties and responsibilities in accordance with the Term of Reference of the RMAC, thereby supporting the Board in ensuring appropriate Corporate Governance standards with the Group.

The Terms of Reference of the RMAC is available on the Company's corporate website at www.caelyholdings.com

MEMBERS OF THE RISK MANAGEMENT AND AUDIT COMMITTEE

Composition of members

The RMAC comprises two (2) Directors, all of whom are Independent Non-Executive Directors.

The members are as follows:

Members	Designation
Ng Boon Kang (Chairman)	Independent Non-Executive Director
Tan Loon Cheang	Independent Non-Executive Director

The current composition of the RMAC does not comply with Chapter 15 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") with the resignation of Mr Hem Kan @ Chan Hong Kee on 21 August 2020, who was the Independent Non-Executive Director of Caely Holdings Bhd.

The Company is in the midst of looking for suitable candidate(s) to fill the vacancy of member of the RMAC within three (3) months from 21 August 2020 to ensure compliance with Paragraph 15.09(1) of the Main LR of Bursa Securities.

TERMS OF REFERENCE

1. Objectives

The principle objective of the RMAC is to assist the Board in fulfilling the following key responsibilities:

i. Assessing the risk management policies and procedures and internal control;
ii. Overseeing financial reporting;
iii. Evaluating the internal and external audit process; and
iv. Reviewing conflict of interest situations and related party transactions.

2. Composition

i. The Committee is appointed by the Board and consists of at least three (3) members. All the committee members must be Non-Executive Directors, with a majority of them being Independent Directors to fully comply with paragraph 15.09 of the MMLR.
ii. The Chairman is one of the appointed Independent Non-Executive Directors. In the absence of the Chairman, the meeting shall be chaired by an Independent Director.
iii. At least one (1) member of the Committee must be qualified under paragraph 15.09(1)(c) of the MMLR.
iv. No Alternate Director shall be appointed as a member of the Committee.

In the event of any vacancy resulting in the number of members being reduced to below three (3), the vacancy must be filled within three (3) months.

The vacancy of the RMAC Chairman must be filled within three (3) months.

TERMS OF REFERENCE

3. Quorum and Frequency of meetings

i. A quorum shall be the majority of Independent Non-Executive Directors;
ii. Meeting shall be held at least four times each financial year, usually preceding the meetings of the Board;
iii. The external and internal auditors may request a meeting if they consider it necessary in any Committee Meeting;
iv. At least twice a year, the Committee shall meet with the external auditors without any Non-Independent Directors or the Management present;
v. The Managing/Executive Directors and the Chief Financial Officer shall attend the quarterly meetings although they do not have any voting rights; and
vi. The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

4. Secretary

The Company Secretary (or any one or more of, if more than one (1) Company Secretary) or such other approved person shall be the secretary of the Committee (the "Committee Secretary"). The Secretary shall provide assistance to the members of the Committee, including but not limited to assist the Committee Chairman in planning the work of the Committee, formulating meeting agendas, maintenance of Committee minutes, collation and distribution of information required by the Committee and provide practical support, as and when needed.

5. Attendance at meetings

During the financial year ended 31 March 2020, the RMAC held five (5) meetings in the presence of the Company Secretary. The Executive Directors and Internal Auditors were invited to the meetings to respond to queries and to provide detailed information and explanations requested. At times, other persons were also invited to assist in the deliberations. The external auditors, Messrs. PKF ("PKF") attended two (2) of the meetings held during the financial year. The RMAC met up with the PKF without the presence of management once in those meetings.

The details of attendance of the RMAC members are as follows:

Name of RMAC members	**Number of Meetings Attended**
Ng Boon Kang	5/5
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	5/5
Tan Loon Cheang	4/5

Authority

The RMAC is authorized by the Board to:
i. investigate any matter within its terms of reference;
ii. have full and unrestricted access to any information pertaining to the Group;
iii. establish a channel of direct communication with the external and internal auditors;
iv. obtain external legal or other independent professional advice whenever deemed necessary;
v. report to Bursa Securities if a matter is not satisfactorily resolved and is in breach of the MMLR.

Duties and responsibilities

a. Risk Management and Internal Control

i. Review the adequacy and effectiveness of risk management, internal control and management information systems, including compliance with applicable laws, rules, corporate governance requirements and guidelines.
ii. Review the Group's risk management policy and implementation of the risk management framework.
iii. Review and recommend to the Board, the Directors' Statement on Risk Management and Internal Control and any changes thereto.

Duties and responsibilities (continued)

b. Financial Reporting

i. Review the quarterly results and annual financial statements before making recommendations to the Board for approval for release to Bursa Securities, focusing particularly on:
   - Significant matters highlighted including the financial reporting issues, significant judgments made by management, significant and unusual events or transactions or exceptional activities and how these matters are addressed;
   - Any changes in or implementation of accounting policies and practices;
   - Significant or material adjustments with financial impact arising from the audit;
   - Financial decision-making with the presumptions of significant judgments;
   - The going concern assumptions; and
   - The appropriateness of Management's selection of accounting policies and disclosures in compliance with approved accounting standards, stock exchange and other regulatory requirements.

ii. Propose best practices on disclosure in annual and other financial reports of the Company in line with the principles set out in the Code, other applicable laws, rules, directives and guidelines.

c. External Audit

i. Recommend the appointment or re-appointment of the external auditors and audit fee to the Board, after reviewing the suitability, resources, competency and independence of external auditors and the accounting firm;
ii. Make appropriate recommendations to the Board on matters of resignation, dismissal or cessation of office of the external auditors and secure the reasons of such resignation, dismissal or cessation of office;
iii. Review and discuss the nature and scope of the external audit strategy and plan for the year;
iv. Review and discuss issues arising from external auditors' interim and final letters of recommendation to Management, including Management's responses and the External Auditors' evaluation of the system of internal control and any other matters the External Auditors may wish to discuss (in the absence of Management, if required), and
v. Review whether there is reason (supported by grounds) to believe that the external auditors is not suitable for re-appointment.

d. Internal Audit

i. Review the adequacy of the scope, function, competency, resources and authority of the internal audit function in carrying out its work;
ii. Review the risk-based internal audit plans and programs;
iii. Ensure co-ordination between the internal and external auditors;
iv. Review the major findings reported by the internal audit and follow up on Management's implementation of the recommended actions;
v. Assess annually the performance of services provided by the internal audit function; and
vi. Appraise and assess the performance of members of the internal audit function and approve any appointment or termination of senior staff members of the internal audit function.

e. Related Party Transactions

Review and recommend to the Board, matters regarding any related party transactions including disclosures, values of mandates and situations involving potential conflict of interest that may arise within the Company, including any transaction, procedure or course of conducts that raises questions on Management's integrity.

Duties and responsibilities (continued)

f. Other Matters

i. To report to Bursa Securities, if the Committee views that a matter resulting in a breach of the MMLR reported by the Committee to the Board has not been satisfactorily resolved by the Board.
ii. To highlight such matters as the Committee considers appropriate or as defined by the Board from time to time.
iii. To announce to Bursa Securities, if there is any related party transactions which exceed the Existing Shareholders' Mandate and provide full reason and detailed explanations.
iv. To review arrangements by which employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action to be taken. This would include any whistle blowing complaints and investigative reports relating to the senior management of the Group.
v. Review and verify on allocation of share options to ensure compliance with the criteria for allocation of share options (if any).
vi. To undertake such other functions as may be agreed to by the Committee and the Board.

SUMMARY OF ACTIVITIES DURING THE FINACIAL YEAR

The summary of the activities carried out by the RMAC in the discharge of its duties and responsibilities during the financial year included, among others, the following:-

- Reviewed the external auditors' scope of work and audit plans for the year;
- Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response;
- Reviewed and recommended to the Board the re-appointment of external auditors and their audit fees;
- Undertook an evaluation of the independence of external auditors;
- Reviewed the quarterly and annual financial results, reports and announcements for the Board's consideration and approval;
- Reviewed the internal audit plan prepared by the internal auditors;
- Reviewed and discussed reports of the internal auditors and assessed the effectiveness of the system of internal controls in the areas audited;
- Reviewed the risk management program including key risks identified, the potential impacts and assessed the likelihood of the risk occurring;
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Code;
- Reviewed all related party transactions entered by the Group and the Company to ensure that such transactions are on normal commercial terms which are not detrimental to the interests of the minority shareholders; and
- Reported to the Board major events covered by the RMAC and make recommendations to the Board and management concerning these matters.

INTERNAL AUDIT FUNCTIONS

The Group has outsourced its Internal Audit Function to a professional services firm, RSM Corporate Consulting (Malaysia) Sdn Bhd ("RSM"), to assist the RMAC in ensuring the adequacy and effectiveness of the Internal control systems.

The activities of the Internal Audit Function during the financial year ended 31 March 2020 were as follows:

- Human Resource Management
  * Manpower efficiencies on Production Process
  * Review of Standard Fixed Labour Costs
  * Review of Relevant Policies, Procedures & Organization Structure
- Key Operating Departments' Workflow Efficiency & Effectiveness
  * Sales & Marketing department
  * Purchasing department
  * Human Resource department
  * Accounts department
- Follow up audits on:
  1. Review Report on Classita (M) Sdn Bhd - November 2018
     a. Inconsistency in updating of sales order status in the Genero system
     b. The Company's credit control process could be improved
  2. Review Report on Classita (M) Sdn Bhd - February 2019
     a. Purchase Order ("PO") was issued for internal use
     b. User access to cancellation of PO module could be improved
     c. Supporting documents not consistently attached with the Supplier Requisition Form ("SRF")
     d. Suppliers' performance evaluation was not performed

The total cost incurred for the internal audit reviews performed by the professional services firm to the Group in respect of the financial year ended 31 March 2020 amounted to RM44,432.

Further details on the internal audit are set out in the Statement on Risk Management and Internal Control of this Annual Report.

1. INTRODUCTION

The Board is pleased to set out below the Statement on Risk Management and Internal Control which is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code of Corporate Governance 2017 ("the Code") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. THE BOARD'S RESPONSIBILITIES

The Board and the senior management recognise their overall responsibilities and endeavor to maintain a sound system of risk management and internal controls that covers financial, operational, compliance and risk management practices in the organisation. The Board acknowledges its overall responsibility for the Group's system of risk management and internal controls and for reviewing and maintaining an adequate system of internal controls organisation-wide with consistent integrity so as to improve the governance process of the Group.

Due to the limitations inherent in any system of risk management and internal controls, it must be noted that these systems are designed to manage rather than eliminate the risk of failure in achieving the Group's business objectives. Hence, such systems can only provide reasonable and not absolute assurance against any material loss or misstatement.

The Board has received assurance from the Executive Chairperson and the Group Managing Director that the Group's risk management and internal control is operating adequately in all material aspects based on the existing risk management and internal control systems of the Group.

3. RISK MANAGEMENT FRAMEWORK

The Group has established an on-going risk management commitment for identifying risks, assessing and evaluating its likelihood and impact and taking preventive measures to manage potential risks that may be faced by the Group. In this regard, the risk management policy and framework is established to incorporate, among others the following activities:-

- Identify the various risk factors (financial and non-financial) that can potentially have a significant impact on the Group's success and continuity;
- Establish a risk coverage policy and rank each of these risks according to its relative gravity;
- Assess each of these risks (using the risk factors and relative weight) on the Group's core business lines, i.e. manufacture and sale of undergarment products and property development and construction;
- Establish an overall risk profile in order of priority;
- Establish an overall audit plan that covers all key risk areas;
- Conduct reviews of control activities on high-risk areas;
- Evaluate the control activities and give an opinion on the systems of internal controls;
- Monitor changes in business conditions, environment and operating style; and
- Evaluate changes against risks identified earlier and internal control systems.

4. INTERNAL AUDIT FUNCTIONS

During the financial year under review, the Group has engaged an independent consultancy firm, RSM Corporate Consulting (Malaysia) Sdn Bhd to review and evaluate the internal control, provide their independent opinion on the effectiveness and efficiency of the Group's system report directly to the Risk Management and Audit Committee ("RMAC") of its internal audit findings.

The person-in-charge for providing outsourced internal audit services to the Group for the financial year ended 31 March 2020 is Mr Jaymes Foo. He has over 18 years of experience in internal audit. The outsourced internal auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

Details of the outsourced internal auditors that performed the internal audit works for the financial year ended 31 March 2020 are as follows:

4. INTERNAL AUDIT FUNCTIONS (CONTINUED)

Name	Qualification
Jaymes Foo (Associate Director)	Association of Chartered Certified Accountants Professional member, Institute of Internal Auditors Malaysia
Thomas Chua (Manager)	Association of Chartered Certified Accountants Bachelor of Commerce (Hons) Accounting
Emily Ang (Consultant)	Bachelor of Arts (Hons) Accounting and Finance
Loh Yi Lin (Consultant)	Bachelor Of Accounting (Hons)
Daniel Chiam (Associate Consultant)	Association of Chartered Certified Accountants
Chew Mun Nyee (Associate Consultant)	Bachelor of Finance and Economics

The scope of the internal audit focused on the key risk areas identified in the enterprise-wide risk assessment exercise in accordance with the internal audit plan approved by the RMAC. The RMAC received reports of the findings of the internal audits with comments from operational heads of the respective departments under audit. These internal audit reports were tabled during the RMAC meetings for review and to ensure that the necessary corrective actions are implemented. Updates on the status of action plans as identified in the previous internal audit reports were also presented to the RMAC for review and deliberation.

During the financial year under review, a number of internal control weaknesses have been identified and all of which have been or are being addressed by the management. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report. The cost of internal audit function for the financial year ended 31 March 2020 was approximately RM44,432.00 (2019: RM42,649.00) which included expenses.

A description of the internal audit functions and activities of the internal auditors during the financial year ended 31 March 2020 are included in RMAC Report of this Annual Report.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group’s risk management and internal control system have the following key elements:-

- The Board of Directors has put in place an organisation structure, which formally defines lines of responsibility, accountability and delegation of authority to the various divisions of the Group’s business.

- Internal control procedures in respect of the manufacturing activities are set out in a series of standard operating policies and procedures. These procedures are subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies and also, where appropriate, in ensuring compliance with Worldwide Responsible Accreditation Production (“WRAP”) certification.

- Management reports are prepared at subsidiary levels on a monthly basis.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- Quarterly performance reports with comprehensive information on financial performance and key business indicators are deliberated at the RMAC meetings and thereafter tabled to the Board for consideration and approval.

- The RMAC and the Board are committed to identify any significant risks faced by the Group and assess the adequacy of financial and operational controls to address these risks.

- The RMAC reviews the external auditors' recommendations on internal controls arising from the statutory audit.

- The RMAC holds meetings to deliberate on the findings and recommendations for improvement presented by both the internal and external auditors on the state of the internal controls system and reports to the Board. As part of the ongoing control improvement process, management will take the appropriate action to address the control recommendations made by the internal and external auditors. None of the internal control weaknesses identified during the financial year under review have resulted in any material losses, contingencies or uncertainties that would require disclosure in this annual report.

- Board and management meetings at operational level are held during the financial year in order to assess performance and controls.

6. Review by External Auditors

As required by Paragraph 15.23 of the Bursa Securities MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (" AAPG ") 3 issued by the Malaysian Institute of Accountants.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 43 and 46 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

AAPG3 does not require the external auditor to consider whether the Directors' Statement on Risk Management and Internal Control cover all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management

7. Conclusion

The Board is of the opinion and has received assurances from the Executive Directors and the Chief Financial Officer that the development of internal controls is an ongoing process and has taken steps to establish a sound internal controls system and effective risk management framework throughout the Group. The Board is committed to continuously review the internal controls and put in place appropriate structures and frameworks that are necessary to further improve the Group's internal controls environment.

This statement was made in accordance with the resolution of the Board dated 24 August 2020.

Introductions

Caely Holdings Bhd., and Group's Sustainability Statement is prepared based on the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). This sustainability practices where we highlight the economic, environmental and social ("EES") impacts of our activities and initiatives, and it has always been a part and parcel of the Group's culture as we strive to achieve continual financial performance and uninterrupted growth.

Boundaries

Our sustainability statement is aim to illustrate our strategic to covers economic, environmental and social factors. The information of this report is based on the material areas that we have identified. Our scope and boundaries cover all our subsidiaries and its operation. We believe our report will provide sufficient breadth of overall sustainability impact and performance of the Group.

Reporting Period

This Sustainability Report covers the financial year from 1 April 2019 to 31 March 2020

Audience

This report is published for our value stakeholders that include shareholders, government, suppliers, customers, employees and local communities.

For the reporting year, we focused on and engaged with our internal stakeholders who were Board of Directors, Management and Employees.

As we progress along the journey of sustainability, the Group aims to progressively improve its reporting on sustainability practices.

Sustainability Governance Structure

Board of Directors	• Review & approve the Group's strategic direction, taking into consideration the EES risks and opportunities related to our business operations. • Establish relevant sustainability performance measures to be implemented by various departments and assume oversight responsibility in monitoring the achievements of performance measures • Ensure the integrity of sustainability reporting.
Managing Director (MD)	• Stewardship of the Group's direction and day to day management and implementation of the Group's sustainability relevant policies and strategies approved by the Board. • Accountable for the Group's achievements. • Reports the Group's achievements against the set corporate objectives on sustainability performance targets to the Board.
Sustainability Working Committee (SWC)	• The SWC consists of sustainability representatives from Group Human Resources and Group Corporate Services business units in active subsidiaries. • Implement Sustainability Framework with strategic direction, plans and goals within the respective departments. • Facilitate the monitoring, measuring and updating of sustainability disclosures as required by laws and regulations whilst warranting the integrity of the information, subsequently recommending it to the Board for approval.

Stakeholders Engagement

Maintaining an open and transparent relationship with our relevant stakeholders continues to be a key driver towards ensuring sustainability at the Company in the long run. As part of our commitment to cultivate continuous engagement, we disclose our stakeholders' engagement methods, topics of interest and frequency in the table below:

Stakeholder Group	Topic of Interest	Engagement Methods	Frequency of Engagement
Investor	• Transparent reporting with credible date • Innovative supply chain solutions	• Investors/analyst briefings • Annual Report • Corporate website	• Ad hoc • Annually • Per-announcement by Bursa
Customer	• Reliable service and on-time delivery • Customer convenience • Competitive pricing • Operational efficiency	• Customer feedback and surveys • Market Research • Operational meetings	• Continuously • Continuously
Employees	• Competitive pay and benefits • Clear communication • Work life balance • Career growth and opportunities	• Training programmes and workshops • Employee engagement survey • Internal audit on operations • Employee performance evaluation	• As and when required • Quarterly • Annually • Annually
Regulatory Authorities and Statutory Bodies	• Regulatory compliance • Corporate governance • Risk management	• Jabatan Keselamatan dan Kesihatan Pekerja (JKKP) Inspection on Elevators and Escalators • Fire safety and building inspection by BOMBA • External Audit (DNV-GL) - Quality Management System by buyers • Safety incident reporting	• Annually
Suppliers	• Timely pay-outs • Procurement practices • Supplier Code of Conduct	• Supplier assessment forms	• During supplier screening or before registering into Group system
Local Community	• CSR • Economic opportunities	• Donate to Old Folks, Orphanage, School, Temple and etc. • Employment opportunities through local hiring	• Regulary • Regulary

E C O N O M I C

The Group is principally involved in the business of manufacturing, retail, export and direct sales of undergarments, household products and property development and construction. The Group aims to maintain a sustainable business to continue its contribution to Malaysia's economic development. Through its businesses, the Group created employment opportunities for the Malaysian people.

For the manufacturing segment, the Group is Malaysia's leading undergarments manufacturer, catering to both local and export markets under its own brand as well as other OEM brands. We are also active in the property development segment, focusing on small to mid-scale residential development, and have built residential developments for the well-beings of the local community. We also aim to create the best value for our business through delivery of quality products and services at the most competitive pricing. The Group continuously review its position to meet and manage the ever-changing market trends and consumer demands.

Key Highlights of CHB Group for Financial Year Ended 31 March 2020

		(RM'000)
1	Revenue	69,455
2	Profit Before Tax	(8,637)
3	Net Assets	81,150

Economic Performance

The economic performance and measures to ensure the economic sustainability of the Group are elaborated in the Management Discussion & Analysis section as set out on pages 19 to 26 of this Annual Report.

Procurement Practices

For the manufacturing segment, we are one of the largest manufacturers and exporters of lingerie in Malaysia. Commencing operations in 1988 with just a handful of skilled staff on a rented premise, we now have grown to more than 1,000 staff in our own production complex on a 7 ½ acres site, located at Teluk Intan, Perak. With our modern manufacturing facilities coupled with high creativity on designs and styling, computerized pattern and marker systems, this enables us to have competitive edge over other lingerie manufacturers.

Lingerie manufacturing calls for products with innovative designs. With this in mind, we consider sourcing of fabric materials as an important aspect of our business process. The components and fabrics are sourced from a healthy mix of local and overseas suppliers. The Group acknowledges of its local suppliers and are supportive of them. Procuring locally enables the Group to contribute to the local economy. Local suppliers which meets the required standards provides us with materials that are essential in producing high quality undergarments. Our continuous improvement on our sourcing of raw material will create more value added features to our customers.

For our property development and construction segment, in order to encourage the development of the local economy, the Group's strategy is to procure materials locally. By having a majority of our suppliers being locally based, this will in turn help to build the local economy.

Direct Economic Value

The demand for textile and apparel is expected to decline in short term-period due to the outbreak of Covid-19 pandemic which negatively impacted global economy activities. However, we have confidence that the demand for the textile and apparel will gradually recover when the impact of the pandemic on economy activities have slowly subsided especially with the production of vaccine which is expected to be introduced in the end of year 2020 or early of year 2021. We are proud to announce that despite the pandemic disruption on our operations, we managed to sustain all our employees, both of locals and foreigners. Our manufacturing facility has enabled us to continue providing local employment opportunities in Teluk Intan, Perak.

The Group has contributed to the employment of the local communities whereby some employees has been with the Group for close to 30 over years. The Group works towards instilling a culture of well-being, enabling them to grow and prosper with the Group. Our employees are offered at competitive salaries and benefits coupled with a conducive working environment.

Business Development and Strategic Partnerships/Collaborations

The Group continually seek business opportunities through strategic business investments and expands into new markets and new business portfolios. This allows for a greater positive direct and indirect economic impact. We value partnerships and collaborations for the development and growth of our property industries.

ENVIRONMENTAL

The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practices that are environmentally friendly, optimise the use of resources and promote energy efficiency.

Being involved in property development as well, the Group is mindful that its operations will have direct impact on the environment. As such, the Group integrates environmental concerns within its operations and practices at different levels of the organisation. The Group also ensures that there are sufficient measures at all its construction sites and workplaces to prevent any adverse impact on the environment.

Energy Management

The Group have implemented the following steps to minimising the impact of the environmental:

- Switching-off centralised air-conditioning during lunch hour for our office for energy savings.
- Encourage our employees to adopt an energy-savvy behaviour such as switching off the lights and other electrical equipment during lunch time and when they are not in the office.
- Encourage our employees to suggest energy and resource-saving initiatives.

Material and Waste Management

The Group acknowledges that the environmental impact of paper usage is significant. The Group's approach to material and waste management is to avoid unnecessary paper consumption and waste generation. The Group is always mindful to reduce the usage of paper to further reduce waste. Generally, the Group practises the following on its paper management:-

- Reducing papers – to avoid any printing and photocopying, if possible, and encourage paperless and electronic modes of usage. In the even that if the printing or photocopying is necessary, then to practise double sided printing or reduce the paper size for economic reasons.
- Recycled paper is used for photocopying, while A4 papers, envelope, letterheads, soft and hard cover files are reused and recycled.
- The usage of emails and electronic communications minimises the use of paper, thus reducing the amount of waste generated.
- Employees are encourage to re-use envelopes, papers and boxes, as much as possible.

Material and Waste Management (continued)

The Group also complies strictly with the rules and directives set by the authorities with regards to environmental safety and protection. On the project site, we have extended the life-cycle of the scaffolding by reusing them in other projects. Besides installing silt traps to minimise site pollution, all unwanted wastes, materials and by-products resulting from construction sites are either recycled or disposed to designated disposal sites timely and efficiently to avoid daily disruption to the community.

S O C I A L

Occupational Safety and Health

The Group aim to provide a safe and risk-free environment to its employees, an Occupational Safety and Health (OSH) committee was established to ensure that the safety, health policies and practices are always implemented. Through the collaboration with the local fire and rescue department, fire drills are being conducted at least twice a year which include the use of fire-fighting equipment, first aid, CPR, orderly evacuation procedures and other hazard preventive measures.

The Workplace

In managing the human capital, the Group advocates a corporate philosophy in providing a healthy and safe workplace with a proper working environment for the entire workforce.

By offering convenience, the Group has provided a Surau in the factory compound, the employees need not to travel outside on Friday for prayers.

Employees' Welfare and Well-Being

The Group has actively organise activities to promote a healthy lifestyle for employees, celebrate all festivities and foster relationship during our annual dinner and families' day events.

The Group has also provided transportation to carry workers through and from their resident area to the factory.

Minimum Wage

The Group has based on the Minimum Wages Order 2018 revised the minimum monthly basic salary from RM1,000 to RM1,100.

Trainings

The human resource development and training programs focus on building leadership, self-confidence, personal and work competence. Trainings are conducted either in-house or outsourced. These programs include formal classroom to on-the-job and action-based trainings. Through such trainings, we believe the employees will be well equipped and motivated to perform their duties to realise their full potential.

Contributions to Communities

As a caring corporate entity, the Group has always adopted the “Caring and Sharing” approach to the community. The Group participates in the local community and society by providing the needy and less fortunate ones the chance to work together with their peers. With the assistance and collaboration of the local institution, Bethany Home of the Handicapped, the Group has continued to employ some of their students after appropriate training's. The Group also donates to Bethany Home and several old folk homes regularly in either cash and/or consumer products. In addition, the Group also donates to local schools and organisations in the local community.

Supply Chain

The Group is committed to ensure that all its activities will not have a significant impact on the environment. Being an exporter, the Group’s manufacturing segment has to comply with the stringent requirements of our overseas buyer that the raw materials used are free from harmful substances and are tested in accordance to Oeko-Tex Standard 100, a worldwide independent testing and certification of raw, semi-finished and finished textile products. The Group insists that all our suppliers must comply with this standard. The compliance to the Standard is a testament to our continuous improvement in sustainability efforts highlighted above.

On our property and construction segment, suppliers and contractors are carefully selected by a pre-qualifying screening, a thorough assessment of their credentials, call tenders exercise, and follow-up meetings and interviews.

The Directors are responsible for the preparation of the financial statements so as to give a true and fair view of the financial position and financial performance of the Group and of the Company as at 31 March 2020 in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year ended 31 March 2020. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a "going concern" basis, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy, the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 and the applicable Financial Reporting Standards ("FRS") approved by the Malaysian Accounting Standard Board ("MASB") in Malaysia.

The Directors also have a general responsibility for taking necessary steps that are reasonably available to them to safeguard the assets of the Group and the Company whereby an appropriate system of internal control is established to prevent and detect fraud as well as other irregularities.

The Directors have considered and pursued the necessary actions to meet their responsibilities as set out in this Statement.

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are set out in Note 12 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Loss for the financial year	(7,541,546)	(45,470,849)
Attributable to:		
Owners of the parent	(7,450,434)	(45,470,849)
Non-controlling interests	(91,112)	-
Loss for the financial year	(7,541,546)	(45,470,849)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any final dividend for the financial year ended 31 March 2020.

Directors

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datin Fong Nyok Yoon
Dato' Chuah Chin Lai
Lai Kian Huat
Tan Loon Cheang
Ng Boon Kang
Hem Kan @ Chan Hong Kee - Resigned on 21 August 2020

The name of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who already disclosed are:

Phang Ah Seng
Lean Ah Too

Directors' interests in shares

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 31 March 2020 as recorded in the Register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, were as follows:

	Number of Ordinary Shares			
	Balance as at 1.4.2019	**Bought**	**Sold**	**Balance as at 31.3.2020**
In the Company				
Direct interest				
Dato' Chuah Chin Lai	9,432,000	9,432,000	-	18,864,000
Datin Fong Nyok Yoon	13,630,000	13,630,000	-	27,260,000
Indirect interest				
Dato' Chuah Chin Lai	18,138,700	18,138,700	(9,017,400)	27,260,000
Datin Fong Nyok Yoon	13,940,700	13,940,700	(9,017,400)	18,864,000

Directors' interests in shares (continued)

Warrants 2018/2021

	Number of Warrants			
	Balance as at 1.4.2019	**Granted***	**Sold**	**Balance as at 31.3.2020**
In the Company				
Direct interest				
Dato' Chuah Chin Lai	6,366,000	6,366,000	-	12,732,000
Datin Fong Nyok Yoon	6,815,000	6,815,000	-	13,630,000
Indirect interest				
Dato' Chuah Chin Lai	6,815,000	6,815,000	-	13,630,000
Datin Fong Nyok Yoon	6,366,000	6,366,000	-	12,732,000

- The Bonus Issue of 40,000,000 free detachable Warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company had been completed following the listing of and quotation for 40,000,000 warrants on the Main Market Bursa Securities on 26 April 2018. The exercise price for the Warrants was fixed at RM0.38 for each new share and to be exercised from the date of issuance up to the maturity date. The new ordinary shares issued upon exercise of the Warrants shall rank pari passu in all respect with the existing shares of the Company.

- Prior to the bonus issue, the warrants exercise price adjusted from RM0.38 per share to RM0.19 per share with the additional 38,654,400 warrants listed and quoted on 10 April 2019.

By virtue of their interest in the Company, Dato' Chuah Chin Lai and Datin Fong Nyok Yoon are deemed to have interest in the shares of all the related corporations to the extent the Company has an interest.

Other than as disclosed above, none of all the directors at the end of the financial year held any interest in shares in the Company or its related corporations during the financial year.

Directors' benefits

Since the end of previous financial year, no director of the Company have received nor become entitled to receive any benefit (other than a benefit included in aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for those disclosed in Note 32 to the financial statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' remuneration and fee

Directors' remuneration of the Group and of the Company amounted to RM1,202,331 and RM9,700 respectively as disclosed in Note 5 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM312,000 and RM312,000 respectively as disclosed in Note 5 to the financial statements.

Indemnity and insurance for directors, officers and auditor

The Company maintains a liability insurance paid amounted to RM13,075 which provide appropriate insurance cover for the directors and officers of the Company and its subsidiaries.

No other indemnities have been given or insurance premium paid by the Company and its subsidiaries, during or since the end of the financial year, for any person who is or has been director, officer and auditor of the Company and its subsidiaries.

Issue of shares and debentures

During the financial year, the Company increased its share capital from RM49,930,688 to RM50,266,551 by 1,767,700 new shares of RM0.19 each on the exercise of warrants pursuant to Deed Poll of 19 April 2018.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

I. proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts and that provision had been made for doubtful debts; and

II. any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts; or

(ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the abilities of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant event

Details of significant event is disclosed in Note 39 to the financial statements.

Subsequent event after reporting period

Details of subsequent event after reporting period is disclosed in Note 40 to the financial statements.

Auditors
The auditors, Messrs PKF, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2020 amounted to RM164,000 and RM65,000 respectively.

Signed on behalf of the Directors
in accordance with a resolution of the Board,

DATO' CHUAH CHIN LAI

DATIN FONG NYOK YOON

Teluk Intan, Perak Darul Ridzuan
24 August 2020

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 71 to 178 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 March 2020 and of their financial performances and their cash flows for the financial year ended on that date.

Signed on behalf of the Directors
in accordance with a resolution of the Board,

DATO' CHUAH CHIN LAI

DATIN FONG NYOK YOON

Teluk Intan, Perak Darul Ridzuan
24 August 2020

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, DATO' CHUAH CHIN LAI, being the director primarily responsible for the financial management of CAELY HOLDINGS BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 71 to 178 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the)
above-named at Teluk Intan in Perak Darul)
Ridzuan on 24 August 2020)

DATO' CHUAH CHIN LAI

Before me,

COMMISSIONER FOR OATHS

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of CAELY HOLDINGS BHD., which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 71 to 178.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performances and their its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Qualified Opinion

The Group through its subsidiary, Caely (M) Sdn Bhd ("CMSB") has trade receivables with a carrying amount of approximately RM11.995 million as at 31 March 2020 including the retention sum of RM4.863 million. On 28 February 2018, CMSB had completed the construction work, however only RM250,000 repayment received since then due to change of Government and Global Pandemic of Covid-19 in Malaysia. During the intervening period, all the payment of the construction had been delayed. In view of the prolonged delay of repayment, the carrying amount of trade receivables may be impaired because of the uncertainty as to the recoverable amounts. The Board of Directors of the Company (based on information/facts available) has assessed and concluded that there should not be any impairment loss on the trade receivables in its existing condition and/or realised at a value close to its carrying amount as at financial year end.

We are uncertain of the full recovery of certain trade receivables of the Group amounting to RM11.995 million as at financial year end, as a substantial amount on the completed constructions payments that have not been received. We were unable to obtain sufficient and appropriate audit evidence on the impairment assessment of the abovementioned carrying amount of the said receivables in accordance with MFRS 9 *Financial Instruments*. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Management Discussion and Analysis, Corporate Governance Overview Statement, Risk Management and Audit Committee Report, Statement on Risk Management and Internal Control, Corporate Sustainability Statement, Statement of Directors' Responsibilities in Relation to the Financial Statements and Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of trade receivable as at 31 March 2020 for the financial year. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (continued)

(i) Revenue and cost recognition of property development
(Refer to Notes 1(e)(viii), 2(c), 3 and 4 to the financial statements)

The Group recognises property development revenue in the statements of comprehensive income assessed as a performance obligation satisfies over time using input method. The progress towards complete satisfaction of the performance obligation is determined by the proportion of development costs incurred to date over the estimated total property development costs.

Property development accounting is inherently complex and involved assumptions, estimation from the management, and thus we considered as a matter of most significance.

Our procedures included:
(a) Assessed the management's assumptions in determining the progress towards completion satisfaction of projects, estimations of revenue and costs, provisions for liquidated damages as well as recoverability of billed receivables;
(b) Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses; and
(c) Verified costs incurred to date to supporting documentation such as contractor's claim certificates.

(ii) Net realisable value of inventories of property development costs
(Refer to Notes 1(e)(iv), 2(k) and 15 to the financial statements)

The Group has significant property development cost as its inventories. These inventories are stated at the lower of their cost and their net realisable values. As at 31 March 2020, property development cost stated at cost amounted to RM23,746,955.

Given the prevailing weak sentiment in the property development market in Malaysia arising from macroeconomic factors and a slowdown in economic activity in Malaysia, there is downward pressure on transaction volumes and residential and commercial property prices. This could lead to future trends in the market departing from known trends based on past experience. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in more losses when inventories are sold. The determination of the estimated net realisable value of these development cost is critically dependent upon the Group's expectations of future selling prices.

Our procedures included:

(a) Reviewed the appropriateness of the management's estimation on the valuation of inventories;
(b) Comparing the recent transacted prices of comparable completed properties, after taking into consideration of the discount given, or where applicable, for certain properties, reviewed valuation reports obtained by management to facilitate the assessment;
(c) Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;

Key Audit Matters (continued)

(ii) Net realisable value of inventories of property development costs (continued)

(d) Reviewed the methodology adopted by the independent valuers in estimating the fair value of the land; and
(e) Evaluated the appropriateness of the data used by the independent valuers as input into their valuations.

(iii) Recoverability on amount owing by subsidiaries
(Refer to Notes 2(g) and 16 to the financial statements)

The gross carrying amount of the amount owing by subsidiaries amounted to RM38,454,842. The Company carries significant amount owing by subsidiaries which subject to a high credit risk exposure.

Due to the significance of the amount amount owing by subsidiaries in determining the probability of default, we consider this to be an area of audit focus.

Our procedures included:

(a) Assessed and tested reasonableness of the Company's ECL model, and key assumptions made by management; and
(b) Assessed whether financial statements disclosures are adequate and appropriately reflect the Company's exposure to credit risk, arising from subsidiary companies.

(iv) Impairment of trade receivables
(Refer to Notes 1(e)(v), 2(g), 2(n) and 16 to the financial statements)

Impairment of trade receivables is an area of focus in the audit as there are variables that involved significant judgement when assessing the expected credit losses of trade receivables. The trade receivables' expected credit losses are estimated using provision matrix, which is based on the Group's historical observed default rates and forward-looking information. Additional impairment of RM2,042,333 were made during the current financial year, resulted in total impairment of RM4,276,024 was made against trade receivable balances of RM36,293,664 as at the financial year end.

As part of our audit to test Management's assessment of the recoverability of the Group's and the Company's receivables.

Our procedures included:

(a) Reviewed of Management's assessment of impairment loss of receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable;
(b) Reviewed of subsequent collections of major trade receivable balances to determine the validity and collectability of receivables as at financial year end;

Key Audit Matters (continued)

(iv) Impairment of receivables (continued)

(c) Tested reasonableness of the Company's ECL model, and key assumptions made by management.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that in our opinion, the accounting and other records for the matter as described in the *Basis for Qualified Opinion* section have not been properly kept by the Company in accordance with the provision of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

PKF
AF 0911
CHARTERED ACCOUNTANTS

NG CHEW PEI
03373/06/2022 J
CHARTERED ACCOUNTANT

Penang
24 August 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Revenue	3	69,455,516	85,503,056	288,000	288,000
Cost of sales	4	(62,423,103)	(70,297,396)	-	-
Gross profit		7,032,413	15,205,660	288,000	288,000
Other operating income		958,844	2,462,340	123,970	122,434
Selling and distribution costs		(2,343,338)	(2,466,311)	-	-
Administrative expenses		(10,486,471)	(10,680,856)	(9,825,281)	(20,468,891)
Other operating expenses		-	(10,207)	-	(10,207)
Net (loss)/gain on impairment of financial assets		(1,970,866)	(115,758)	(36,061,413)	-
(Loss)/Profit from operations		(6,809,418)	4,394,868	(45,474,724)	(20,068,664)
Finance cost	6	(1,827,661)	(1,805,494)	-	-
(Loss)/Profit before tax		(8,637,079)	2,589,374	(45,474,724)	(20,068,664)
Tax income/(expense)	7	1,095,533	(1,133,149)	3,875	8,114
(Loss)/Profit for the financial year		(7,541,546)	1,456,225	(45,470,849)	(20,060,550)
Other comprehensive income, net of tax					
Item that will not be reclassified to profit or loss					
Revaluation surplus on land and buildings, net of tax		-	607,343	-	-
Total comprehensive (loss)/income for the financial year		(7,541,546)	2,063,568	(45,470,849)	(20,060,550)
(Loss)/Profit attributable to:					
Owners of the parent		(7,450,434)	1,508,003		
Non-controlling interests	24	(91,112)	(51,778)		
		(7,541,546)	1,456,225		
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(7,450,434)	2,115,346		
Non-controlling interests	24	91,112	(51,778)		
		(7,359,322)	2,063,568		
Earnings per share (sen)					
-Basic	8	(4.53)	1.87		
-Diluted	8	(3.11)	(1.26)		

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	24,461,396	25,562,748	77,867	94,568
Right-of-use assets	10	751,129	-	-	-
Investment properties	11	4,100,000	4,100,000	4,100,000	4,100,000
Investment in subsidiaries	12	-	-	33,011,355	42,016,012
Goodwill	13	-	-	-	-
Deferred tax assets	14	2,530,607	1,050,395	-	-
Receivables, deposits and prepayments	16	-	-	-	30,198,343
		31,843,132	30,713,143	37,189,222	76,408,923
Current assets					
Inventories	15	52,766,881	59,413,663	-	-
Receivables, deposits and prepayment	16	36,492,517	56,183,311	494,000	6,030,590
Tax recoverable		184,306	1,177,350	17,425	49,208
Marketable securities	17	3,113	6,316	3,113	6,316
Derivative assets receivable	18	-	2,625	-	-
Fixed deposit with licensed banks	19	3,061,802	2,967,493	-	-
Cash and bank balances	20	2,121,831	1,004,454	372	46,308
		94,630,450	120,755,212	514,910	6,132,422
TOTAL ASSETS		126,473,582	151,468,355	37,704,132	82,541,345
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	21	50,266,551	49,930,688	50,266,551	49,930,688
Other reserves	22	10,736,804	10,822,281	1,851,511	1,851,511
Retained profits/(Accumulated loss)	23	21,315,227	28,680,184	(29,142,775)	16,328,074
		82,318,582	89,433,153	22,975,287	68,110,273
Non-controlling interests	24	(1,168,305)	(1,077,193)	-	-
Total equity		81,150,277	88,355,960	22,975,287	68,110,273

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non-current liabilities					
Hire-purchase creditors	25	-	295,304	-	-
Lease liabilities	26	609,536	-	-	-
Term Loans	27	10,966,509	12,543,186	-	-
Deferred tax liabilities	14	1,045,079	971,070	157,743	161,618
		12,621,124	13,809,560	157,743	161,618
Current liabilities					
Payables and accrued liabilities	28	16,067,424	31,611,869	14,571,102	14,269,454
Contract liabilities	29	2,155,034	1,363,461	-	-
Provisions	30	467,148	565,148	-	-
Derivative liabilities payable	18	12,198	-	-	-
Tax payable		22,932	-	-	-
Hire purchase creditors	25	-	103,287	-	-
Lease liabilities	26	122,629	-	-	-
Term loans	27	1,588,043	1,452,317	-	-
Short term bank borrowings:	31				
- Bank overdrafts		10,158,010	9,758,446	-	-
- Others		2,108,763	4,448,307	-	-
		32,702,181	49,302,835	14,571,102	14,269,454
Total liabilities		45,323,305	63,112,395	14,728,845	14,431,072
TOTAL EQUITY AND LIABILITIES		126,473,582	151,468,355	37,704,132	82,541,345

		Equity attributable to the owners of the parent						
	Note	Share Capital RM	Reserve on consilidation RM	Revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 April 2018		49,419,360	80,344	10,220,071	27,870,285	87,590,060	(1,025,415)	86,564,645
Exercise of warrants	21	511,328	-	-	-	511,328	-	511,328
Profit for the financial year					1,508,003	1,508,003	(51,778)	1,456,225
Other comprehensive income, net of tax		-	-	-	-	-	-	-
- Revaluation gain		-	-	607,343		607,343	-	607,343
Dividend	33	-	-		(810,066)	(810,066)	-	(810,066)
Transfer of reserve		-	-	(85,477)		(85,477)	-	(85,477)
Realisation of revaluation reserve		-	-	-	111,962	111,962	-	111,962
At 31 March 2019		49,930,688	80,344	10,741,937	28,680,184	89,433,153	(1,077,193)	88,355,960
Exercise of warrants	21	335,863	-	-	-	335,863	-	335,863
Profit for the financial year		-	-	-	(7,450,434)	(7,450,434)	(91,112)	(7,541,546)
Transfer of reserve		-	-	(85,477)	85,477	-	-	-
At 31 March 2020		50,266,551	80,344	10,656,460	21,315,227	82,318,582	(1,168,305)	81,150,277

	Note	Share capital RM	Non-Distrubutable Revaluation reserve RM	Distributable Retained profits / (Accumulated loss) RM	Total RM
Company					
At 1 April 2018		49,419,360	1,851,511	37,198,690	88,469,561
Exercise of warrants	21	511,328	-	-	511,328
Total comprehensive loss for the financial year		-	-	(20,060,550)	(20,060,550)
Dividend	33	-	-	(810,066)	(810,066)
At 31 March 2019		49,930,688	1,851,511	16,328,074	68,110,273
Exercise of warrants	21	335,863	-	-	335,863
Total comprehensive loss for the financial year		-	-	(45,470,849)	(45,470,849)
At 31 March 2020		50,266,551	1,851,511	(29,142,775)	22,975,287

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash flows from operating activities					
(Loss)/Profit before tax		(8,637,079)	2,589,374	(45,474,724)	(20,068,664)
Adjustments for:					
Property, plant and equipment					
- depreciation		729,356	957,897	18,285	18,139
- gain on disposal		(76,700)	(30,500)	-	-
- written off		13,942	-	-	-
-Impairment loss on investment in subsidiaries		-	-	9,004,657	19,538,474
Right-of-use assets					
- depreciation		146,395	-	-	-
Allowance for expected credit loss/impairment loss					
- charge for the financial year		2,042,333	136,958	36,061,413	-
- reversal		(71,467)	(21,200)	(11,630)	-
Provision for liquidated damages		1,593,397	852,146	-	-
Interest expense		1,820,836	1,800,171	-	-
Interest income		(98,748)	(142,308)	-	-
Allowance for slow moving inventories					
- provided for		911	231,810	-	-
- reversal		(150,322)	-	-	-
Fair value loss/(gain) on:					
- marketable securities		3,203	10,207	3,203	10,207
- derivatives financial instruments		14,823	(2,625)		
Net unrealised foreign exchange loss		66,726	199,414	-	-
Operating (loss)/profit before working capital changes		(2,602,394)	6,581,344	(398,796)	(501,844)
Decrease in inventories		6,796,193	7,379,346	-	-
Decrease/(Increase) in receivables		17,700,385	(19,055,589)	(363)	(1,654)
(Decrease)/Increase in payables		(15,299,479)	2,457,205	(77,271)	(89,182)
(Increase)/Decrease in Housing Development Accounts		(2,581)	29,632	-	-
Cash generated from/(used in) operations		**6,592,124**	**(2,608,062)**	**(476,430)**	**(592,680)**

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash generated from /(used in) operations		6,592,124	(2,608,062)	(476,430)	(592,680)
Liquidated damages and compensation paid		(899,824)	(609,378)	-	-
Interest paid		(800,937)	(826,090)	-	-
Tax paid		(1,309,983)	(1,051,748)	(17,425)	(49,208)
Tax refunded		2,015,290	766,362	49,208	173,686
Net cash from/(used in) operating activities		**5,596,670**	**(4,328,916)**	**(444,647)**	**(468,202)**
Cash flows from investing activities					
Acquisition for property, plant and equipment	(i)	(99,669)	(308,289)	(1,584)	-
Proceeds from disposals of property, plant and equipment		76,700	30,500	-	-
Interest income received		98,748	142,308	-	-
Addition of right-of-use asset		(439,801)	-	-	-
Net cash used in investing activities		(364,022)	(135,481)	(1,584)	-

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Deposits released under lien for credit facilities with licensed banks		(94,309)	987,619	-	-
Net changes in short term bank borrowings		(2,339,544)	2,213,346	-	-
Repayments of term loans		(1,440,951)	(1,335,403)	-	-
Repayments of hire- purchase creditors		-	(132,917)	-	-
Repayments of lease liabilities		333,574	-	-	-
Advances to a subsidiary		-	-	(314,486)	(323,805)
(Repayments to)/Advances received from a director		(292,150)	(596,261)	-	-
Drawdown of term loan		-	5,000,000	-	-
Dividend paid	33	-	(810,066)	-	(810,066)
Interest paid		(1,019,899)	(974,081)	-	-
Exercise of warrants	21	335,863	511,328	335,863	511,328
Advances from a subsidiary		-	-	378,918	1,128,141
Net cash (used in)/from financing activities		**(4,517,416)**	**4,863,565**	**400,295**	**505,598**
Net increase/(decrease) in cash and cash equivalents		715,232	399,168	(45,936)	37,396
Cash and cash equivalents at 1 April 2019/2018		(9,166,380)	(9,565,548)	46,308	8,912
Effects of foreign exchange rate changes on cash and cash equivalents		-	-	-	-
Cash and cash equivalents at 31 March	**(ii)**	**(8,451,148)**	**(9,166,380)**	**372**	**46,308**

Notes:

i. Property, plant and equipment acquired under borrowings:

During the financial year, the Group and the Company made the following cash payment to acquire:

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Property, plant and equipment and right-of-use asset acquired	10 and 11	99,669	480,511	1,584	-
Less: Hire purchase arrangement		-	(172,222)	-	-
		99,669	308,289	1,584	-

ii. Cash and cash equivalents

Cash and cash equivalents comprise the following:

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash and bank balances		2,121,831	1,004,454	372	46,308
Less: Bank overdrafts	31	(10,158,010)	(9,758,446)		
Less: Bank balances held under Housing Development Account		(414,969)	(412,388)		
		(8,451,148)	(9,166,380)	372	46,308

Notes:

iii. Reconciliation of liabilities arising from financing activities:

	As At 1 April (before restated)	Initial application of MFRS 16	As At 1 April (after restated)	Cash Flows	As at 31 March
2020	**RM**	**RM**	**RM**	**RM**	**RM**
Group					
Hire-purchase creditors	398,591	(398,591)	-	-	-
Lease liabilities	-	398,591	398,591	333,574	732,165
Term loans	13,995,503		13,995,503	(1,440,951)	12,554,552
Short term bank borrowings (excluding bank overdrafts)	4,448,307	-	4,448,307	(2,339,544)	2,108,763
Amount owing to a director	1,753,739	-	1,753,739	(292,150)	1,461,589
	20,596,140	-	20,596,140	(3,739,071)	16,857,069
Company					
Amount owing to a subsidiary	13,963,699	-	13,963,699	378,918	14,342,617
2019					
Group					
Hire-purchase creditors	359,286	-	359,286	39,305	398,591
Term loans	10,330,906	-	10,330,906	3,664,597	13,995,503
Short term bank borrowings (excluding bank overdrafts)	2,234,961	-	2,234,961	2,213,346	4,448,307
Amount owing to a director	2,350,000	-	2,350,000	(596,261)	1,753,739
	15,275,153	-	15,275,153	5,320,987	20,596,140
Company					
Amount owing to a subsidiary	12,835,558	-	12,835,558	1,128,141	13,963,699

1. Basic of preparation

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

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

These financial statements are presented in 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 2019, the Group and the Company have also adopted the following new and amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2019.

Description	**Effective for annual periods beginning on or after**
● Annual improvements to MFRS 2015 - 2017 cycle	
- Amendments to MFRS 3, Business Combinations	1 January 2019
- Amendments to MFRS 11, Joint Arrangements	1 January 2019
- Amendments to MFRS 112, Income Taxe	1 January 2019
- Amendments to MFRS 123, Borrowing Costs	1 January 2019
● Amendments to MFRS 119, Employee Benefits: Plan Amendment, Curtailment and Settlement	1 January 2019
● MFRS 16, Leases	1 January 2019
● Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
● Amendments to MFRS 128, Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
● IC Interpretation 23, Uncertainty over Income Tax Treatment	1 January 2019

Adoption of above amended MFRS did not have any material impact to the financial performances or positions of the Group and of the Company except for changes in accounting policies as disclosed in Note 1(c) to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2020

1. Basic 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	**Effective for annual periods beginning on or after**
● Amendments to References to the Conceptual Framework in MFRS Standards	
- Amendments to MFRS 2, Share-Based Payment	1 January 2020
- Amendments to MFRS 3, Business Combinations	1 January 2020
- Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
- Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
- Amendments to MFRS 101, Presentation of Financial Statements	1 January 2020
- Amendments to MFRS 108, Accounting Policies Changes in Accounting Estimates and Errors	1 January 2020
- Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
- Amendments to MFRS 138, Intangible Assets	1 January 2020
- Amendments to IC Interpretation 12, Service Concession Arrangements	1 January 2020
- Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
- Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
- Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2020
- Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs	1 January 2020
- 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
● MFRS 17, Insurance Contracts	1 January 2021

1. Basic of preparation (continued)

c) Standards issued but not yet effective (continued)

Description	**Effective for annual periods beginning on or after**
● Amendments to References to the Conceptual Framework in MFRS Standards (continued)	
- Amendments to MFRS 3, Business Combinations: Definition of Business	1 January 2020
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures Interest Rate Benchmark Reform	1 January 2020
- Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions	1 June 2020
- Amendments to MFRS 101, Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current	1 January 2022
- Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework	1 January 2022
- Amendments to MFRS 116, Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
● Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9, Financial Instruments	1 January 2022
- Amendments to MFRS 16, Leases	1 January 2022
- Amendments to MFRS 141, Agriculture	1 January 2022

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

1. Basic of preparation (continued)

c) Explanation on change in accounting policy

MFRS 16 Leases

In the current financial year, the Group and the Company have adopted MFRS 16 Leases ("MFRS 16") effective for the annual financial period beginning on or after 1 January 2019. The Group and the Company has elected not to restate comparatives for the financial year ended 31 March 2019 and recognise the cumulative effect of initial applying MFRS 16 as an adjustment to the opening balance of retained earnings.

The Group and the Company has also elected not to reassess whether a contract is, or contains, a lease at 1 April 2019 (date of initial application). Instead, the Group and the Company relied on its assessment made applying MFRS 117 Leases ("MFRS 117") and IC Interpretation 4 Determining whether an Arrangement contains a Lease for contracts entered into (or changed) before the date of initial application.

As a lessee

At the date of initial application, for leases previously classified as an operating lease applying MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's and the Company's incremental borrowing rate at the date of initial application.

The right-of-use assets are measured at either:

- their carrying amount as if MFRS 16 has been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application

The following practical expedients have been applied to leases previously classified as operating leases applying MFRS 117:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on previous assessment on whether leases are onerous as an alternative to perform impairment review – there were no onerous contracts as at 1 April 2019;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

1. Basic of preparation (continued)

c) Explanation on change in accounting policy (continued)

MFRS 16 Leases (continued)

As a lessee (continued)

For leases previously classified as finance leases applying MFRS 117, the carrying amount of the right-of-use assets and the lease liabilities as at 1 April 2019 are determined to be the same as the carrying amount of the lease assets and lease liabilities under MFRS 117.

As a lessor

The Group and the Company who is an intermediate lessor reassessed the classification of subleases that previously classified as operating leases applying MFRS 117 and concluded that the subleases are finance leases under MFRS 16. The subleases are accounted as new finance leases entered into at the date of initial application.

The adoption of above MFRS did not have any significant effect on the financial statements of the Group and the Company.

d) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

e) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

i. *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

1. Basic of preparation (continued)

e) Significant accounting estimates and judgements (continued)

ii. Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

iii. Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

iv. Write-down of Inventories

- Property development project

The Group writes down the inventories to their net realisable values based on the estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations net of the estimated cost necessary to complete the sale. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the selling price and the related cost to complete the sale, the estimates will, in all likelihood, differ from the actual transactions achieved in future periods and these differences may, in certain circumstances, be significant.

1. Basic of preparation (continued)

e) Significant accounting estimates and judgements (continued)

iv. Write-down of Inventories (continued)

- Others inventories

  Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

v. Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

vi. Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statements of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

1. Basic of preparation (continued)

e) Significant accounting estimates and judgements (continued)

vii. Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amount of goodwill.

viii. Recognition of Property Development Profits

When the outcome of the development activity can be estimated reliably and the sale of the development unit is affected, the Group recognises property development profits and costs by reference to the progress towards complete satisfaction of the development activity at the reporting date. The progress towards complete satisfaction is determined based on the proportion that the property development costs incurred to-date over the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recovered and the property development costs on the development units sold are recognised when incurred.

Significant judgement is required in the estimation of the progress towards complete satisfaction and the total property development costs. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

1. Basic of preparation (continued)

e) Significant accounting estimates and judgements (continued)

ix. Recognition of Construction Contracts Profits

The Group recognises contract profit based on the progress towards complete satisfaction. The progress towards complete satisfaction of a construction contract is measured by reference to survey of work performed.

Significant judgement is required in the estimation of progress towards complete satisfaction, the extent of the contract costs incurred, as well as the recoverability of the construction contracts.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, based on the director's best estimates derived from reasonable assumptions, experience and judgement.

Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

x. Classification between Investment Properties and Owner-occupied Properties

The Group and the Company determine whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company consider whether a property generates cash flows largely independent of the other assets held by the Group and the Company.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

1. Basic of preparation (continued)

e) Significant accounting estimates and judgements (continued)

xi. Carrying Amount of Investment in Subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 2(g)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying amount's may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying amount of investments in subsidiaries.

xii. Leases

a) Lease term

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options in leases for land have been included in the lease liability in consideration of the costs and business disruption required to replace the leased assets.

Most extension options in land leases have been included in the lease liability, because the Group and the Company could not replace the assets without significant cost or business disruption.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of RM439,801.

b) Incremental borrowing rate of leases

In determining the incremental borrowing rate, the Group and the Company uses recent third-party financing received by the Group and the Company as a starting point and makes adjustments specific to the lease, for e.g. terms.

2. Summary of significant accounting policies

a) Basic of consolidation

i. Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. Summary of significant accounting policies (continued)

a) Basic of consolidation (continued)

ii. Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

iii. Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

2. Summary of significant accounting policies (continued)

a) Basic of consolidation (continued)

iv. Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

v. Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currencies

i. Functional and presentation currency

The financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

2. Summary of significant accounting policies (continued)

b) Foreign Currencies (continued)

ii. Foreign currencies transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and the Company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's and the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the profit and loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

	2020	**2019**
	RM	**RM**
Assets		
1 United States Dollar	4.30	4.02
1 Euro	4.73	4.52
Liabilities		
1 United States Dollar	4.31	4.14
1 Euro	4.75	4.65
100 Hong Kong Dollars	55.58	53.25
100 Chines Renminbi	60.82	60.85

2. Summary of significant accounting policies (continued)

c) Revenue and other income

i. Sales of goods – Original Equipment Manufacturer ("OEM")

The Group sells a range of undergarment under OEM and general manufacturing a range of undergarments in the export market. Revenue is recognised at the point in time when control of the asset is transferred to the customer, being when the products are delivered. The normal credit term is cash on delivery to 75 days upon delivery.

The undergarments are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 75 days.

Trade receivables are recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

ii. Sales of goods – direct selling and retail

The Group sells a range of undergarments, garments, leather goods, sportswear and household products to departmental stores and licensed distributors. Revenue are recognised at a point in time when control of the asset is transferred, being when the products are delivered to the end customer. The contract price is variable for different contracts as the revenue is recognised based on the assets price, net of returns and discounts. The normal credit term is cash on delivery to 60 days upon delivery.

No element of financing is deemed present as the sales are made with a credit term of cash on delivery to 60 days, which is consistent with the market practice.

Trade receivables are recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time required before the payment is due.

2. Summary of significant accounting policies (continued)

c) Revenue and other income (continued)

iii. Construction contracts

The Group construct properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration services and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the assets is transferred over time as the Group create or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear the estimated total construction costs (an input method).

Billings are issued with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

iv. Property development

a) Project in progress

The Group develops and sells properties. Revenue is recognised based on the actual property development costs incurred relative to the estimated total property development costs to be incurred which excluded cost of land held for development.

The Group recognises revenue over time of unit sold using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects. Payment of transaction price is due when each stage of the developing property is certified by qualified architect.

The customer pays the amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payment received exceed the services rendered, a contract liability is recognised.

2. Summary of significant accounting policies (continued)

c) Revenue and other income (continued)

iv. Property development (continued)

b) Completed development units

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

v. Golf club activities

Revenue from golf club activities consist of golfing, golf club membership fees, driving range, sports and other recreation facilities and golfing equipment, which are separate performance obligation. The transaction price will be allocated to each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin and net of discounts, allowance and indirect taxes.

Revenue from golf club activities except for golf club membership fees is recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Golf club membership fees is received upfront and recognised on a straight-line basis over the tenure of the membership.

vi. Interest income

Interest income is recognised using the effective interest method.

vii. Dividend income

Dividend income is recognised when the shareholder’s right to receive payment is established.

viii. Rental income

Rental income is recognised on the accrual basis unless collection is in doubt.

ix. Management fees

Management fees are recognised when services are rendered.

2. Summary of significant accounting policies (continued)

d) Employee benefits expenses

i. Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur..

ii. Defined contribution plans

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

f) Tax expense

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (continued)

f) Tax expense (continued)

ii. Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

2. Summary of significant accounting policies (continued)

g) Impairment

i. Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the assets, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. Summary of significant accounting policies (continued)

g) Impairment (continued)

i. Financial assets (continued)

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

ii. Non-Financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income and equity. In this case the impairment is also recognised in other comprehensive income and equity up to the amount of any previous revaluation.

2. Summary of significant accounting policies (continued)

g) Impairment (continued)

ii. Non-Financial assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

h) Property, plant, and equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost. Costs include purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bring the asset to working condition for its intended use, and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Other than freehold land and buildings, subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent to recognition, property, plant and equipment whose fair value can be measured reliably are measured at a revalued amount, being their fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

2. Summary of significant accounting policies (continued)

h) Property, plant, and equipment (continued)

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Freehold land has an indefinite useful life and therefore is not depreciated.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Buildings	3%
Plant and machinery	10%
Furniture, fittings, equipment and renovations	5% - 20%
Motor vehicles	20%
Golf course development	10%

The residual values and useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2. Summary of significant accounting policies (continued)

h) Property, plant, and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

i) Investment properties

Investment properties, comprising principally land and office building, is held for long term rental yields or for capital appreciation or both, and an insignificant portion is occupied by the Group and the Company for own production or supply of goods or services or for administrative purposes.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group and the Company dispose of a property at fair value in an arm's length transaction, the carrying amount immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

2. Summary of significant accounting policies (continued)

i. Investment properties (continued)

If an item of owner-occupied property becomes an investment property because its use had changed, any difference resulting between carrying amount and the fair value of such a property at the date of transfer is treated in the same way as a revaluation under MFRS 116, Property, Plant and Equipment. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase credited directly to other comprehensive income in revaluation surplus reserve. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus reserve, with any remaining decrease charged to profit or loss. On subsequent disposal of the investment property, the revaluation surplus included in equity is transferred to retained profits.

j. Leases

The Group and the Company have applied MFRS 117 *Leases* until financial year ended 31 March 2019. From 1 April 2019, MFRS 16 *Leases* has been applied.

Current financial year

i. Initial recognition and measurement

a) As a lessee

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:
- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group and the Company's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

2. Summary of significant accounting policies (continued)

j. Leases (continued)

Current financial year (continued)

i. Initial recognition and measurement (continued)

b) As a lessor

Leases for which the Group and the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group and the Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group and the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right- of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group and the Company applies the exemption described above, then it classifies the sublease as an operating lease.

ii. Subsequent measurement

a) As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. Summary of significant accounting policies (continued)

j. Leases (continued)

Current financial year (continued)

ii. Subsequent measurement (continued)

a) As a lessee (continued)

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Previous financial year

i. Classification

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property, is accounted for as if held under a finance lease; and

2. Summary of significant accounting policies (continued)

j. Leases (continued)

Previous financial year (continued)

i. Classification (continued)

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

ii. Finance Leases – as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is in the statements of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's and the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amounts of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for the depreciable property, plant and equipment as described in Note 9 to the financial statements.

iii. Operating Leases – as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (continued)

j. Leases (continued)

Previous financial year (continued)

iv. Operating Leases – as Lessor

Assets leased out under operating leases are presented in the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

k. Inventories

Inventories are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

i. Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

- Cost includes:
- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Planning and design costs, costs of site preparation, professional fees for legal services, title transfer legal fee, construction overheads and other related costs; and
- Compensation claim.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sales.

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is recognised in profit or loss as and when control passes to the respective customers.

2. Summary of significant accounting policies (continued)

k. Inventories (continued)

i. Inventory properties (continued)

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

ii. Inventories of raw materials, work in progress and finished goods

Cost of purchased inventory (determined on the weighted average cost method) comprises cost of purchase and cost of bringing the inventories to their present condition and location. Costs of purchased inventory are determined after deducting rebates, discounts and the amount of SST. Cost of work in progress and finished goods (determined on the weighted average cost method) includes cost of direct materials, direct labour and an appropriate proportion of production overheads.

2. Summary of significant accounting policies (continued)

l. Contract asset/(liability)

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. In the case of property development and construction contracts, contract liability is the excess of the billings to- date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Company has billed or has collected the payment before the goods are delivered or services are provided to the customers.

m. Goodwill on consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash- generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(b) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Group and are recorded in RM at the rates prevailing at the date of acquisition.

2. Summary of significant accounting policies (continued)

n. Financial assets

i. Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Company becomes party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Subsequent measurement

From 1 April 2018, the Group and the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

- *Amortised costs*

  Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

2. Summary of significant accounting policies (continued)

n. Financial assets (continued)

ii. Subsequent measurement (continued)

- *Fair value through other comprehensive income ("FVOCI")*

1. Debt investments

Debt investment, which is not designated as at fair value through profit or loss, is measured at FVOCI when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments to principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income calculated using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Impairment expenses are presented as a separate line item in the statement of profit or loss.

2. Equity investments

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's the Company's right to receive payments is established.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

2. Summary of significant accounting policies (continued)

n. Financial assets (continued)

ii. Subsequent measurement (continued)

- *Fair value through profit or loss ("FVTPL")*

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

iii. Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits held at call with financial institutions, other short term and highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

p. Financial liabilities

i. Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company becomes party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measures a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

2. Summary of significant accounting policies (continued)

p. Financial liabilities (continued)

ii. Subsequent measurement (continued)

The categories of financial liabilities at initial recognition are as follows:

- *Amortised cost*

  All financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities where it is designated as FVTPL.

  Interest expense and foreign exchange gains and losses are recognised in profit or loss.

- *Fair value through profit or loss ("FVTPL")*

  Financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition are measured at FVTPL.

  Financial liabilities may be designated upon initial recognition at FVTPL only if the criteria in MFRS 9 *Financial Instruments (IFRS 9 as issued by IASB in July 2014)* are satisfied. The Group and the Company has not designated any financial liability as at FVTPL.

  Financial liabilities categorised at FVTPL are subsequently carried at fair value with the gain or losses recognised in profit or loss.

iii. Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

The Company has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make the required repayments when due in accordance with the terms of their borrowings.

2. Summary of significant accounting policies (continued)

p. Financial liabilities (continued)

iii. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher amount determined in accordance with MFRS 137, Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non- cash assets transferred or liability assumed, is recognised in profit or loss.

q. Provision

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

2. Summary of significant accounting policies (continued)

r. Contingencies

i. Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as contingent liability, unless the possibility of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the possibility outflow of economic benefits is remote.

ii. Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

s. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

t. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

2. Summary of significant accounting policies (continued)

u. Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

3. Revenue

The revenue of the Group and of the Company consists of the following:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Revenue from contract customers	69,455,516	85,503,056	288,000	288,000

a) Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major goods or services and timing of revenue recognition.

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Revenue from contract customers				
Finished goods				
-Direct sales and retails	3,433,538	2,799,432	-	-
-Manufacturing and export	59,953,889	71,297,690	-	-
-Construction contract	70,250	761,855	-	-
Property development				
-Project in progress	5,184,376	3,790,765	-	-
-Completed development units	377,060	6,329,680	-	-
Leisure and hospitality				
-Golf club activities	436,403	523,634	-	-
Management fee charged to subsidiaties	-	-	288,000	288,000
	69,455,516	85,503,056	288,000	288,000

3. Revenue

a. Disaggregation of revenue (continued)

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Geographical markets				
Malaysia	9,640,686	14,428,835	288,000	288,000
United States of America	2,951,296	10,541,524	-	-
Canada	11,241,366	8,318,267	-	-
Germany	37,437,492	42,314,838	-	-
France	460,951	781,908	-	-
Hong Kong	6,349,933	6,135,159	-	-
United Kingdonm	(20,112)	1,448,206	-	-
Netherlands	522,192	1,514,460	-	-
Myanmar	288,817	-	-	-
Czech	406,294	-	-	-
Egypt	121,630	-	-	-
Lebanon	38,889	-	-	-
Other countries	16,082	19,859	-	-
	69,455,516	85,503,056	288,000	288,000
Timing of revenue recognition				
At a point in time	64,200,890	80,950,436	288,000	288,000
Over time	5,254,626	4,552,620		
	69,455,516	85,503,056	288,000	288,000

4. Cost of sales

	Group	
	2020	**2019**
	RM	**RM**
Contract costs	618,734	418,354
Property development costs	9,675,045	7,526,628
Cost of finished goods sold	52,129,324	62,352,414
	62,423,103	70,297,396

5. Employee benefits expenses

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Executive directors:				
- fees	144,000	147,350	144,000	147,350
- allowances	4,000	11,200	4,000	11,200
- salaries and bonus	1,038,854	900,644	-	-
- defined contribution plan	153,777	140,643	-	-
	1,340,631	1,199,837	148,000	158,550
Non-executive directors:				
- fees	168,000	128,385	168,000	128,385
- allowances	5,700	12,700	5,700	12,700
	173,700	141,085	173,700	141,085
Total directors' remuneration	1,514,331	1,340,922	321,700	299,635
Other staff costs:				
- salaries, wages and bonus	14,608,126	16,183,242	-	-
- defines contribution plan	831,575	909,314	-	-
- other short term employee benefits	1,197,284	1,463,782	-	-
Total other staff costs	16,636,985	18,556,338	-	-
Total employee benefits expenses	18,151,316	19,897,260	321,700	299,635
Monetary value of benefits-in-kind given to certain directors	41,950	41,950	-	-

6. Finance Cost

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Term loan interests	839,954	766,421	-	-
Overdraft interests	800,937	826,090	-	-
Lease liability interests	27,472	-	-	-
Interests on other borrowings	152,473	207,660	-	-
Net interest expense	1,820,836	1,800,171	-	-
Commitment fees	6,825	5,323	-	-
	1,827,661	1,805,494	-	-

7. Tax (income)/expense

a. Recognised in profit or loss

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Current tax:				
- Current year	713,764	1,452,410	-	-
-(Over)/Underprovision in prior years	(403,094)	35,252	-	(4,267)
	310,670	1,487,662	-	(4,267)
Deferred tax:				
-Origination and reversal of temporary differences	(1,544,864)	(25,330)	(3,875)	(3,955)
-Crystallisation of revaluation Reserve	(26,484)	-	-	-
-Under/(Over)provision in prior years	165,145	(329,183)	-	108
	(1,406,203)	(354,513)	(3,875)	(3,847)
	(1,095,533)	1,133,149	(3,875)	(8,114)

7. Tax (income)/expense (continued)

(a) Recognised in profit or loss (continued)

Reconciliation of tax expense

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
(Loss)/Profit before tax	(8,637,079)	2,589,374	(45,474,724)	(20,068,664)
Tax calculated at statutory tax rate of 24%	(2,072,899)	621,450	(10,913,934)	(4,816,479)
Non-deductible expenses	1,253,303	859,017	10,910,059	4,812,524
Non-taxable income	(3,614)	(41,297)	-	-
Double deduction expenses	(43,778)	(35,197)	-	-
Crystalisation of revaluation reserve	(26,484)	-	-	-
Utilisation of deferred tax asset not recognised	35,888	23,107	-	-
	(857,584)	1,427,080	(3,875)	(3,955)
(Over)/Underprovision of current tax in prior year	(403,094)	35,252	-	(4,267)
Under/(Over)provision of deferred tax in prior year	165,145	(329,183)	-	108
Tax (income)/expense	(1,095,533)	1,133,149	(3,875)	(8,114)

The Group has unabsorbed capital allowance and unutilised tax losses amounting to approximately RM2,862,160 and RM6,419,619 (2019: RM2,687,045 and RM3,118,322) respectively for set off against future taxable profits.

Effective from year of assessment 2019, the unutilised tax losses can be carried forward for a period of 7 years from year of assessment 2019 onwards to set off against future taxable profit. However, the unutilised tax losses amounted to RM1,253,706 which arose up to year of assessment 2018 are to be utilised before the year of assessment 2025.

7. Tax (income)/expense (continued)

(b) Recognised in other comprehensive income

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Deferred tax:				
- Revaluation surplus	-	176,793	-	-

8 Earnings per share

Basic/diluted earnings per share of the Group is calculated by dividing net profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

(a) Basic earnings per share

	Group	
	2020	2019
Net (loss)/profit for the financial year attributable to owners of the parent (RM)	(7,450,434)	1,508,003
Weighted average number of ordinary shares in issue (units)	164,376,705	80,686,008
Basic earnings per share (sen)	(4.53)	1.87

(b) Diluted earnings per share

	Group	
	2020	2019
Net (loss)/profit for the financial year attributable to owners of the parent (RM)	(7,450,434)	1,508,003
Weighted average number of ordinary shares in issue (units)	164,376,705	80,686,008
Effect of exercise of Warrants	75,541,100	38,654,400
Weighted average number of ordinary shares in issue (units)	**239,917,805**	**119,340,408**
Diluted earnings per share (sen)	(3.11)	1.26

9. Property, plant and equipment

2020	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course development RM	Capital work-in-progress RM	Total RM
Group								
Cost/Valuation								
At 1 April 2019 (before restated)	7,630,000	14,291,099	8,496,657	6,814,045	2,660,778	829,230	2,584,481	43,306,290
Initial application of MFRS 16	-	-	(94,512)	(126,000)	(490,000)	-	-	(710,512)
At 1 April 2019 (after restated)	7,630,000	14,291,099	8,402,145	6,688,045	2,170,778	829,230	2,584,481	42,595,778
Additions	-	-	83,400	16,269	-	-	-	99,669
Disposals	-	-	(4,200)	-	(347,602)	-	-	(351,802)
Written off	-	-	-	-	-	(14,300)	-	(14,300)
At 31 March	7,630,000	14,291,099	8,481,345	6,704,314	1,823,176	814,930	2,584,481	42,329,345

9. Property, plant and equipment (continued)

2020	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course development RM	Capital work-in-progress RM	Total RM
Group								
Accumulated depreciation and impairment loss								
At 1 April 2019								
Accumulated depreciation (before restated)	-	736,099	7,788,629	6,109,173	2,379,276	266,591	-	17,279,768
Initial application of MFRS 16	-	-	(13,389)	(18,900)	(220,500)	-	-	(252,789)
Accumulated depreciation (after restated)	-	736,099	7,775,240	6,090,273	2,158,776	266,591	-	17,026,979
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	736,099	7,775,240	6,102,925	2,158,776	717,713	-	17,490,753
Charge for the financial year		412,342	167,815	127,191	12,000	10,008		729,356
Disposal	-	-	(4,200)	-	(347,602)	-	-	(351,802)
Written off	-	-	-	-	-	(358)	-	(358)
At 31 March								
Accumulated depreciation	-	1,148,441	7,938,855	6,217,464	1,823,174	276,241	-	17,404,175
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	1,148,441	7,938,855	6,230,116	1,823,174	727,363	-	17,867,949

9. **Property, plant and equipment (continued)**

2020	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course development RM	Capital work-in-progress RM	Total RM
Group								
Carrying amount								
At 31 March	7,630,000	13,142,658	542,490	474,198	2	87,567	2,584,481	24,461,396
Representing:								
At cost	-	-	542,490	474,198	2	87,567	2,584,481	3,688,738
At valuation	7,630,000	13,142,658	-	-	-	-	-	20,772,658
	7,630,000	13,142,658	542,490	474,198	2	87,567	2,584,481	24,461,396

9. Property, plant and equipment (continued)

2019	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course development RM	Capital work-in-progress RM	Total RM
Group								
Cost/Valuation								
At 1 April 2018	7,570,000	14,230,000	8,301,671	6,642,896	2,972,288	714,854	2,584,481	43,016,190
Additions	-	-	194,986	171,149	-	114,376	-	480,511
Revaluation surplus	60,000	724,136	-	-	-	-	-	784,136
Reclassification	-	(663,037)	-	-	-	-	-	(663,037)
Disposals	-	-	-	-	(311,510)	-	-	(311,510)
At 31 March	7,630,000	14,291,099	8,496,657	6,814,045	2,660,778	829,230	2,584,481	43,306,290
Accumulated depreciation and impairment loss								
At 1 April 2018								
Accumulated depreciation	-	966,026	7,590,686	5,950,416	2,525,558	263,732	-	17,296,418
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	966,026	7,590,686	5,963,068	2,525,558	714,854	-	17,760,192
Charge for the financial year	-	433,110	197,943	158,757	165,228	2,859	-	957,897
Reclassification	-	(663,037)	-	-	-	-	-	(663,037)
Disposal	-	-	-	-	(311,510)	-	-	(311,510)
At 31 March								
Accumulated depreciation	-	736,099	7,788,629	6,109,173	2,379,276	266,591	-	17,279,768
Accumulated impairment loss	-	-	-	12,652	-	451,122	-	463,774
	-	736,099	7,788,629	6,121,825	2,379,276	717,713	-	17,743,542

9. **Property, plant and equipment (continued)**

2019	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Golf course developmen t RM	Capital work-in-progress RM	Total RM
Group								
Carrying amount								
At 31 March	7,630,000	13,555,000	708,028	692,220	281,502	111,517	2,584,481	25,562,748
Representing:								
At cost	-	-	708,028	692,220	281,502	111,517	2,584,481	4,377,748
At valuation	7,630,000	13,555,000	-	-	-	-	-	21,185,000
	7,630,000	13,555,000	708,028	692,220	281,502	111,517	2,584,481	25,562,748

9. Property, plant and equipment (continued)

	Company	
	2020 RM	**2019 RM**
Furniture, fittings and equipment		
Cost		
At 1 April 2019/2018	585,847	585,847
Additions	1,584	-
At 31 March	587,431	585,847
Accumulated depreciation		
At 1 April 2019/2018	491,279	473,140
Charge for the financial year	18,285	18,139
At 31 March	509,564	491,279
Carrying amount		
At 31 March	77,867	94,568

(a) The land and buildings of the Group were last revalued on 31 March 2019 based on valuations carried out by an external independent professional valuer as follow:

Description	**Valuation method**	**Valuation amount RM**
Freehold land	Comparison method	7,630,000
Buildings	Comparison method	13,555,000
		21,185,000

(b) The carrying amount of the land and buildings that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation and impairment losses are as follows:

	Group	
	2020 RM	**2019 RM**
Freehold land	1,019,735	1,019,735
Buildings	10,069,400	10,412,002
	11,089,135	11,431,737

Carrying amount of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 27 and Note 31 to the financial statements are RM20,692,658 (2019: RM20,942,981).

9. Property, plant and equipment (continued)

(c) Property, plant and equipment being acquired under hire-purchase arrangements are as follows:

	Group 2020 RM	Group 2019 RM
Motor vehicles		
- Carrying amount at financial year end	-	269,500

(d) Capital work in progress of the Group represents a hotel property under construction, with the intention to be managed by the Subsidiary upon completion.

10. Right-of-use asset

	Land RM	Plant and machinery RM	Furniture, fitting and equipment RM	Motor vehicles RM	Total RM
Group					
Cost					
At 1 April 2019	-	-	-	-	-
Initial application of MFRS 16	-	94,512	126,000	490,000	710,512
Addition	439,801	-	-	-	439,801
At 31 March 2020	439,801	94,512	126,000	490,000	1,150,313
Accumulated amortisation					
At 1 April 2019 (before restated)	-	-	-	-	-
Initial application of MFRS 16	-	13,389	18,900	220,500	252,789
At 1 April 2019 (after restated)	-	13,389	18,900	220,500	252,789
Charge for the financial year	13,744	9,451	25,200	98,000	146,395
At 31 March	13,744	22,840	44,100	318,500	399,184
Carrying amount					
At 31 March	426,057	71,672	81,900	171,500	751,129

The Group leases various of assets which are land, motor vehicle, plant and machinery and furniture, fitting and equipment. The contract term ranges from 1 to 3 years that may come together with an extension options of renewal of contract which ranges from 3 to 4 years.

11. Investment properties

	Group and Company	
	2020 RM	2019 RM
At fair value		
At 1 April 2019/2018/31 March	4,100,000	4,100,000
Direct operating expenses relating to investment property that generate rental income	21,501	21,501

The investment properties of the Group and of the Company are stated at fair value of RM4,100,000 (2019: RM4,100,000) based on valuations (using comparison valuation method) carried out by an independent professional valuer on 31 March 2020.

12. Investment in subsidiaries

	Company	
	2020 RM	2019 RM
Unquoted shares at cost	61,804,486	61,804,486
Less: Impairment loss		
At 1 April 2019/2018	(19,788,474)	(250,000)
Addition during the financial year	(9,004,657)	(19,538,474)
At 31 March	(28,793,131)	(19,788,474)
	33,011,355	42,016,012

12. Investment in subsidiaries (continued)

Details of the subsidiaries which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Percentage of equity held (%) 2020	2019	Principal activities
	%	%	
Caely (M) Sdn. Bhd.	100	100	Property development and construction activities, direct sales of undergarments, garments, leather goods, sportswear and household products and retail sales of undergarments and garments.
Classita (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments
Marywah Industries (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments and trading of related raw materials.
Caely Development Sdn. Bhd.	100	100	Dormant.
Omni Green Sdn. Bhd.	51	51	Operation of a golf course and other related services and the provision of landscaping and related contract work.

13. Goodwill

	2020 RM	2019 RM
Cost arising from acquisition of a subsidiary	357,964	357,964
Less: Impairment loss		
At 1 April 2019/2018/31 March	(357,964)	(357,964)
	-	-

The goodwill which arose from the acquisition of Omni Green Sdn. Bhd. had been fully impaired in the previous financial year ended 31 March 2014.

14. Deferred tax (assets)/liabilities

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Deferred tax assets				
- subject to income tax	(2,530,607)	(1,050,395)	-	-
Deferred tax liabilities				
- subject to income tax	587,724	513,715	18,029	21,904
- subject to real property gains tax	457,355	457,355	139,714	139,714
	1,045,079	971,070	157,743	161,618
Deferred tax (assets)/liabilities (net)	(1,485,528)	(79,325)	157,743	161,618

The movements in deferred tax (assets)/liabilities during the financial year comprise the following:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
At 1 April 2019/2018	(79,325)	124,880	161,618	165,465
Recognised in other comprehensive income (Note 7)	-	176,793	-	-
Recognised in profit or loss (Note 7)	(1,406,203)	(354,513)	(3,875)	(3,847)
Recognised directly in equity	-	(26,485)	-	-
At 31 March	(1,485,528)	(79,325)	157,743	161,618

14. Deferred tax (assets)/liabilities (continued)

The movements in deferred tax (assets)/liabilities during the financial year comprise the following : (continued)

Group	Property, plant and equipment RM	Revaluation reserve RM	Total RM
2020			
Deferred tax liabilities			
At 1 April 2019	1,028,203	1,282,169	2,310,372
Recognised in profit or loss (Note 7)	89,081	(26,484)	62,597
At 31 March 2020	1,117,284	1,255,685	2,372,969
2019			
Deferred tax liabilities			
At 1 April 2018	987,787	1,131,861	2,119,648
Recognised in other comprehensive income (Note 7)	-	176,793	176,793
Recognised in profit or loss (Note 7)	40,416	-	40,416
Recognised directly in equity	-	(26,485)	(26,485)
At 31 March 2019	1,028,203	1,282,169	2,310,372

14. Deferred tax (assets)/liabilities (continued)

The movements in deferred tax (assets)/liabilities during the financial year comprise the following: (continued)

Group	Unabsorbed capital allowance RM	Unutilised tax losses RM	Provisions RM	Property, plant and equipment RM	Others RM	Total RM
2020						
Deferred tax assets						
At 1 April 2019	(474,608)	(485,198)	(1,540,886)	63,633	47,362	(2,389,697)
Recognised in profit or loss (Note 7)	(29,674)	(714,862)	(718,122)	9,873	(16,015)	(1,468,800)
At 31 March 2020	(504,282)	(1,200,060)	(2,259,008)	73,506	31,347	(3,858,497)
2019						
Deferred tax assets						
At 1 April 2018	(218,071)	(698,236)	(1,434,837)	364,104	(7,728)	(1,994,768)
Recognised in profit or loss (Note 7)	(256,537)	213,038	(106,049)	(300,471)	55,090	(394,929)
At 31 March 2019	(474,608)	(485,198)	(1,540,886)	63,633	47,362	(2,389,697)

14. Deferred tax (assets)/liabilities (continued)

The movements in deferred tax (assets)/liabilities during the financial year comprise the following : (continued)

	Property, plant and equipment RM	Revauation reserve RM	Total RM
Company 2020 Deferred tax liabilities			
At 1 April 2019	21,904	137,914	161,618
Recognised in profit or loss (Note 7)	(3,875)	-	(3,875)
At 13 March 2020	18,029	137,914	157,743
2019 Deferred tax liabilities			
At 1 April 2018	25,751	139,714	165,465
Recognised in profit or loss (Note 7)	(3,847)		(3,847)
At 31 march 2019	21,904	139,714	161,618

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2020 RM	Group 2019 RM
Unutilised tax losses	1,419,366	1,309,242
Unabsorbed capital allowances	726,039	686,631
	2,145,405	1,995,873

15. Inventories

		Group	
	Note	2020 RM	2019 RM
At cost:			
Property development costs	(a)	23,746,955	41,080,403
Completed development units		18,147,159	5,627,426
Raw materials		4,986,362	5,825,916
Work in progress		1,265,306	1,373,731
Operating supplies		1,000	1,000
Finished goods		3,954,822	4,570,929
		52,101,604	58,479,405
At net realisable value:			
Finished goods		665,277	934,258
		52,766,881	59,413,663

The following inventories have been charged to banks to partially secure the borrowings referred to in Note 27 to the financial statements below:

	Group	
	2020 RM	2019 RM
Completed development units	3,333,117	3,333,117

15. Inventories (continued)

(a) Property development costs

	Group	
	2020 RM	**2019** RM
At cost		
At 1 April 2019/2018 Leasehold land	10,815,143	10,815,143
Development costs	30,265,260	30,311,341
	41,080,403	41,126,484
Costs incurred during the financial year		
- Development costs	5,480,064	7,480,547
- Unsold completed properties transfer to inventories	(12,519,733)	
- Costs recognised in profit and loss in current financial year	(10,293,779)	(7,526,628)
At 31 March	23,746,955	41,080,403
Property development costs are analysed as follows :		
At cost		
Leasehold land	6,894,701	10,815,143
Development costs	16,852,254	30,265,260
	23,746,955	41,080,403

A total of 88 (2019: 88) sub-divided titles to the property development leasehold land of the Company have yet to be registered in the name of the Group as the titles have yet to be issued by the relevant authority as of 31 March 2020.

Included in leasehold land as at 31 March 2020 is a piece of land purchased from an abandoned project. The Company has redeemed the master land title and is in the process of transferring the ownership back to the Group.

16. Receivables, deposits and prepayments

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non-current asset					
Amounts owing by subsidiaries	(c)	-	-	32,454,842	32,140,356
Less: Impairment		-	-	(32,454,842)	(1,942,013)
		-	-	-	30,198,343
Current assets					
Trade receivables	(a)	36,293,664	49,547,106	-	-
Less: Impairment		(4,276,024)	(2,233,691)	-	-
		32,017,640	47,313,415	-	-
Non-trade receivables	(b)	1,214,192	3,554,234	4,440	1,148
Less: Impairment		(239,082)	(310,549)	-	-
		975,110	3,243,685	4,440	1,148
Amounts owing by subsidiaries	(c)	-	-	6,000,000	6,000,000
Less: Impairment		-	-	(5,536,954)	-
		-	-	463,046	6,000,000
Accrued billings in respect of property development		893,174	262,640	-	-
Deposits		340,000	348,858	9,686	9,686
Prepayments		682,122	425,720	16,828	19,756
Advances to sub-contractors		1,584,471	4,588,993	-	-
		36,492,517	56,183,311	494,000	6,030,590

16. Receivables, deposits and prepayments

(a) Trade receivables

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company ranged from cash on delivery to 75 days (2019: cash on delivery to 75 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movements in the loss allowance of trade receivables during the financial year are as follows:

	Group	
	2020 RM	2019 RM
Loss allowance		
At 1 April 2019/2018	2,233,691	2,119,270
Additions	2,042,333	135,621
Reversal of allowance for impairment	-	(21,200)
At 31 March	4,276,024	2,233,691

(b) Non-trade receivables

Included in non-trade receivables of the Group as at 31 March 2020 is the net input tax receivable of RMNil (2019: RM57,785) in respect of goods and service tax.

The movements in the loss allowance of non-trade receivables during the financial year are as follows:

	Group	
	2020 RM	2019 RM
Loss allowance		
At 1 April 2019/2018	310,549	309,212
Additions	-	1,337
Reversal of allowance for impairment	(71,467)	-
At 31 March	239,082	310,549

16. Receivables, deposits and prepayments (continued)

(c) Amounts owing by subsidiaries

Amounts owing by subsidiaries which are non-trade in nature, unsecured, interest free and receivable on demand.

The movements in the loss allowance of amounts owing by subsidiaries during the financial year are as follows:

	Company	
	2020	**2019**
	RM	**RM**
Loss allowance		
At 1 April 2019/2018	1,942,013	1,942,013
Addition	36,061,413	-
Reversal	(11,630)	-
At 31 March	37,991,796	1,942,013

17. Marketable securities

	Group and Company	
	2020	**2019**
	RM	**RM**
Fair value through profit or loss		
Shares in corporations and unit trust		
- quoted in Malaysia	3,113	6,316

The fair values of all quoted shares and unit trusts are based on quoted market prices at the financial year end in active markets.

18. Derivative financial instruments

	Group	
	2020	**2019**
	RM	**RM**
Derivative financial instruments		
(Liabilities)/Assets	(12,198)	2,625

The Group has entered into foreign currency forward exchange/option contracts which were economic hedges but did not satisfy the requirements for hedge accounting. The contracts period ranged from 1 month to 3 months.

The notional principal amounts of the outstanding derivative financial instruments as at 31 March 2020 was RM635,100 (2019: RM411,125).

19. Fixed deposit with licensed banks

As of 31 March 2020, the fixed deposits with licensed banks of the Group carry interest at rates 2.80% to 3.10% (2019: 3.33%) per annum. The fixed deposits maturity period are 90 days (2019: 90 days).

The fixed deposits with licensed banks of the Group of RM3,061,802 (2019: RM2,967,493) are charged as security for banking facilities granted to the Group as mentioned in Note 31 to the financial statements.

20. Cash and bank balances

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash on hand		17,547	17,442	-	-
Cash at bank		1,689,315	574,624	372	46,308
Bank balances held under Housing Development Accounts	(a)	414,969	412,388	-	-
		2,121,831	1,004,454	372	46,308

(a) Bank balances held under Housing Development Accounts

Bank balances held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Act, 1966 held at call with banks.

21. Share capital

	Group and Company		Group and Company	
	2020	2019	2020	2019
			RM	RM
	No. of shares	No. of shares		
Issued and fully paid:				
At 1 April 2019/2018	81,345,600	80,000,000	49,930,688	49,419,360
Issuance of shares pursuant to:				
- share split	81,345,600	-	-	-
- exercise of warrants	1,767,700	1,345,600	335,863	511,328
At 31 March	164,458,900	81,345,600	50,266,551	49,930,688

(1) During the financial year 31 March 2020, a share split on the issued and paid-up share capital was undertaken involving the subdivision of every one (1) existing ordinary share into two (2) new ordinary shares. Pursuant to the share split, 81,345,600 ordinary shares of the Company were subdivided into 162,691,200 ordinary shares.

(2) During the financial year 31 March 2020, the Company increased its issued and paid-up share capital from RM49,930,688 to RM50,266,551 by 1,767,700 new shares of RM0.19 each on the exercise of warrants pursuant to Deed Poll of 19 April 2018.

(3) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at all shareholders' meetings of the Company. All ordinary shares rank pari-passu with regards to the residual assets of the Company.

(4) The warrants ("Warrants") which were quoted on the Main Market of Bursa Malaysia Securities Berhad were issued during the financial year. These Warrants entitled the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company at RM0.19 during the exercise period which were expired on 22 April 2021.

The other salient features of the Warrants were as follows:

(i) the exercise price of RM0.19 and number of Warrants were subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions of the deed poll of 19 April 2018;

(i) any Warrants that were not exercised during the exercise period would thereafter lapse and cease to be valid; and

(i) all new ordinary shares to be issued pursuant to the exercise of the Warrants shall rank pari-passu in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares concerned.

As of 31 March 2020, 75,541,100 (2019: 38,654,400) Warrants were still unexercised.

22. Other reserves

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Group					
Reserve on consolidation		80,344	80,344	-	-
Revaluation reserve	(a)	10,656,460	10,741,937	1,851,511	1,851,511
		10,736,804	10,822,281	1,851,511	1,851,511

(a) Revaluation reserve

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revaluation reserve, gross	12,091,068	12,024,106	1,991,225	1,991,225
Deferred tax (Note 14)	(1,434,608)	(1,282,169)	(139,714)	(139,714)
Revaluation reserve, net of tax	10,656,460	10,741,937	1,851,511	1,851,511
Revaluation surplus in respect of:				
- land and buildings (under property, plant and equipment)	8,804,949	8,890,426	-	-
- investment property (prior to transfer of owner-occupied to investment property)	1,851,511	1,851,511	1,851,511	1,851,511
	10,656,460	10,741,937	1,851,511	1,851,511

23. Retained profits

Under the single-tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings can be distributed to shareholders as tax-exempt dividends.

24. Non-controlling interests

The Group's subsidiary that have material non-controlling interests ("NCI") are as follows:

	Omni Green Sdn. Bhd.	
	2020	2019
	RM	RM
NCI percentage of ownership interest and voting interest	49%	49%
Carrying amount of NCI	(1,168,305)	(1,077,193)
Profit allocated to NCI	(91,112)	(51,778)

Summarised financial information before intra-group elimination:

	Omni Green Sdn. Bhd.	
	2020	2019
	RM	RM
Non-current assets	634,795	270,747
Current assets	18,505	33,896
Current liabilities	(3,037,595)	(2,502,994)
Net assets	(2,384,295)	(2,198,351)
Revenue	436,403	523,634
Loss for the financial year	(185,944)	(105,669)
Total comprehensive loss for the financial year	(185,944)	(105,669)
Cash flow (used in)/from operating activities	(64,625)	116,026
Cash flow used in investing activities	(1,350)	(274,370)
Cash flow from financing activities	50,750	101,639

25. Hire purchase creditors

	Group 2020 RM	2019 RM
Minimum finance lease payments:		
Repayable within one year	-	123,576
Repayable more than one year but less than five years	-	123,576
Repayable more than five years	-	196,236
	-	443,388
Less: Future finance charges	-	(44,797)
Present value of finance lease liabilities	-	398,591
Present value of finance lease liabilities:		
Repayable within one year	-	103,287
Repayable more than one year but less than five years	-	295,304
Repayable more than five years	-	-
	-	398,591
Representing finance lease liabilities:		
Current	-	103,287
Non-current	-	295,304
	-	398,591

The effective interest rates of hire-purchase creditors is NIL (2019: 4.76% to 7.18%) per annum.

26. Lease liabilities

	Group	
	2020	2019
	RM	RM
Representing:		
Current liabilities	122,629	-
Non-current liabilities	609,536	-
	732,165	-
Recognised in profit or loss:		
Interest expense on lease liabilities	27,472	-

The effective interest rates of hire-purchase creditors ranged from 4.76% to 8.45% (2019: NIL%) per annum.

27. Term loans

	Group	
	2020	2019
	RM	RM
Secured:		
Current	1,588,043	1,452,317
Non-current	10,966,509	12,543,186
	12,554,552	13,995,503

The maturity structure of term loans can be analysed as follows:

	Group	
	2020	2019
	RM	RM
Within one year	1,588,043	1,452,317
More than one year but less than five years	6,020,825	6,345,867
More than five years	4,945,684	6,197,319
	12,554,552	13,995,503

27. Term loans (continued)

Term loans facilities are repayable as follows:

	Year of maturity	Number of installment	Installment amount RM
Term loan 1	2013 - 2023	120	58,313
Term loan 2	2014 - 2024	120	17,494
Term loan 3	2015 - 2025	120	29,481
Term loan 4	2016 - 2026	120	27,122
Term loan 5	2016 - 2026	120	31,249
Term loan 6	2019 - 2044	300	29,522

(a) Term loan 1, 2, 3, 4 and 5

The term loans of the Group bear interest at a range of 6.81% to 7.46% (2019: 7.46%) per annum and secured by:

(i) a fixed charges over land and buildings of certain subsidiaries as disclosed in Note 9 to the financial statements;
(ii) a deed of negative pledge; and
(iii) guaranteed by the Company.

(b) Term loan 6

The term loan of the Group bear interest at a rate of 5.10% (2019: 5.10%) per annum and secured by:

(i) First party open charge over completed development units of the Group as disclosed in Note 15 to the financial statements; and
(ii) guaranteed by the Company.

28. Payables and accrued liabilities

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Current liabilities					
Trade payables	(a)	9,846,074	17,901,496	-	-
Progress billings for property development		499,398	6,290,929	-	-
Non-trade payables	(b)	2,614,175	2,397,639	92,484	166,338
Accrued liabilities		1,646,188	3,268,066	136,000	139,417
Amount owing to a director	(c)	1,461,589	1,753,739	-	-
Amount owing to a subsidiary	(d)	-	-	14,342,618	13,963,699
		16,067,424	31,611,869	14,571,102	14,269,454

(a) Trade payables

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2019: cash on delivery to 90 days).

(b) Non-trade payables

Included in non-trade payables of the Group as at 31 March 2020 is the sales and services tax payable of RM22,183 (2019: net output tax of RM10,165) in respect of sales and services tax/goods and services tax.

(c) Amount owing to a director

The amount owing to a director is non-trade in nature, unsecured, interest free and repayable on demand.

(d) Amount owing to a subsidiary

Non-trade amount owing to a subsidiary is unsecured, interest free and repayable on demand.

29. Contract liabilities

	Group	
	2020	**2019**
	RM	**RM**
Contract liabilities	2,155,034	1,363,461
At 1 April 2019/2018	1,363,461	1,099,693
Consideration paid to customers	(801,824)	(588,378)
Provision relating to liquidated damages	1,593,397	(852,146)
At 31 March	2,155,034	1,363,461

30. Provision

	Group	
	2020	**2019**
	RM	**RM**
Provision for compensation claims		
At 1 April 2019/2018	565,148	586,148
Compensation paid during the financial year	(98,000)	(21,000)
At 31 March	467,148	565,148

The provision for compensation claims relates to a formerly abandoned project currently undertaken by the Group where the provision is recognised for expected claims from previous home buyers who had acquired the properties from the previous developer.

31. Short-term bank borrowings

	Group	
	2020 **RM**	**2019** **RM**
<u>Secured</u>		
Bank overdrafts	10,158,010	9,758,446
Trade finance liabilities	249,983	2,718,847
Foreign currency revolving credit	1,858,780	1,729,460
	12,266,773	14,206,753
<u>Representing</u>		
Bank overdrafts	10,158,010	9,758,446
Others	2,108,763	4,448,307
	12,266,773	14,206,753

The secured short-term bank borrowings are secured by:

i. fixed charges on the land and buildings of certain subsidiaries as disclosed in Note 9 to the financial statements;
ii. deposits pledged with a licensed bank of a subsidiary as disclosed in Note 19 to the financial statements;
iii. first party legal charge over certain of the sub-divided titles of the property development leasehold land of a subsidiary as disclosed in Note 15 to the financial statements;
iv. deed of negative pledge of certain subsidiaries; and
v. deed of assignment of contract proceeds of a subsidiary.

Short term bank borrowings of the Group are also guaranteed by the Company.

	Group	
	2020 **%**	**2020** **%**
Weighted average effective interest rates per annum :		
- bank overdrafts	6.70 to 9.31	8.08 to 8.37
- foreign currency revolving credit	4.95	5.39
- trade finance liabilities	6.20	5.55 to 6.64

	Group	
	2020 **Days**	**2019** **Days**
The range of credit periods of these short term borrowings are as follows:		
- foreign currency revolving credit	178	181
- trade finance liabilities	146 - 148	86 - 148

32. Significant related party disclosures

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operatingdecisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:
(i) Subsidiaries;
(ii) Entities in which directors have substantial financial interests; and
(iii) Key management personnel of the Group and of the Company, comprising persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions of the Group and the Company are as follows:

	Group	
	2020	**2019**
	RM	**RM**
Transaction with directors		
- Advances from/(repaid to)	(524,792)	(2,350,000)
- Advances received	232,642	1,111,880

	Company	
	2020	**2019**
	RM	**RM**
Transactions with Caely (M) Sdn. Bhd.		
- management fees charged	55,200	55,200
Transactions with Classita (M) Sdn. Bhd.		
- management fees charged	220,800	220,800
Transactions with Marywah Industries (M) Sdn. Bhd.		
- management fees charged	12,000	12,000

The balances outstanding with related parties in respect of the above transactions are disclosed in Notes 16 and 28 to the financial statements.

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

32. Significant related party disclosures (continued)

(c) Key management compensation

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Fees	312,000	275,735	312,000	275,735
Salaries and bonus	1,048,554	1,021,894	9,700	23,900
Define contribution plan expenses	153,777	154,239	-	-
	1,514,331	1,451,868	321,700	299,635
Monetary value of benefits-in-kind	41,950	41,950	-	-

33. Dividends

Dividends declared and paid by the Group and the Company are:

Group and Company	**Gross dividend per share RM**	**Amount of dividend (tax exempt) RM**	**Date of payment**
2019			
Final single tier dividend	0.01	810,066	18 October 2018

34. Financial guarantees

	Group	
	2020	**2019**
	RM	**RM**
Corporate guarantees given to financial institution for banking facilities granted to certain subsidiaries	24,571,342	25,483,409

35. Segment reporting

The Group operates in Malaysia and is organised into four main business segments:

- Property development and construction activities.
- Manufacturing and sales of undergarments under Original Equipment Manufacturer arrangements ("OEM") mainly to Europe, Canada and United States of America and under own brand to cater for direct selling and retail business.
- Direct selling and retail - involving multi-level marketing of undergarments, garments, leather good, sportswear and household products and retailing of undergarments and garments.
- Investment holding activities undertaken by the Company.

Others represent the operations of a golf course and related services and trading of goods.

Intersegment revenue comprises sales of goods from certain subsidiaries to the "Direct selling/retail" segment and dividend income received from a subsidiary.

Unallocated assets and liabilities consist of income tax recoverable/payable and deferred tax assets/liabilities.

35. Segment reporting (continued)

(a) Analysis of results and financial position

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2020						
Revenue						
Total revenue	5,631,686	60,727,415	3,433,538	288,000	436,403	70,517,042
Intersegment revenue	-	(773,526)	-	(288,000)	-	(1,061,526)
External revenue	5,631,686	59,953,889	3,433,538	-	436,403	69,455,516
Results						
(Loss)/Profit from operations	(8,461,576)	2,433,177	(281,847)	(132,284)	(366,888)	(6,809,418)
Finance cost	(429,818)	(1,368,579)	(22,080)	-	(7,184)	(1,827,661)
(Loss)/Profit before tax	(8,891,394)	1,064,598	(303,927)	(132,284)	(374,072)	(8,637,079)
Tax income						1,095,533
Loss for the financial year						(7,541,546)
Segment assets	76,876,559	40,126,007	1,889,954	4,212,306	653,843	123,758,669
Unallocated corporate assets						
- Deferred tax assets						2,530,607
- Current tax recoverable						184,306
						126,473,582

35. Segment reporting (continued)

(a) Analysis of results and financial position (continued)

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2020						
Segment liabilities	19,533,189	23,341,419	48,827	228,484	1,103,375	44,255,294
Unallocated corporate liabilities						
- Deferred tax liabilities						1,045,079
- Current tax payable						22,932
						45,323,305
Capital expenditure	1,635	95,100	-	1,584	1,350	99,669
Included in (loss)/profit from operations are:						
Interest income	(5,165)	(93,583)	-	-	-	(98,748)
Depreciation and impairment loss of property, plant and equipment	16,265	625,710	19,679	18,285	49,417	729,356
Depreciation of right-of-use asset	98,000	34,651	-	-	13,744	146,395
Allowance for slow moving inventories:						
- provided for/(reversal)	-	(81,921)	(67,490)	-	-	(149,411)

35. Segment reporting (continued)

(a) Analysis of results and financial position (continued)

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2019						
Revenue						
Total revenue	10,882,300	73,077,921	2,799,432	264,000	523,634	87,547,287
Intersegment revenue	-	(1,780,231)	-	(264,000)	-	(2,044,231)
External revenue	10,882,300	71,297,690	2,799,432	-	523,634	85,503,056
Results						
Profit/(Loss) from operations	669,959	5,119,342	(653,301)	(266,190)	(474,942)	4,394,868
Finance cost	(262,114)	(1,521,655)	(21,725)	-	-	(1,805,494)
Profit/(Loss) before tax	407,845	3,597,687	(675,026)	(266,190)	(474,942)	2,589,374
Tax expense						(1,133,149)
Profit for the financial year						1,456,225
Segment assets	95,672,340	47,676,277	1,182,957	4,277,782	431,254	149,240,610
Unallocated corporate assets						
- Deferred tax assets						1,050,395
- Current tax recoverable						1,177,350
						151,468,355

35. Segment reporting (continued)

(a) Analysis of results and financial position (continued)

Group	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Others RM	Total RM
2019						
Segment liabilities	30,805,004	30,369,534	48,827	305,755	612,205	62,141,325
Unallocated corporate liabilities						
- Deferred tax liabilities						971,070
						63,112,395
Capital expenditure	1,630	204,511	-	-	274,370	480,511
Included in profit/(loss) from operations are:						
Interest income	(5,075)	(137,233)	-	-	-	(142,308)
Depreciation	29,510	742,211	125,755	18,139	42,282	957,897
Allowance for slow moving inventories	-	39,929	191,881	-	-	231,810

35. Segment reporting (continued)

(b) Analysis of revenue by countries

Although all the business segments are located in Malaysia, the manufacturing sales segment exports the undergarments to Europe, Canada and United states of America and other Asian countries. The revenue of the Group is analysed as follows:

	Group	
	2020	**2019**
	RM	**RM**
Malaysia	9,640,686	14,428,835
United States of America	2,951,296	10,541,524
United Kingdom	(20,112)	1,448,206
Canada	11,241,366	8,318,267
Germany	37,437,492	42,314,838
France	460,951	781,908
Hong Kong	6,349,933	6,135,159
Netherlands	522,192	1,514,460
Myanmar	288,817	-
Czech	406,294	-
Egypt	121,630	-
Lebanon	38,889	-
Other countries	16,082	19,859
	69,455,516	85,503,056

For the financial year, the revenue of 2 (2019: 3) customers which contributed more than 10% of the total revenue of the Group are RM28,426,358 (from manufacturing segment). Total revenue of these major customers is RM28,426,358 (2019: RM36,418,601).

All non-current assets of the Group are located in Malaysia.

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities are consistent with the basis used for the statements of comprehensive income of the Group for the financial year ended 31 March 2020 and the statements of financial position as at 31 March 2020. The components of the segment assets and liabilities include all classes of assets and liabilities disclosed in the consolidated statement of financial position.

36. Financial instruments

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:
(i) financial assets and liabilities measured at amortised cost ("AC"); and
(ii) financial assets and liabilities measured at fair value through profit or loss ("FVTPL").

Group	Carrying amount RM	AC RM	FVTPL RM
2020			
Financial assets			
Receivables and deposits (excluding prepayments and advances to sub-contractors)	34,225,924	34,225,924	-
Marketable securities	3,113	-	3,113
Fixed deposits with licensed banks	3,061,802	3,061,802	-
Cash and bank balances	2,121,831	2,121,831	-
	39,412,670	39,409,557	3,113
Financial liabilities			
Term loans	12,554,552	12,554,552	-
Short term bank borrowings	12,266,773	12,266,773	-
Derivative financial liabilities	12,198	-	12,198
Payables and accrued liabilities (excluding statutory liabilities)	16,045,241	16,045,241	-
	40,878,764	40,866,566	12,198
Company			
2020			
Financial assets			
Receivables and deposits (excluding prepayments)	477,172	477,172	-
Marketable securities	3,113	-	3,113
Cash and bank balances	372	372	-
	480,657	477,544	3,113
Financial liability			
Payables and accrued liabilities (excluding statutory liabilities)	14,571,102	14,571,102	-

36. Financial instruments (continued)

Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows:
(i) financial assets and liabilities measured at amortised cost ("AC"); and
(ii) financial assets and liabilities measured at fair value through profit or loss ("FVTPL").

Group	Carrying amount RM	AC RM	FVTPL RM
2019			
Financial assets			
Receivables and deposits (excluding prepayments, advances to sub-contractors and GST receivables)	51,110,813	51,110,813	-
Marketable securities	6,316	-	6,316
Derivative assets receivable	2,625	-	2,625
Fixed deposits with licensed banks	2,967,493	2,967,493	-
Cash and bank balances	1,004,454	1,004,454	-
	55,091,701	55,082,760	8,941
Financial liabilities			
Hire purchase creditors	398,591	398,591	-
Term loans	13,995,503	13,995,503	-
Short term bank borrowings	14,206,753	14,206,753	-
Payables and accrued liabilities (excluding statutory liabilities)	31,601,704	31,601,704	-
	60,202,551	60,202,551	-

36. Financial instruments (continued)

Categories of financial instruments (continued)

Company	Carrying amount RM	AC RM	FVTPL RM
2019			
Financial assets			
Receivables and deposits (excluding prepayments)	36,209,177	36,209,177	-
Marketable securities	6,316	-	6,316
Cash and bank balances	46,308	46,308	-
	36,261,801	36,255,485	6,316
Financial liability			
Payables and accrued liabilities (excluding statutory liabilities)	14,269,454	14,269,454	-

Categories of financial instruments (continued)

Group	2020 RM	2019 RM
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Allowance for expected credit loss		
- charge for the financial year	(2,042,333)	(136,958)
- write back	71,467	21,200
Interest income	98,748	142,308
Unrealised foreign exchange loss	(19,542)	(151,280)
	(1,891,660)	(124,730)
Financial assets and liabilities measured at fair value through profit or loss		
Fair value (loss)/gain on:		
- marketable securities	(3,203)	(10,207)
- derivative financial instruments	(14,823)	2,625
	(18,026)	(7,582)
Financial liabilities measured at amortised cost		
Interest expenses	(1,820,836)	(1,800,171)
Unrealised foreign exchange (loss)/gain	(47,184)	(48,134)
	(1,868,020)	(1,848,305)

36. Financial instruments (continued)

Categories of financial instruments (continued)

Net gains/(losses) arising from financial instruments (continued)

	2020 RM	2019 RM
Company		
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Allowance for expected credit loss		
- charge for the financial year	(36,061,413)	-
- write back	11,630	-
	(36,049,783)	-
Financial assets measured at fair value through profit or loss		
Fair value loss on:		
- marketable securities	(3,203)	(10,207)

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its credit risk, interest rate risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, amounts due from customers on contracts and bank balances.

Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument. The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group and the Company. Management will continuously monitor closely the trade receivables which are past due.

36. Financial instruments (continued)

Credit risk (continued)

Credit risk arising from OEM

The Group exports of its undergarments products mostly to Europe, Canada, Mexico, Netherlands, Hong Kong, Singapore and the United States of America. For overseas customers, most of the trade receivables are secured via Letter of Credit or Document Against Payment at Sight.

Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

Credit risk arising from property development activities

The Group does not have any significant credit risk nor any concentration of credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers or loans obtained from relevant government authority.

Trade receivables are monitored on an ongoing basis via the management reporting procedures.

Credit risk arising from construction activities

The Group has significant concentration of credit risk in the form of outstanding balance due from 3 customers (2019: 3 customers) representing 54% (2019: 44%) of the total trade receivables. The Group considers the risk of default by the trade receivable relating to its construction activity to be low as the major contract is under a government agency. Trade receivables from other various constructions projects are monitored on an ongoing basis via the management reporting procedures.

Credit risk arising from direct selling and retailing activities

The Group operates locally in Malaysia for its direct selling and retailing activities. A substantial portion of its revenue is transacted on credit terms. The Group applies due credit approval and monitoring processes and assesses the credit worthiness of its customers on a periodic basis. Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Groups' historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

36. Financial instruments (continued)

Credit risk (continued)

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks and financial institutions. The deposits are placed with credit-worthy financial institutions. The Group considers the risk of material loss in the event of non performance by a financial counterparty to be low.

Financial guarantees

The fair value of financial guarantees provided by the Company to banks to secure obligations under finance lease granted to certain subsidiaries with nominal amount of RM24,571,342 (2019: RM25,483,409) are negligible because the actual interest charged by the banks are not materially different from the borrowing costs of the subsidiaries and the outstanding borrowings are adequately secured by plant and equipment of the subsidiaries in which their market values upon realisation are expected to be higher than the outstanding borrowing amounts.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position except for financial guarantee contracts applicable to the Group and the Company.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

36. Financial instruments (continued)

Credit risk (continued)

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date is as follows:

	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
2020			
Not past due	5,483,862	(39,786)	5,444,076
1 to 60 days past due	1,398,642	(86,529)	1,312,113
61 to 120 days past due	3,142,544	(328,647)	2,813,897
More than 121 days past due	24,005,740	(1,558,186)	22,447,554
	34,030,788	(2,013,148)	32,017,640
Credit impaired			
Individually impaired	2,262,876	(2,262,876)	-
	36,293,664	(4,276,024)	32,017,640
2019			
Not past due	15,850,447	-	15,850,447
1 to 60 days past due	4,058,257	-	4,058,257
61 to 120 days past due	1,648,375	-	1,648,375
More than 121 days past due	25,756,336	-	25,756,336
	47,313,415	-	47,313,415
Credit impaired			
Individually impaired	2,233,691	(2,233,691)	-
	49,547,106	(2,233,691)	47,313,415

36. Financial instruments (continued)

Credit risk (continued)

Inter-company loans and advances

The Company provides unsecured loans and advances to related companies. The Company monitors the ability of the related companies to repay the loans and advances on an individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Generally, the Company considers loans and advances to related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the related companies are not able to pay when demanded. The Company considers a related company's loan or advance to be credit impaired when:

- The related company is unlikely to repay its loan or advance to the Company in full;
- The related company's loan or advance is overdue for more than 365 days; or
- The related company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for related company' loans and advances as follows:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Company			
2020			
Amount due from subsidiaries	38,454,842	(37,991,796)	463,046
2019			
Amount due from subsidiaries	38,140,356	(1,942,013)	36,198,343

36. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk is minimal as the Group rarely placed any deposits with financial institutions in Malaysia. Majority of the borrowings are contracted on variable terms.

	Effective interest rate per annum %	Carrying amount RM
2020		
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed bank	2,80% to 3.10%	3,061,802
Variable rate instruments		
Financial liabilities		
Trade finance liabilities	6.20%	(249,983)
Foreign currency revolving credit	4.95%	(1,858,780)
Bank overdrafts	6.70% to 9.31%	(10,158,010)
Term loans	5.10% to 7.46%	(12,554,552)
		(24,821,325)
		(21,759,523)
2019		
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed bank	3.33%	2,967,493
Financial liability		
Hire purchase creditors	4.76% to 7.18%	(398,591)
		2,568,902
Variable rate instruments		
Financial liabilities		
Trade finance liabilities	5.55% to 6.64%	(2,718,847)
Foreign currency revolving credit	5.39%	(1,729,460)
Bank overdrafts	8.08% to 8.37%	(9,758,446)
Term loans	5.10% to 7.46%	(13,995,503)
		(28,202,256)
		(25,633,354)

36. Financial instruments (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

The following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's profits:

	2020 Increase/ (Decrease) RM	2019 Increase/ (Decrease) RM
Effects on profit after taxation:		
Increase by 10 basis points	(1,709)	(1,948)
Decrease by 10 basis points	1,709	1,948

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company maintains sufficient cash and ensures availability of funding through an adequate but flexible amount of credit facilities obtained from financial institutions in Malaysia. Borrowings are maintained with varying maturities to ensure sufficient cash inflow from operations is available to meet all repayment requirements. The Group and the Company also obtains funding through intercompany advances for the purpose of its working capital.

36. Financial instruments (continued)

Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of reporting period based on contractual undiscounted repayments obligations:

Group	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
2020					
Payables and accrued liabilities	16,045,241	16,045,241	16,045,241	-	-
Lease liabilities	732,165	896,967	169,140	477,225	250,602
Term loans	12,554,552	17,835,049	2,308,764	7,899,688	7,626,597
Short term bank borrowings	12,266,773	12,266,773	12,266,773	-	-
	41,598,731	47,044,030	30,789,918	8,376,913	7,877,199
2019					
Payables and accrued liabilities	31,601,704	31,601,704	31,601,704	-	-
Hire-purchase creditors	398,591	443,388	123,576	319,812	-
Term loans	13,995,503	19,904,505	2,318,172	9,135,662	8,450,671
Short term bank borrowings	14,206,753	14,206,753	14,206,753	-	-
	60,202,551	66,156,350	48,250,205	9,455,474	8,450,671

36. Financial instruments (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
2020					
Payables and accrued liabilities	14,571,102	14,571,102	14,571,102	-	-
Financial guarantee contract	-	24,571,342	-	-	-
	14,571,102	39,142,444	14,571,102	-	-
2019					
Payables and accrued liabilities	14,269,454	14,269,454	14,269,454	-	-
Financial guarantee contract	-	25,483,409	-	-	-
	14,269,454	39,752,863	14,269,454	-	-

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk as a result of its normal trade activities that are denominated in currencies other than Ringgit Malaysia.

The Group's sales are mostly denominated in US Dollar and Ringgit Malaysia and to a lesser extent the Euro whilst purchases are denominated in US Dollar ("USD"), Chinese Renminbi ("RMB") and Ringgit Malaysia ("RM").

The Group mitigates its foreign currency exchange risk through the natural hedge of operating foreign currency accounts using the deposits from its export proceeds to pay imported purchases where both are denominated in the same foreign currency. The Group also enters into foreign currency forward contracts to hedge certain of the export proceeds and import purchases, whenever considered necessary.

36. Financial instruments (continued)

Foreign currency risk (continued)

Group	RMB RM	USD RM	Euro RM	Total RM
2020				
Financial assets				
Receivables, deposits and prepayments	-	3,372,866	1,512,020	4,884,886
Cash and bank balances	-	1,482,023	180,180	1,662,203
	-	4,854,889	1,692,200	6,547,089
Financial liability				
Payables and accrued liabilities	(2,171,939)	(1,740,780)	(2,930)	(3,915,649)
Net currency exposure	(2,171,939)	3,114,109	1,689,270	2,631,440

Group	RMB RM	USD RM	Euro RM	Total RM
2019				
Financial assets				
Receivables, deposits and prepayments	-	9,581,799	2,127,761	11,709,560
Cash and bank balances	-	131,084	362	131,446
	-	9,712,883	2,128,123	11,841,006
Financial liability				
Payables and accrued liabilities	(2,178,544)	(1,744,836)	(2,930)	(3,926,310)
Net currency exposure	(2,178,544)	7,968,047	2,125,193	7,914,696

36. Financial instruments (continued)

Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	2020	2019
Group	**Increase/ (Decrease) RM**	**Increase/ (Decrease) RM**
Effects on profit after taxation:		
RMB/RM		
Strengthen by 5% (2019: 5%)	(82,534)	(82,785)
Weaken by 5% (2019: 5%)	82,534	82,785
USD/RM		
Strengthen by 5% (2019: 5%)	118,336	302,786
Weaken by 5% (2019: 5%)	(118,336)	(302,786)
Euro/RM		
Strengthen by 5% (2019: 5%)	(64,192)	80,757
Weaken by 5% (2019: 5%)	64,192	(80,757)

37. Fair values

i. The financial assets and financial liability maturing within the next 12 months approximated their fair values due to the relatively short term maturity of the financial instruments except for amount owing by subsidiaries, amount owing to a director and amount owing to a subsidiary, as it is not practical to estimate the fair value due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. The directors are at the opinion that the carrying amounts recorded at the statement of financial position date do not differ significantly from the values that would eventually be recovered.

ii. The fair value of the floating interest rate borrowings approximates its carrying value as at the reporting date.

Fair value hierarchy

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2020				
Non-financial assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	-	4,100,000	4,100,000
Financial asset				
Marketable securities	3,113	-	-	3,113
Financial liability				
Derivative financial instruments	-	(12,198)	-	-
2019				
Non-financial assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	-	4,100,000	4,100,000
Financial assets				
Marketable securities	6,316	-	-	6,316
Derivative financial instruments	-	2,625	-	2,625

37. Fair values (continued)

Fair value hierarchy (continued)

Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2020				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000
Financial asset				
Marketable securities	3,113	-	-	3,113
2019				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000
Financial asset				
Marketable securities	6,316	-	-	6,316

The fair values of financial instruments trade in active markets are based on quoted market prices at the reporting date. The market price used for marketable securities held by the Group is the closing quoted market price at the end of the reporting period. These instruments are included in Level 1.

The fair value of the derivative financial instruments is based on certain inputs which are not directly obtainable from quoted prices and is therefore classified in Level 2.

The Group and the Company engaged external, independent and qualified valuers to determine the fair values of the Group's land and buildings and the Company's investment property. The fair value of the investment property which is a four storey shop house located in a commercial area as disclosed in Note 11 is classified under Level 3 as the fair value is derived using the unobservable input.

The fair value of the land and buildings included in property, plant and equipment and investment property disclosed in Note 9 to the financial statements is classified under Level 3 as the fair value is derived using the comparison method as there has been a limited number of similar sales in the same location. Valuation has been performed using unobservable input. The unobservable input for land is price per square feet which is RM23 to RM67 (2019: RM23 to RM67) per square feet. Buildings of the Group comprise of factory buildings, hostel and residential properties for employees. Adjustment is made for location, size, shape of lot, site facilities, time element for land and building extension and physical condition of the buildings.

Assuming all variables remain constant, a 5% (2019: 5%) increase in unobservable input in price per square feet would lead to an increase of RM381,500 (2019: RM381,500) of the fair values of the freehold land of the Group and the Company. Conversely, a 5% decrease would have had equal but opposite effects.

There is no transfer between Level 1, 2 and 3 during the financial year.

38. Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parent.

The gearing ratios of the Group is as follows:

	2020 RM	2019 RM
Borrowings	24,821,325	28,600,847
Lease liabilities	732,165	-
Less: Cash and bank balances	(2,121,831)	(1,004,454)
Net debt	23,431,659	27,596,393
Total equity	81,150,277	88,355,960
Total capital	104,581,936	115,952,353
Gearing ratio	22.41%	23.80%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 March 2020.

The Group is not subject to any other externally imposed capital requirements.

39. Subsequent event

Global crisis – COVID-19 outbreak

The directors of the Company are of the opinion that the outbreak of the COVID-19 may affect the business performance and position of the Company mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities that resulted in delays in commencement of work and delivery of products to customers. Meanwhile, due to inherent nature and unpredictability of future development of the virus and market sentiment, the extent of the impact depends on (i) ongoing precautionary measures introduced by each country to address this pandemic and (ii) the durations of the pandemic. Accordingly, the financial impact of the COVID-19 outbreak to the Company cannot be reasonably estimated as at this juncture. The directors will continue to monitor the situations and respond proactively to mitigate the impact on the Company's financial performance and financial position.

40. Subsequent event after reporting period

Manufacturer of Mask and Personal Protective Equipment ("PPE")

The Board of Directors of Caely is pleased to announce that Marywah Industries (M) Sdn. Bhd. ("Marywah"), a wholly owned subsidiary of the Company, had on 14 May 2020 entered into the Agreement with Ni Hsin Marketing Sdn. Bhd. ("NHM").

The Agreement has the salient terms of Marywah was appointed as Original Equipment Manufacturing ("OEM") Manufacturer to manufacture NHM's brand of Masketeer Coolmax Fabric Protective Mask and personal protective equipment ("PPE") subject to the terms and conditions as stipulated in the Agreement.

41. General information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

The principal place of business of the Company are located at Lot 2661, 3rd Mile, Jalan Maharaja Lela, 36000 Teluk Intan, Perak Darul Ridzuan.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

The financial statements were approved and authorised for issue by the Board of Directors on 24 August 2020

Title and Location	Description	Tenure / Age of Buildings	Year of Expiry	Land area / built-up area (square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Land	Leasehold	05/04/2078	2,300	31.03.2019	2,900,000
PM 3351 Lot 21475, Mukim Petaling, Negeri Wilayah Persekutuan	Building (4 storey shophouse)	Leasehold 15 years	05/04/2078	9,060	31.03.2019	1,200,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	45,466	31.03.2019	1,100,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	2-storey hostel	Freehold 24 years	-	15,250	31.03.2019	365,940
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 22 years	-	11,100	31.03.2019	337,925
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 20 years	-	28,140	31.03.2019	1,377,258
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	274,972	31.03.2019	6,450,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 23 years	-	69,928	31.03.2019	4,399,395

Title and Location	Description	Tenure / Age of Buildings	Year of Expiry	Land area / built-up area (square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 16 years	-	76,800	31.03.2019	5,488,410
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 1/2-storey factory building	Freehold 13 years	-	8,400	31.03.2019	418,992
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 13 years	-	7,200	31.03.2019	253,344
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey surau	Freehold 13 years	-	625	31.03.2019	19,488
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey factory building	Freehold 13 years	-	1,980	31.03.2019	63,336
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 12 years	-	7,200	31.03.2019	331,296
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	1,200	31.03.2019	80,000
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	2-storey residential property for staff accommodation	Freehold 18 years	-	1,693	31.03.2019	82,273
Tapah Road, Plot 31, 32 and 39, Mukim of Batang Padang, District of Batang Padang (Master title has been subdivided into individual subtitles)	Residential and commercial land- Development in progress	Leasehold	15/02/2112	7.04 acres	27/06/2011	3,674,235

Total Number Of Issued Shares	:	167,200,500 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	1 vote per share
No. of Shareholders	:	2,392

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JULY 2020

Size of shareholdings	No. of Shareholders/Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	182	7.61	3,348	0.00
100 - 1,000	363	15.18	165,702	0.10
1,001 - 10,000	1,220	51.00	6,540,250	3.91
10,001 - 100,000	567	23.70	18,345,000	10.97
100,001 - less than 5% of issued shares	56	2.34	30,084,300	17.99
5% and above of issued shares	4	0.17	112,061,900	67.02
	2,392	100.00	167,200,500	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JULY 2020

	Direct Interest		Deemed Interest		
	No. of Shares Held	% of Issued Shares	No. of Shares Held		% of Issued Shares
Goh Choon Kim	51,869,200	31.02			
Datin Fong Nyok Yoon	27,260,000	16.30	18,864,000	(a)	11.28
Dato' Chuah Chin Lai	18,864,000	11.28	27,260,000	(b)	16.30
Ni Hsin Resources Bhd	14,228,700	8.51			

Note:-

a) Deemed interested in the shareholdings of her spouse, Dato’ Chuah Chin Lai pursuant to Section 8(4)(c) of the Companies Act 2016 (“the Act”).

b) Deemed interested in the shareholdings of his spouse, Datin Fong Nyok Yoon pursuant to Section 8(4)(c) of the Act.

DIRECTORS’ SHAREHOLDINGS AS AT 30 JULY 2020

	Direct Interest		Deemed Interest		
	No. of Shares Held	% of Issued Shares	No. of Shares Held		% of Issued Shares
Datin Fong Nyok Yoon	27,260,000	16.30	18,864,000	(a)	11.28
Dato' Chuah Chin Lai	18,864,000	11.28	27,260,000	(b)	16.30

Note:-

a) Deemed interested in the shareholdings of her spouse, Dato’ Chuah Chin Lai pursuant to Section 8(4)(c) of the Companies Act 2016 (“the Act”).

b) Deemed interested in the shareholdings of his spouse, Datin Fong Nyok Yoon pursuant to Section 8(4)(c) of the Act.

THIRTY LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No	Name of Shareholders	No. of Shares	% of Issued Shares
1	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Goh Choon Kim	51,869,200	31.02
2	FONG NYOK YOON	27,260,000	16.30
3	CHUAH CHIN LAI	18,704,000	11.19
4	NI HSIN RESOURCES BERHAD	14,228,700	8.51
5	ISLAND SYNERGY SDN BHD	6,600,000	3.95
6	CHONG JONG SIEW	2,615,000	1.56
7	SHEILA ANN KESSLER	2,000,000	1.20
8	MEP ENVIRO TECHNOLOGY SDN BHD	1,104,000	0.66
9	ORCHARD PK FEEDS (M) SDN BHD	1,000,000	0.60
10	LUHUR SEJAHTERA SDN BHD	1,000,000	0.60
11	SYED NIZAM BIN SYED JALALUDIN	945,000	0.57
12	CHEW SIANG CHEE	879,400	0.53
13	ONG JOO VOON	861,800	0.52
14	ENRICH TRANSACTION SDN BHD	852,400	0.51
15	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Zulkifli Bin Ismail	717,000	0.43
16	OTHMAN BIN MERAH	700,000	0.42
17	YOONG SIN KUEN	571,100	0.34
18	M & A NOMINEE (TEMPATAN) SDN BHD Pledged Securities Account for Tan Choon Hwa (M&A)	550,000	0.33
19	BIJAK TULUS SDN BHD	500,000	0.30
20	ONG AH POH	488,800	0.29
21	OW TIEW SEE	427,200	0.26
22	SAW AH KEE	400,000	0.24
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Teo Ker-Wei (Margin)	400,000	0.24
24	FAZILAH BINTI DAWAN	380,000	0.23
25	TING KA HOK	329,700	0.20
26	TANG SOON KEE	310,000	0.19
27	KENANGA NOMINEES (TEMPATAN) SDN BHD Rakuten Trade Sdn Bhd for Azharina Binti Sulaiman	303,000	0.18
28	GAN GEOK KIAM	300,000	0.17
29	CHANG NYUET LIM	300,000	0.17
30	LEE SUK HUI	300,000	0.17
	TOTAL	**136,896,300**	**81.88**

Number Of Outstanding Warrants	:	72,519,500
Issue Date	:	23 April 2018
Expiry date of Warrants	:	22 April 2021
Voting Rights	:	None, unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrant	:	RM0.19
No. of Warrant Holders	:	1,415

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 30 JULY 2020

Size of Warrant Holdings	No. of Warrant Holders/Depositors	% of Warrant Holders/Depositors	No. of Warrants Held	% of Issued Warrants
Less than 100	199	14.06	3,246	0.00
100 - 1,000	450	31.80	251,930	0.35
1,001 - 10,000	512	36.18	2,465,500	3.40
10,001 - 100,000	223	15.76	7,846,300	10.82
100,001 - less than 5% of issued warrants	27	1.91	13,872,000	19.13
5% and above of issued warrants	4	0.28	48,080,524	66.30
	1,415	100.00	72,519,500	100.00

DIRECTORS' WARRANT HOLDINGS AS PER REGISTER OF DIRECTORS' WARRANTS HOLDINGS AS AT 30 JULY 2020

	Direct Interest		Deemed Interest		
	No. of Warrants Held	% of Issued Warrants	No. of Warrants Held		% of Issued Warrants
Datin Fong Nyok Yoon	13,630,000	18.79	12,732,000	(a)	17.56
Dato' Chuah Chin Lai	12,732,000	17.56	13,630,000	(b)	18.79

<u>Note:-</u>

a) Deemed interested in the Warrants held by his spouse, Dato' Chuah Chin Lai.
b) Deemed interested in the Warrants held by her spouse, Datin Fong Nyok Yoon.

TOP 30 WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS

No	Name of Warrant Holders	No. of Warrants	% of Issued Warrants
1	FONG NYOK YOON	13,630,000	18.79
2	NI HSIN RESOURCES BERHAD	13,614,124	18.77
3	CHUAH CHIN LAI	12,652,000	17.45
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Goh Choon Kim	8,184,400	11.29
5	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Goh Choon Kim	3,275,200	4.52
6	CHONG JONG SIEW	1,903,300	2.62
7	MEP ENVIRO TECHNOLOGY SDN. BHD.	1,318,800	1.82
8	YOONG SIN KUEN	1,236,800	1.71
9	ONG JOO VOON	972,000	1.34
10	TAN YENG FATT	650,000	0.90
11	HENG SOON HAU	430,000	0.59
12	CHO HAN WOON	400,000	0.55
13	SU MING KEAT	345,000	0.48
14	KENANGA NOMINEES (TEMPATAN) SDN BHD Rakuten Trade Sdn Bhd for Lai Kim Loong	300,000	0.40
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yap Chin Hock (7003122)	283,700	0.39
16	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Ang Hooi Kheng	263,000	0.36
17	AW KIN LUN	250,000	0.34
18	NGU YUH CHAI	230,000	0.32
19	NGU EW LOOK	200,000	0.28
20	FAZILAH BINTI DAWAN	190,000	0.26
21	NG HEE CHENG	180,200	0.25
22	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD Exempt an for Phillip Capital Management Sdn Bhd (EPF)	180,000	0.25
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Ong Cheng Heang @ Ong Cheng Hean	170,200	0.23
24	AB GHANI BIN HAJI MAHMOOD	161,000	0.22
25	KOID HUN KIAN	158,200	0.22
26	LEE SUK HUI	150,000	0.21
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yeoh Yih Theng (Penang-Cl)	150,000	0.21
28	RHB NOMINEES (TEMPATAN) SDN BHD RHB Asset Management Sdn Bhd for Tan Kim Seng (EPF)	134,000	0.18
29	MUHAMAD ZAIMI BIN ABD.MANAF	120,000	0.17
30	AU YANG LEONG KIAT	112,600	0.16
	TOTAL	**61,844,524**	**85.28**

CAELY HOLDINGS BHD.
[Registration No: 199601036023 (408376-U)]
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

PROXY FORM

I/We, ____NRIC No./Passport/ Company No.______________________
(Full Name in Capital Letters)

of ____
(Full address)

being a Member/Members of the abovenamed Company hereby appoint ____
(Full Name in Capital Letters)

NRIC No./Passport No.______________________ of ____
(Full address)

____

or failing whom __________________________________ NRIC No./Passport No._______________________________ of
(Full Name in Capital Letters)

____
(Full address)

or failing whom, the Chairman of the meeting as my/our proxy/proxies to attend and vote for me/us and on *my/our behalf at Twenty-Fourth Annual General Meeting ("AGM") of the Company, to be held at Lower Perak Club, Jalan Denai Intan, Bandar Baru, 36000 Teluk Intan, Perak Darul Ridzuan on Monday, 28th day of September 2020 at 10.00 a.m. and at any adjournment thereof to vote as indicated below:-

ORDINARY RESOLUTIONS		**FOR**	**AGAINST**
Resolution 1	To approve the payment of Directors' fees amounting to RM312,000.00 for the financial year ended 31 March 2020.		
Resolution 2	To approve the payment of Directors' fees and benefits up to an amount of RM450,000.00 to the Directors with effect from 30 September 2020 until the next AGM.		
Resolution 3	To approve the re-election of Datin Fong Nyok Yoon, the Director who retires pursuant to Clause No. 99 of the Constitution of the Company.		
Resolution 4	To approve the re-election of Dato' Chuah Chin Lai, the Director who retires pursuant to Clause No. 99 of the Constitution of the Company.		
Resolution 5	To re-appoint Messrs PKF as Auditors of the Company for the financial year ending 31 March 2021 and to authorise the Directors to determine their remuneration.		
Resolution 6	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

The proportion of my holdings to be represented by my *proxy/proxies are as follows:-

First name Proxy	%
Second name Proxy	%

	100%
	=====

As witness my hand ______________ day of _______________ 2020.

*Strike out whichever is not desired.

Signature: ________________________________

NOTES:

1. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 17 September 2020 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.

3. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy must be deposited at the Registered Office situated at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of General Meeting to be put to vote by poll.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

8. The Twenty-Fourth Annual General Meeting of the Company will be conducted in compliance with the General Standard Operating Procedures to Government and Private Sector ("SOP") issued by Malaysian National Security Council on 16 June 2020. The attendance of members/proxies and invited guests may be denied if failure to fulfil the requirements of participants in accordance with the SOP.

9. Pursuant to the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 June 2020, members, proxyholders and corporate representatives ("Participants") who will be attending the Annual General Meeting in person are required to pre-register themselves with the Company by providing their name, NRIC/Passport No. and CDS account no. to the Company via email at yenwahchoo@classita.com.my not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or any adjournment thereof, otherwise the attendance of Participants in person will be denied. Participants will be notified via email once your registration is successful. Participants are required to download MySejahtera application and scan the QR code during the registration process. There will be no food or drinks served for participants who participate at the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agrees to the Personal Data Privacy terms set out in the Notice of AGM dated 28 August 2020.

THEN FOLD HERE

Affix
Stamp

CAELY HOLDINGS BHD.
[Registration No: 199601036023 (408376-U)]

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FIRST FOLD HERE

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JALAN MAHARAJA LELA,
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PERAK DARUL RIDZUAN.

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