Caely Holdings Bhd.

[Registration No. 199601036023 (408376-U)]

STEPPING FORWARD

ANNUAL REPORT 2021

Caely Holdings Bhd.

Registration No. 199601036023
(408376-U)

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
- Emphasising 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

CONTENTS

Reusable & Washable Face Mask

Seamless Nursing Bra

Fashion Bra

BOARD OF DIRECTORS

Dato' Wira Ng Chun Hau
Executive Chairman

Datin Fong Nyok Yoon
Executive Director

Lim Chee Pang
Non-Independent Non-Executive Director

Ng Boon Kang
Independent Non-Executive Director

Tan Loon Cheang
Independent Non-Executive Director

Lim Say Leong
Independent Non-Executive Director

Beh Hong Shien
Independent Non-Executive Director

Risk Management And Audit Committee
Ng Boon Kang (Chairman)
Tan Loon Cheang
Lim Say Leong

Remuneration Committee
Tan Loon Cheang (Chairman)
Datin Fong Nyok Yoon
Ng Boon Kang

Nomination Committee
Lim Say Leong (Chairman)
Ng Boon Kang
Tan Loon Cheang

Company Secretaries
Chan Sau Leng (MAICSA 7012211)
(SSM PC No : 202008002709)
Ruzeti Emar Binti Mohd Rosli (LS0010372)
(SSM PC 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. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4800
Fax : 03-7890 4650

Auditor
PKF (AF0911)
Chartered Accountants
No. 416, Jalan Dato Keramat
10460 Georgetown
Penang
Tel : 04-218 9653
Fax : 04-218 9653

Share Registrar
Mega Corporate Services Sdn Bhd
[Registration No : 198901010682(187984-H)]
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2692 4271
Fax : 03-2732 5388

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

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting ("AGM") of Caely Holdings Bhd. will be conducted on a fully virtual basis through live streaming and online voting via the Remote Participation and Electronic Voting ("RPEV") Facilities, for the purpose of considering and if thought fit, passing the following resolutions set out in this notice:-

Day and Date	:	Wednesday, 22 September 2021 or any adjournment thereof
Time	:	10.00 a.m.
Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657)
Venue	:	Plot 21, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Bayan Lepas, Pulau Pinang.
Mode of Communication	:	1) Typed text in the Meeting Platform during the 25th AGM. The Messaging window facility will be opened concurrently with the Meeting Platform, i.e. one hour before the 25th AGM, which is from 9.00 a.m. on Wednesday, 22 September, 2021. 2) E-mail questions to yenwahchoo@classita.com.my or via Boardroom's website at https://investor.boardroomlimited.com **prior to the 25th AGM** using the same user ID and password provided in Step 2 of the procedures of RPEV facilities and select "SUBMIT QUESTION" to pose questions.

A G E N D A

ORDINARY BUSINESS

1.	To receive the Statutory Financial Statements for financial year ended 31 March 2021 together with the Directors' and Auditors' Reports thereon.	(Please refer to Explanatory Note I)
2.	To approve the payment of Directors' fees and benefits amounting to RM255,667.00 for the financial year ended 31 March 2021.	(Ordinary Resolution 1)
3.	To approve the payment of Directors' fees and benefits up to an amount of RM450,00.00 to the Directors with effect from 23 September 2021 until the next AGM.	(Ordinary Resolution 2)
4.	To approve the re-election of Mr Tan Loon Cheang who shall retire pursuant to Clause No. 99 of the Constitution of the Company and being eligible, has offered himself for re-election.	(Ordinary Resolution 3)
5.	To approve the re-election of the following Directors who shall retire pursuant to Clause No. 102 of the Constitution of the Company and being eligible, have offered themselves for re-election:-	
	i. Mr Lim Chee Pang;	(Ordinary Resolution 4)
	ii. Mr Lim Say Leong;	(Ordinary Resolution 5)
	iii. Mr Beh Hong Shien; and	(Ordinary Resolution 6)
	iv. Dato' Wira Ng Chun Hau.	(Ordinary Resolution 7)
6.	To re-appoint Messrs. PKF as Auditors of the Company for the financial year ending 31 March 2022 and to authorise the Directors to determine their remuneration.	(Ordinary Resolution 8)

SPECIAL BUSINESS

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

7. **Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016** (Ordinary Resolution 9)

"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."

8. **Proposed Amendments to the Constitution of the Company** (Special Resolution)

"THAT the Proposed Amendments to the existing Constitution of the Company, as annexed as Appendix II in the Circular to Shareholders dated 20 August 2021, be and are hereby approved and adopted with immediate effect.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendments to the existing Constitution of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities."

9. 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 (LS0010372)
(SSM Practicing Certificate No. 202008000974)
Joint Secretaries

Selangor Darul Ehsan

20 August 2021

NOTES:

1. Due to the on-going Movement Control Order and as part of the continuing measures to stem the spread of the Coronavirus Disease (Covid-19), the AGM of the Company will be conducted on a fully virtual basis through live streaming and online voting using RPEV facilities at https://meeting.boardroomlimited.my. The procedures for members to register, participate and vote remotely via the RPEV facilities are provided in the Administrative Guide of the AGM.

2. Please follow the procedures set out in the Administrative Guide of the AGM which is available on the Bursa Securities' website and the Company's website at www.caelyholdings.com, to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely via the RPEV facilities.

3. The Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM to be present at the main venue in Malaysia. Shareholders/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the AGM in person at the Venue on the day of the meeting. Any Shareholders or Proxies or Corporate Representatives who turn up at the Venue would be requested to leave the venue politely.

4. Only depositors whose names appear in the Record of Depositors as at **13 September 2021** ("General Meeting Record of Depositors") shall be regarded as members entitled to attend, speak and vote at the Meeting.

5. 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.

6. 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.

7. 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

8. 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.

9. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Poll Administrator's Office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan at least twenty-four (24) hours before the time appointed for the holding of the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the proxy form can be submitted electronically via https://investor.boardroomlimited.com before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Details.

10. Any Notice of Termination of Authority to act as Proxy must be received by the Company at least twenty-four (24) hours before the time appointed for the holding of the meeting or adjourned meeting, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-

    i. the constitution of the quorum at such meeting;
    ii. the validity of anything he/her did as Chair of such meeting;
    iii. the validity of a poll demanded by him/her at such meeting; or
    iv. the validity of the vote exercised by him/her at such meeting.

11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of AGM will 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.

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 2021***

   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 23 September 2021 until the next AGM of the Company, which comprise the following:-

	Board Chairman	Executive Director	Non-Executive Directors
Directors' Fees	RM60,000.00	RM48,000.00	RM153,600.00
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	-

3. ***Ordinary Resolution No. 9 – Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016***

   Ordinary Resolution No. 9, if approved, will empower the Directors of the Company, from the date of the above AGM, the 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 28 September 2020. The Mandate granted at the last AGM was utilised by the Company arising from the Proposed Private Placement.

   The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), modernisation and automation of production operations, business expansions and diversifications, working capital, repayment of bank borrowings and/or acquisition(s).

STATEMENT ACCOMPANYING NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NAMES OF DIRECTORS STANDING FOR RE-ELECTION

1. Ordinary Resolutions 3 to 7 - Re-election of Directors

    (a) Mr Tan Loon Cheang is retiring pursuant to Clause No. 99 of the Constitution of the Company and seeking for re-election at the forthcoming Twenty-Fifth AGM.

    (b) Director who is retiring pursuant to Clause No. 102 of the Constitution of the Company and seeking for re-election at the forthcoming Twenty-Fifth AGM are as follows:-

        i. Mr Lim Chee Pang;
        ii. Mr Lim Say Leong;
        iii. Mr Beh Hong Shien; and
        iv. Dato' Wira Ng Chun Hau.

Details of the above Directors are set out in the Directors' Profiles section and their shareholdings in the Company, where applicable, are set out in the Analysis of Shareholdings section appearing on pages 21 to 24 and 190 to 192 of the Company's Annual Report respectively.

ADMINISTRATIVE GUIDE OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING ("25TH AGM") FOR THE SHAREHOLDERS, PROXIES AND OTHER ATTENDEES

Day and Date	:	Wednesday, 22 September 2021 or any adjournment thereof
Time	:	10.00 a.m.
Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657)
Venue	:	Plot 21, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas Phase IV, 11900 Bayan Lepas, Pulau Pinang.
Mode of Communication	:	1) Type text in the Meeting Platform during the 25th AGM. The Messaging window facility will be opened concurrently with the Meeting Platform, i.e. One (1) hour before the 25th AGM, which is from 9.00 a.m. on Wednesday, 22 September 2021. 2) E-mail questions to yenwahchoo@classita.com.my or via Boardroom's website at https://investor.boardroomlimited.com **prior to the 25th AGM** using the same user ID and password provided in Step 2 of the procedures of RPEV facilities and select "SUBMIT QUESTION" to pose questions.

Dear Valued Shareholders,

In view of the Covid-19 outbreak, your safety remains our utmost priority. The 25th AGM of the Company will be conducted on a **FULLY VIRTUAL** basis through live streaming and online remote participation using Remote Participation and Electronic Voting (RPEV) Facilities from the Venue. This is in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia ("SC Guidance Note & FAQs"), and the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia.

The Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and Clause 77 of the Company's Constitution, which allows the general meeting to be held using any technology or method that enables the shareholders of the Company to participate and to exercise the shareholders' right to speak and vote at the general meeting.

Shareholders/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 25th AGM in person at the Venue on the day of the meeting. Any Shareholder, Proxy or Corporate Representative who turns up at the Venue would be requested to leave the Venue politely.

REMOTE PARTICIPATION AND ELECTRONIC VOTING (RPEV) FACILITIES

1. Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively known as "participate") remotely at the 25th AGM using RPEV facilities provided by the Poll Administrator, Boardroom Share Registrars Sdn. Bhd. ("BSR").

2. Shareholders who appoint proxies to participate via RPEV facilities in the 25th AGM must ensure that the duly executed proxy forms are deposited in a hardcopy form or by electronic means to BSR no later than **10.00 a.m. on Tuesday, 21 September 2021.**

3. Corporate representatives of corporate shareholders who wish to participate at the 25th AGM via RPEV facilities must deposit their original certificate of appointment of corporate representative to BSR not later than **10.00 a.m. on Tuesday, 21 September 2021**

4. Nominee Company [whose beneficiary of the shares in its Central Depository System (CDS) account] who wishes to participate at the 25th AGM via RPEV facilities must deposit its original hardcopy proxy form and email the softcopy to BSR at bsr.helpdesk@boardroomlimited.com not later than **10.00 a.m. on Tuesday, 21 September 2021** to participate at the 25th AGM.

5. Attorneys appointed by power of attorney who wish to participate at the 25th AGM via RPEV facilities must deposit their original or duly certified power of attorney and email the softcopy to BSR at bsr.helpdesk@boardroomlimited.com not later than **10.00 a.m. on Tuesday, 21 September 2021** to participate at the 25th AGM

6. As the 25th AGM is a fully virtual AGM, shareholders who are unable to participate in the 25th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

7. If a shareholder has submitted his/her Proxy Form appointing the Chairman of the meeting as his/her proxy to vote on his/her behalf at the 25th AGM, subsequently wishes to revoke his/her proxy form, the Notice of Termination of Authority to act as Proxy must be received by the Company at least twenty-four (24) hours before the time appointed for the holding of the meeting or adjourned meeting, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-

   a. the constitution of the quorum at such meeting;
   b. the validity of anything he did as Chair of such meeting;
   c. the validity of a poll demanded by him at such meeting; or
   d. the validity of the vote exercised by him at such meeting.

8. Please note that the Company shall deem that shareholders have no objection to use the provision in the proxy form which has designated the Chairman of the meeting as the authorised person to vote on behalf of shareholders until further instructions are received. The appointed Poll Administrator of this 25th AGM shall be notified of such arrangement accordingly.

ENTITLEMENTS TO ATTEND, SPEAK AND VOTE (COLLECTIVELY, "PARTICIPATE")

In respect of deposited securities, only Shareholders whose names appear on the Record of Depositors on 13 September 2021 ("General Meeting Record of Depositors") shall be eligible to participate the 25th AGM via RPEV facilities. If you are unable to participate, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate your voting instructions in the proxy form.

PROCEDURES FOR RPEV FACILITIES

Shareholders/proxies/corporate representatives/attorneys who wish to participate the 25th AGM remotely using the RPEV are advised to log in to the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com for the following services

a. Regsiter participation for the virtual AGM
b. Submit eProxy forms electronically
c. Submit question priot to the viral AGM

Kindly follow the steps below to register for the virtual AGM:

	Procedure	Action
BEFORE THE AGM DAY		
Step 1	Register Online with Boardroom Smart Investor Portal *(for first time registration only)*	*[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 - Submit Request for Remote Participation User ID and Password.]* a. Access website https://investor.boardroomlimited.com b. Click <**Register**> to sign up as a user. c. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. d. Please enter a valid email address and wait for email verification from Boardroom. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.
Step 2	Submit request for remote participation (User ID and Password)	*[Note: Registration for remote access will be opened on 20 August 2021. Please note that the closing time to submit your request is not less than twenty-four (24) hours before the time of holding the 25th AGM, i.e. latest by Tuesday, 21 September 2021 at 10.00 a.m.]* **Individual Members** a. Login to https://investor.boardroomlimited.com using your user ID and password. b. Select "**CAELY HOLDING BHD (25TH) ANNUAL GENERAL MEETING**" from the list of Corporate Meeting and click "ENTER". c. Click on "Register for RPEV". d. Read and agree to the Terms & Conditions and click "Next". e. Enter your CDS Account and thereafter submit your request.

ADMINISTRATIVE GUIDE OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING (CONTINUED)

	Procedure	Action
BEFORE THE AGM DAY		
Step 2	Submit request for remote participation (User ID and Password)	**Corporate Shareholders** a. To submit the request, Corporate Shareholders need to deposit the original hardcopy to BSR and write in to BSR at bsr.helpdesk@boardroomlimited.com by providing softcopy of the Certificate of Appointment of Corporate Representative or Form of Proxy, the name of Member and CDS Account Number. b. Please provide a copy of Corporate Representative's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address. **Authorised Nominee and Exempt Authorised Nominee** a. To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to BSR and write in to BSR at bsr.helpdesk@boardroomlimited.com by providing softcopy of the Form of Proxy, the name of Member and CDS Account Number. b. Please provide a copy of the proxy holder's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.
	Email notification	a. You will receive notification from Boardroom that your request(s) has been received and is being verified. b. Upon system verification against the Record of Depositors of the 25th AGM as at 13 September 2021, you will receive an email from Boardroom either approving or rejecting your registration for remote participation. c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date. d. Please note that the closing date and time to submit your request is by Tuesday, 21 September 2021 at 10.00 a.m.

	Procedure	Action
ON THE AGM DAY		
Step 3	Login to Virtual Meeting Platform	a. The Virtual Meeting portal will be opened for login one (1) hour before the commencement of the 25th AGM at 9.00 a.m. on Wednesday, 22 September 2021. b. The Meeting Platform can be accessed via website at https://meeting.boardroomlimited.my. c. Insert the Meeting ID No. and sign in with the user ID and password provided to you via the email notification in Step 2 (c).
	Participate	Please follow the User Guides provided in the confirmation email above to view the live webcast, submit question and vote:- a. If you would like to view the live webcast, select the broadcast icon. b. If you would like to ask a question during the 25th AGM, select the messaging icon. c. Type your message within the chat box, once completed click the send button.
	Online Remote Voting	a. Once the 25th AGM is opened for voting, the polling icon will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session. b. To vote, please select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received. c. To change your vote, simply re-select another voting direction. d. If you wish to cancel your vote, please press "Cancel".
	End of Remote Participation	a. Upon the announcement by the Chairman of the meeting on the closure of the 25th AGM, the live webcast will end and the messaging window will be disabled. b. You can now logout from the Meeting Platform.

Notes to RPEV facilities users:

(a) Should your application to join the 25th AGM be approved, the system will make available to you the rights to join the live streamed meeting and to vote remotely.

(b) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet connection at your location and the device you use.

(c) In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call BSR Help Line for assistance.

Poll Voting

The voting at the 25th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed BSR as Poll Administrator to conduct the poll by way of electronic voting and SKY Corporate Services Sdn Bhd as the Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions and submit the votes on the resolutions at any time from the commencement of the 25th AGM at 10.00 a.m. and before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to Step 3 of the above Procedures for RPEV for guidance on how to vote remotely.

Upon completion of the voting session, the Independent Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy or attorney or authorised representative to participate via RPEV facilities at the 25th AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to BSR no later than **Tuesday, 21 September 2021 at 10.00 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

1. In hardcopy form
   In the case of an appointment made in hard copy form, the proxy form must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan.

2. By electronic form
   The proxy form can be electronically lodged to Boardroom Smart Investor Portal via https://investor.boardroomlimited.com (**applicable for individual shareholder only**). Kindly refer to the Procedure for Electronic Submission of Proxy Form below.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not later than **Tuesday, 21 September 2021 at 10.00 a.m.** to participate via RPEV facilities in the 25th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the ORIGINAL Certificate of Appointment at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not later than **Tuesday, 21 September 2021 at 10.00 a.m.** to participate via RPEV facilities in the 25th AGM. The Certificate of Appointment should be executed in the following manner:

1. If the corporate member has a common seal, the Certificate of Appointment should be executed under the common seal in accordance with the constitution of the corporate member.

2. If the corporate member does not have a common seal, the Certificate of Appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

   a. at least two (2) authorised officers, of whom one shall be a director; or
   b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Boardroom Smart Investor Portal are summarised below:-

	Procedure	Action
Step 1	Register Online with Boardroom Smart Investor Portal (for first time registration only)	*[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 – eProxy Lodgement]* a. Access website https://invester.boardroomlimited.com b. Click <**Register**> to sign up as a user. c. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. d. Please enter a valid email address and wait for Boardroom's email verification. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.
Step 2	Submit your request	a. Access website https://investor.boardroomlimited.com using your user ID and password from Step 1 above b. Select **"CAELY HOLDINGS BHD. (25^{TH}) ANNUAL GENERAL MEETING"** from the list of Corporate Meeting and click "Enter" c. Click on "Submit eProxy Form" d. Read the terms & conditions and confirm the Declaration by clicking "Next". e. Enter your CDS Account Number and indicate the number of securities. f. Appoint your proxy(ies) or the Chairman of the AGM and enter the required particulars for your proxy(ies). g. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes. h. Review and confirm your proxy(ies) appointment. i. Click submit. j. Download or print the eProxy Form acknowledgement.

SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

1. Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2021 no later than Tuesday, 21 September 2021 at 10.00 a.m. via yenwahchoo@classita.com.my or Boardroom's website at https://investor.boardroomlimited.com using the same user ID and password provided in Step 2 above, and select "SUBMIT QUESTION" to pose questions.

2. Thereafter, on the morning of the 25^{th} AGM, shareholders may also submit questions via the messaging box on Lumi AGM web portal starting at 9.00 a.m. This web portal will remain open throughout the virtual AGM session.

3. The Board of Directors will endeavor to respond to Pre-AGM Meeting Questions and questions submitted from 9.00 a.m. on the day of the 25^{th} AGM and throughout the meeting. However, if there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

ANNUAL REPORT 2021 AND OTHER DOCUMENTS

1. As part of our dedicated commitment to sustainable practices, the following documents can be downloaded from Bursa Securities' website and the Company's website at www.caelyholdings.com:

   (a) Annual Report 2020
   (b) Corporate Governance Report 2021
   (c) Circular to Shareholders
   (d) Notice of the 25th AGM
   (e) Proxy Form
   (f) Administrative Guide
   (g) Requisition Form

2. Should you need a copy of the printed Annual Report 2021, kindly request via the Annual Report 2021 Requisition Form, alternatively you may submit your request to Mega Corporate Services Sdn Bhd at hisham@megacorp.com.my. Any request for the printed documents will be sent to the requestor as soon as possible.

NO GIFTS DISTRIBUTION

There will be no gifts distribution for Shareholders/Proxies at the 25th AGM.

RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the 25th AGM is allowed.

ENQUIRY

If you have any enquiry in relation to the conduct of the 25th AGM via RPEV Facilities, depositing of hard copy proxy form, submission of electronic proxy form, depositing of the original certificate of appointment of corporate representative, depositing of original or duly certified power of attorney, please contact the Poll Administrator, BSR during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m., except on public holidays:

Address	**Boardroom Share Registrars Sdn. Bhd** 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
General Line	**603-7890 4700 (Helpdesk)**
Fax Number	**603-7890 4670**
Email	bsr.helpdesk@boardroomlimited.com

ADMINISTRATIVE GUIDE OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING (CONTINUED)

ANNUAL REPORT 2021 AND OTHER DOCUMENTS (Continued)

ENQUIRY (Continued)

If you have any enquiry in relation to the request of hardcopy of Annual Report 2021, please contact the Share Registrar, Mega Corporate Services Sdn. Bhd. during office hours on Mondays to Fridays from 9.00 a.m. to 5.00 p.m., except on public holidays:

Address	**Mega Corporate Services Sdn. Bhd.** Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur
General Line	**603-2692 4271**
Fax Number	**603-2732 5388**
Email	hisham@megacorp.com.my, info@megacorp.com.my

GROUP STRUCTURE

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

100%
卡絲達（馬）有限公司
CLASSITA
CLASSITA (M) SDN. BHD.
SINCE 1990
[Registration No. 198901012685
(189994-T)]

100%
Caely (M) Sdn Bhd
[Registration. No. 198601008796
(157988-V)]

100%
CAELY DEVELOPMENT SDN BHD
[Registration No. 198901005844
(183149-V)]

100%
MARYWAH INDUSTRIES (M) SDN. BHD.
[Registration No. 199101002555
(212866-H)]

100%
CAELY ECOMMERCE
[Registration. No. 202101001397
(1401695-U)]

5 YEARS' FINANCIAL HIGHLIGHTS

	Financial Year Ended 31.03.2021 RM'000	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 PEFORMANCE					
Revenue	57,486	69,456	85,503	97,946	119,130
Profit / (loss) before tax	(13,701)	(8,637)	2,589	2,211	7,182
Profit / (loss) after tax	(13,328)	(7,542)	1,456	1,263	5,102
Profit / (loss) attributable to equity holders of the Company	(14,278)	(7,450)	1,508	1,328	5,515
FINANCIAL POSITION ASSETS					
Total Assets	108,482	126,474	151,468	141,917	148,822
Total assets less current liabilities	88,906	93,771	102,166	96,725	97,790
FD, Bank & Cash balance	5,931	5,184	3,972	4,995	4,963
LIABILITIES AND SHAREHOLDERS FUNDS					
Borrowings	16,557	25,553	28,601	23,089	23,613
Equity attributable to owners of the Company	77,115	81,150	88,356	86,565	86,102
Gearing (times)	0.22	0.31	0.32	0.27	0.27
Interest cover (times)	3.39	0.52	1.36	1.29	4.83
FINANCIAL RATIOS					
PBT / (LBT) Margin	(23.83) %	(12.44) %	3.03 %	2.26 %	6.03 %
PAT / (LAT) after NCI Margin	(24.84) %	(10.73) %	1.76 %	1.36 %	4.63 %
NET EPS / (LPS) (sen)	(7.70)	(4.53)	1.85	1.66	6.89
Return on total assets	(13.16) %	(5.89) %	1.00 %	0.94 %	3.71 %
Return on equity	(18.52) %	(9.18) %	1.71 %	1.53 %	6.41 %

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)	0.645	0.595	1.279	1.370	0.565
Year low (RM)	0.200	0.185	0.730	0.380	0.465
Year Close (RM)	0.320	0.215	1.050	0.940	0.495
Trading volume ('000)	12,797	78	414	1,738	83
Market capitalization (as at financial year end) (RM '000,000)	68.28	35.36	85.40	75.20	39.60

DATO' WIRA NG CHUN HAU
Executive Chairman

Age	Gender	Nationality
53	Male	Malaysian

Dato' Wira Ng Chun Hau was appointed to the Board on 8th December 2020 as Non-Independent Non-Executive Chairman and subsequently re-designated as Executive Chairman of the Company on 23 February 2021.

Dato' Wira Ng Chun Hau graduated with a Bachelor of Electrical Engineering from Universiti Teknologi Malaysia in 1992. He obtained the Dealer Representative License from Bursa Malaysia Securities Berhad and has more than 10 years of stockbroking experience. Upon graduation, he began his career as an Electrical Engineer with AMD Devices (M) Sdn Bhd in 1992. In 1995, he joined ECM Libra as a Remisier, a position he held till year 2001. He was the Founder and Executive Chairman of Public Gold Group of Companies since year 2008.

Dato' Wira Ng Chun Hau is a Substantial Shareholder of the Company. Other than Caely Holdings Bhd, he holds directorship in Aurora Italia International Berhad a public listed company in the Leap Market of Bursa Malaysia Securities Berhad. Other than that, he does not hold any other directorship in any other public companies or listed issuer in Malaysia. Currently, he also holds directorship in the subsidiaries of the Company.

Save as disclosed above, he 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 the Company. He 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 him by any relevant regulatory bodies during the financial year. He attended two (2) Board meetings of the Company held during the financial year ended 31st March 2021.

DATIN FONG NYOK YOON
Executive Director

Age	Gender	Nationality
60	Female	Malaysian

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

Datin Fong Nyok Yoon 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 Nyok Yoon is a substantial shareholder of the Company and Mr. Chuah Lim Tai is her son whom is the General Manager of Direct Sales and Trading Sales segment. Her spouse, Dato' Chuah Chin Lai is also a substantial shareholder of the Company.

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 some of the subsidiaries of the Company.

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 the Company. 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 the Company held during the financial year ended 31st March 2021.

NG BOON KANG
Independent Non-Executive Director

Age	Gender	Nationality
50	Male	Malaysian

Mr 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 Boon Kang graduated with a Bachelor of Accountancy from Universiti Utara Malaysia in 1996. He is a member of the Malaysian 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 Boon Kang 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 provides 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.

Mr. Ng has no family relationship with the other Directors and Major Shareholders of the Company. He has no conflict of interest with the Company 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 2021. During the financial year, he attended five (5) Board Meetings.

TAN LOON CHEANG
Independent Non-Executive Director

Age	Gender	Nationality
51	Male	Malaysian

Mr 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 Loon Cheang 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 Loon Cheang has no family relationship with the other Directors and Major Shareholders of the Company. He has no conflict of interest with the Company 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 2021. During the financial year, he attended five (5) Board Meetings.

LIM CHEE PANG
Non-Independent Non-Executive Director

Age	Gender	Nationality
52	Male	Malaysian

Mr Lim Chee Pang is a Non-Independent Non-Executive Director and was appointed to the Board on 17th November 2020.

Mr Lim Chee Pang obtained his Bachelor of Engineering in Electrical Engineering majoring in electronics with Universiti Teknologi Malaysia in year 1992.

Mr Lim Chee Pang started his career as a trainee production engineer in Motorola Malaysia Sdn Bhd. He has been involved in numerous operational works such as monitoring testing process and machine, conducting failure investigation for Final Test failed samples and supervised the development and implementation for Test Data database system. In year 1992, he was appointed as a Technical Advisor in Microvest Engineering Sdn Bhd in which he was mainly involved in evaluating and researching IT Technologies. Upon leaving Microvest Engineering Sdn Bhd in year 1994, he was appointed as the Chief Executive Officer and Chief Technology Officer of Peliontech Solutions Sdn Bhd.

Mr Lim Chee Pang is now the MIS Director and Management Consultant of Public Gold Marketing Sdn Bhd, Aurora Italia Sdn Bhd and PgMall Sdn Bhd.

Mr Lim Chee Pang has no family relationship with the other Director and major shareholders of the Company. 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 2021. During the financial year, he attended three (3) Board Meetings.

BEH HONG SHIEN
Independent Non-Executive Director

Age	Gender	Nationality
34	Male	Malaysian

Mr Beh Hong Shien is an Independent Non-Executive Director and was appointed to the Board on 8th December 2020.

Mr Beh Hong Shien graduated with a Bachelor of Laws (LLB) from University of Northumbria, Newcastle United Kingdom in August 2008, thereafter he obtained the Certificate of Legal of Practice (CLP) from Legal Qualifying Board in October 2009. In year 2010, he joined Messrs Ismail, Khoo & Associates as a Legal Assistant and involved in civil litigation trials, appeals and arbitration for various areas of law such as employment disputes, shareholder disputes, construction contract disputes and family disputes. In year 2013, he joined Messrs Y.C. Wong as a Legal Assistant before acting as a Partner in year 2016.

Mr Beh Hong Shien has no family relationship with the other Directors and Major Shareholders of the Company. He has no conflict of interest with the Company 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 2021. During the financial year, he attended two (2) Board Meetings.

LIM SAY LEONG
Independent Non-Executive Director

Age	Gender	Nationality
52	Male	Malaysian

Mr Lim Say Leong is an Independent Non-Executive Director and was appointed to the Board on 17th November 2020. He holds the post of Chairman of the Nomination Committee and is a member of the Risk Management and Audit Committee.

Mr Lim Say Leong obtained his CIMA Professional Accountancy Qualification with the Chartered Institute of Management Accountants (CIMA) UK in year 1992 and was admitted as a Member of the Institute in 1995. He was registered as a Chartered Accountant with the Malaysian Institute of Accountants (MIA) in 1996. In 1999, Mr Lim was admitted as an Associate Member of the Chartered Tax Institute of Malaysia and received his Masters of Business Administration from Edinburgh Business School, Heriot-Watt University, UK.

Mr Lim Say Leong is also an Independent Director of LFE Corporation Berhad.

Mr Lim Say Leong was the Group Chief Executive Officer and Group Executive Director of Denko Industrial Corporation Berhad, the holding company of Denko-HLB Sdn Bhd, until his resignation in 2005. His primary responsibilities were to re-organise and restructure a rescue (resulting from the 1997 global financial crisis) of Denko Industrial Corporation Berhad, a main board listed Company on the Bursa Malaysia stock exchange of which was successfully completed in 2003. He sat on the boards of the public listed holding company as well as its numerous subsidiaries involved in manufacturing to services.

Mr Lim Say Leong was a partner in Sunneveld Bakery Bistro Sdn Bhd, a food and beverage chain business in year 2004. He exited this food and beverage chain business via a disposal in 2009. In 2007, he joined Yen Global Berhad as Group Chief Executive Officer. While attached to Yen Global Group of Companies, Mr. Lim was primarily the personnel responsible to strategize, chart and direct the performance and growth of the operating units towards stakeholders' objectives. Upon leaving Yen Global Berhad, he co-founded Everise Concepts PLT in 2010 and was appointed as the Executive Director. The company is principally involved in the provision of corporate and business consultancy, real estate projects and the wholesale and distribution of fast-moving consumer goods via retail and online channels.

Mr Lim Say Leong was appointed as the Independent Non-Executive Director of Aurora Italia International Bhd in February 2019. He has been involved in numerous corporate and operational works, amongst others IPOs, M & A, restructuring and rightsizing, funding, training, management and operational controls in Malaysia, Singapore, Indonesia, Hong Kong, China and Australia. Over the last 29 years of his career and business, he had served as both a committee member of CIMA Penang Branch and the Federation of Malaysian Manufacturers (FMM) Northern Branch and is also currently an honorary auditor of the Lim Clan Association in Penang.

Mr Lim Say Leong has no family relationship with the other Directors and Major Shareholders of the Company. He has no conflict of interest with the Company 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 2021. During the financial year, he attended three (3) Board Meetings.

GOK CHING HEE
Chief Executive Officer cum Chief Financial Officer

Age	Gender	Nationality
50	Male	Malaysian

Mr Gok Ching Hee was appointed as a Chief Financial Officer on 11th April 2019 and subsequently re-designated to Chief Executive Officer cum Chief Financial Officer on 1st April 2021. He holds a Bachelor Degree in Accounting (Hons) from Universiti Utara Malaysia in 1996. He is a member of Malaysian Institute of Accountants.

Mr Gok Ching Hee has extensive experience in external and internal auditing, accounting, management consultation and costing. 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.

Mr Gok Ching Hee 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 Ching Hee 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. He has not been imposed of any public sanctions and/or penalties by any relevant regulatory bodies during the financial year.

CHUAH LIM TAI
General Manager

Age	Gender	Nationality
36	Male	Malaysian

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 Lim Tai 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 Lim Tai is the son of Datin Fong Nyok Yoon, the Executive Director of the Group and his father, Dato' Chuah Chin Lai, is a substantial shareholder of the Company.

Save as disclosed above, Mr Chuah Lim Tai does not has any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest with the Company. 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.

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 2021 is tabulated below:-

	Group (Rm'000)	Company (RM'000)
Aufit Fees	169	65
Non-audit Fees	15	6
Total	184	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 2021.

1.4 PROFIT GUARANTEE

The Company did not make any arrangement which require profit guarantee during the financial year ended 31 March 2021.

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 17 February 2021. 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 Caely Holdings Bhd and its Subsidiaries ("Caely Group"). The MDA should be read in conjunction with the accompanying financial statements for the financial year ended 31 March 2021.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

31 July 2003 is a remarkable day for Caely Holdings Bhd., when 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 Caely 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 and retail selling products of mother care, baby care and accessories, and undergarments. In 2013, Caely Group ventured into property development and construction industries. Caely Group has on 12 January 2021 incorporated a wholly owned subsidiary company, namely Caely Ecommerce Sdn. Bhd. The principle business activities of the company is to supply and selling all kinds of garments, clothes & scarf; ecommerce and online manufacturing & logistics; general trading & services, pharmaceutical products, cosmetic, skincare & personal care products. The incorporation of the new subsidiary is in line with Caely Group's future business plan by enlarging its existing advantage and strength in terms of products and manufacturing skills, and tapping into current business trend by boarding on e-commerce platform.

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 March 2021 ("FY2021"), Caely Group recorded a revenue of RM57.49 million, which was 17.23% or RM11.97 million lower than RM69.46 million generated in financial year ended 31 March 2020 ("FY2020"). The decrease in revenue was mainly due from manufacturing segment whereby sales and operations were adversely affected when the lockdown and Movement Control Order ("MCO") were implemented by the governments of the country of our overseas suppliers and Malaysia during the first quarter of calendar year 2020 due to Covid-19 pandemic outbreak.

Caely Group recorded a loss before tax ("LBT") of RM13.70 million in FY2021 as compared to the loss before tax ("LBT") of RM8.64 million recorded in FY2020 under review. The higher LBT was mainly due to major provision for impairment of receivables during the FY2021 amounting to RM16.15 million in Property & Construction segment. The impact of the impairment provision was mitigated by other incomes arising from discount of Liquidated Ascertained Damages ("LAD") and reversal of impairment provision for receivables which had been provided in previous financial year. On top of that, Caely Group also received RM0.75 million of subsidies under the wages subsidies scheme implemented by the Government of Malaysia.

Revenue by Segment

	FYE2021 RM'000	FYE2020 RM'000	Increase/ (Decrease) RM'000
Manufacturing	52,753	59,954	(7,201)
Construction Contract	-	70	(70)
Property Development	(596)	5,562	(6,158)
Direct Selling - Retails	4,792	3,434	1,358
Others	537	436	101
Total	57,486	69,456	(11,970)

Profit before Tax

	FYE2021 RM'000	FYE2020 RM'000	Increase/ (Decrease) RM'000
Manufacturing	4,733	1,065	3,688
Property Development & Construction	(18,229)	(8,891)	(9,338)
Direct Selling - Retails	433	(304)	737
Others	(639)	(506)	(133)
Total	(13,702)	(8,636)	(5,066)

BUSINESS SEGMENTS

1) Manufacturing segment

The manufacturing and sales of lingerie is Original Equipment Manufacturer ("OEM") dominant, as the customers have its own design and requirement. Majority volume in this segment is for export market, while the local market contributed minimum percentage in term of sales quantum.

During the FY2021, revenue from Manufacturing segment was RM52.75 million, which was RM7.20 million or 12.01% lower as compared to the RM59.95 million recorded in FY2020. The decline in revenue was mainly due to the sales and operations of Manufacturing segment were adversely affected when the lockdown and MCO were implemented by the governments of the country of our overseas suppliers and Malaysia during the first quarter of calendar year 2020 due to Covid-19 pandemic outbreak.

From the sales order received thus far, the Company foresees that this segment remains the key contributor to Caely 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 91.77% (2020: 89.6%) revenue to Caely Group in the current financial year and Caely Group remains as the dominant Malaysian manufacturer of ladies undergarments in the export markets.

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

Revenue by Geographical

	FYE2021 RM'000	FYE2020 RM'000	Increase/ (Decrease) RM'000
Germany	34,728	37,437	(2,709)
USA	2,854	2,951	(97)
Canada	9,646	11,241	(1,595)
Hong Kong	3,587	6,350	(2,763)
Europe	1,050	1,369	(319)
Asia	775	428	347
Others	113	178	(65)
Total	52,753	59,954	(7,201)

Despite the decrease in revenue, the Profit Before Tax ("PBT") increased by RM3.67 million to RM4.73 million in FY2021, as compared to RM1.06 million in FY2020. The better PBT was due to higher profit margin recorded which came from austerity exercise implemented by the Management and the wages subsidies received from the Government of Malaysia.

BUSINESS SEGMENTS *(Continued)*

1) Manufacturing segment *(Continued)*

Caely Group is highly alert on the continuing decrease of revenue in OEM manufacturing sales when it generates majority of Caely Group's revenue. Efforts have been intensified in sourcing for new customers from other countries such as Turkey, France and Australia. The Management continues to be highly cost conscious in its operations and in the efforts of continuing to keep the operational cost low. To achieve this objective, the emphasis on increasing productivity by improving production handlings and methods are among the steps we have been taken. Caely 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 the persistence high number of Covid-19 infection cases recorded in Malaysia and other countries, Caely Group is stepping up its efforts in producing more medical device products such as reusable fabric face masks and exploring more new market opportunities for the products. As we foresee the demand for such products will increase and wearing face masks especially the fabric face masks will become a norm in the future's society. Caely Group has successfully renewed the ISO 13485 certification recently which was obtained since 17 August 2020. Caely Group has registered with Medical Device Authority ("MDA") and has obtained the Establishment License from MDA to be qualified as the medical device product manufacturer since September 2020. Caely Group is in the process of registering its product with MDA to get certification from MDA to officially categorise the fabric face masks as medical device product.

2) Property Development and Construction segment

The Group explored the Construction segment in 2013 and the Property Development segment in the following year.

In 2014, Caely Group started its maiden mixed development project at Taman Universiti Wallagonia, Tapah Road, Perak. This development project is adjoining the Universiti Teknologi Mara ("UiTM"), Tapah campus. Caely 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 development has been scheduled to commence in September 2021 consisting of 86 units of double-storey terraced houses.

Caely Group has 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 and Caely Group managed to revive it completely. A vacant lot measuring approximately 2 acres adjacent to the current condominium project is next in line awaiting for future development.

Revenue from Property Development and Construction segment was negative RM0.60 million in FY2021 which was RM6.23 million or 111% lower as compared to RM5.63 million recorded in FY2020. The negative revenue recorded in FY2021 was due to weak demand for Caely Group's property inventories and the cancellation of Sale & Purchase Agreement by some buyers due to their financial difficulty.

BUSINESS SEGMENTS *(Continued)*

2) Property Development and Construction segment *(Continued)*

A pre-tax loss of RM18.23 million was recorded in FY2021 as compared to RM8.89 million pre-tax loss in FY2020. The increase in pre-tax loss was mainly due to major provision for impairment of receivables amounting to RM16.15 million during the financial year. The impact of the impairment provision was mitigated by the discount of LAD and reversal of impairment provision for receivables which had been provided for in previous financial year.

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

Revenue Property Development & Construction

	FYE2021 RM'000	FYE2020 RM'000	Increase/ (Decrease) RM'000
Property Development	(596)	5,562	(6,158)
Construction	-	70	(70)
Total	(596)	5,632	(6,228)

BUSINESS SEGMENTS *(Continued)*

3) Direct Selling and Retail segment

The Direct Selling and Retail segment involves the marketing of Caely Group's 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, the marketing approach has been realigned to suit current consumers' tastes, preference and spending behavior. In 2015, Caely Group introduced e-commerce marketing platform at www.lunavie.com to penetrate into the younger generation market segment. In addition, Caely Group ventures into the retail markets created yet another avenue to increase the customer base as well as to promote the house brands to the local market.

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

Revenue
Direct Selling & Retails

	FYE2021 RM'000	FYE2020 RM'000	Increase/ (Decrease) RM'000
Direct Selling	4,344	2,695	1,649
Retails	448	739	(291)
Total	4,792	3,434	1,358

The revenue for the Direct Selling and Retail segment increased by RM1.36 million or 39.65% to RM4.79 million in FY2021 from RM3.43 million recorded in FY2020. The sales increase was attributed to the intensive marketing efforts, especially the online and digital marketing, carried out by the Company.

In line with the higher turnover, the pre-tax profit has increased by RM0.73 million to RM0.43 million for FY2021 as compared to pre-tax loss of RM0.30 million for FY2020.

BUSINESS SEGMENTS *(Continued)*

LIQUIDITY AND CAPITAL RESOURCES

Caely Group maintains a prudent approach towards managing its capitals resources and enhancing efficiency throughout its operations. As at the current financial year end, Caely Group recorded a decrease in net current assets to RM57.1 million, from RM61.9 million reported as at the previous financial year end.

Caely Group’s total borrowings decreased to RM16.6 million in FY2021 from RM25.6 million in FY2020. The significant decrease in total borrowings was due to repayment of bank overdraft facilities where Caely Group’s source of funds was from exercise of warrants by warrantholders and high collections of debts from debtors.

The significant decrease in total borrowings of RM9.0 million during the financial year 2021, has caused Caely Group’s gearing ratio reduced to 0.22 times in FY2021 from 0.32 times in FY2020. The impact of the reduction in borrowings amount was partially set off by the loss incurred by Caely Group during the financial year.

Caely Group’s trade and other receivables as at 31 March 2021 was RM15.07 million, a decrease of RM21.43 million as compared to RM36.5 million in FY2020. The decrease was mainly due to repayment of debts by debtors and provision for impairment of receivables.

As at 31 March 2021, Caely Group’s trade and other payables decreased by RM4.8 million to RM11.3 million in FY2021 from RM16.1 million in FY2020. The decrease was mainly due to higher repayment made to creditors when incoming source of funds improved during the financial year.

POTENTIAL RISKS

As Caely Group is principally involved in the manufacturing and trading of ladies undergarments products and property development and construction, Caely Group is subjected to certain risk inherent in the nature of these businesses. The outbreak of Covid-19 pandemic, instability in the political arena of Malaysia coupled with the anticipated global trade war have further 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.

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

FORWARD-LOOKING STATEMENT

For labour-intensive Manufacturing segment, Caely Group will strive to improve the 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, Caely Group will continue to look for new buyers overseas to expand the revenue base by promoting Caely Group's latest designs and quality of the 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, the Management targets to launch a new phase of existing development project during the financial year ending 31 March 2022. Caely Group has conducted a fund raising exercise via private placement which was completed on 19 May 2021 to fund the development. Caely Group believes the affordable prices of the residential 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. Caely Group will upgrade and improve the retail outlets and product assortments so as to attract more customers while building on Caely Group's 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, Caely Group is able to react to the negative impact of pandemic outbreak by focusing on the marketing channel through on-line shopping. Caely Group has been actively improving the presentation of the e-commerce platform making it more attractive, informative and customers friendly. Caely Group is also looking for business partners in the efforts to increase the product ranges and improve market presence. Hence, attracting more consumers' attention. Caely Group strives to improve further the selling and retailing business in the years to come.

DIVIDEND

The Board of Directors did not recommend dividend for the financial year ended 31 March 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company is pleased to provide an overview of the Company's corporate governance practices during the financial year ended 31 March 2021.

This Corporate Governance Overview Statement is guided by the principles and the Malaysian Code on Corporate Governance ("the Code") issued by Securities Commission Malaysia and in accordance to paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Corporate Governance Overview Statement demonstrates the Company's application of each Practice set out in the Code during the financial year ended 31 March 2021, which is based on the three (3) key Principles below, as set out in the Code:-

(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 of Directors 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 ("Caely 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.

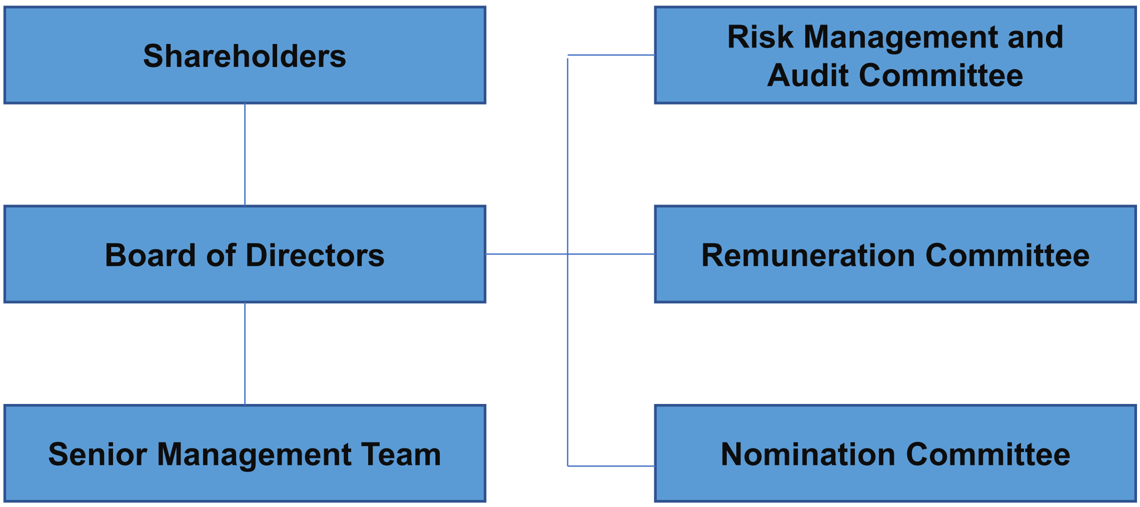
The Board of Directors recognises the importance of corporate governance and is committed to maintain high standard of corporate governance throughout Caely Group as a fundamental role in discharging its responsibilities towards achieving the optimal governance framework. The Board of Directors evaluates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



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Roles and Responsibilities of the Board (Continued)
The Independent 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 to ensure 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 Caely Group conducts its business.

The Board of Directors assumes the following duties and responsibilities:

- to review and adopt strategic plans for Caely Group;
- to oversee the overall conduct of Caely Group's business, to ensure that they are being properly managed
- to identify principal risks and ensuring that appropriate control systems are implemented to manage those risks;
- to formulate and implement policies for succession planning including recruiting, training, rewarding and, where appropriate, replacing senior management;
- to develop and implement an investor's relation program or shareholder communications policies; and
- to review the adequacy and the integrity of Caely 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 of Directors' responsibilities and duties, they are 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 of Directors. Although specific powers are delegated to the Board Committees, the Board of Directors keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairman of respective Board Committees and the tabling of minutes of respective Board Committee meetings at Board meetings. The ultimate responsibility for decision-making, however, lies with the Board of Directors.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Role of Executive Chairman, Chief Executive Officer cum Chief Financial Officer and Independent Directors

The positions of Executive Chairman and Chief Executive Officer cum Chief Financial Officer are held by two (2) different individuals with clear separation of duties defined in the Board Charter to ensure balance of power and authority.

The Executive Chairman is involved in the strategic planning and operation of Caely Group, comprising business segments of Manufacturing and Sale of Undergarments, Property and Construction, Sales and Retails, and Ecommerce. He also leads the Board of Directors in the oversight of Management. Whilst, the Chief Executive Officer cum Chief Financial Officer focuses on the overall business and day-to-day operation of all the business segments of Caely Group.

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 a check-and-balance mechanism and to ensure all the important decisions from the Board of Directors are made on consensus.

The Board of Directors, being mindful that the Executive Chairman 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 more than half of the Board of Directors. This provides assurance of proper balance of power and authority in the governance of the Board of Directors and the Company.

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 of Directors' Meetings as well as Board Committees' meetings for financial year ended 31 March 2021 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 of Directors on matters involving the Company's constitution and compliance with the relevant regulatory requirements, codes or guidance and legislations.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Access to Information and Advice

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

All Directors have full and unrestricted access to all information within Caely Group and they have fiduciary duties to make enquiries, if any, to discharge 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 of its duties, the Board of Directors meets at least once quarterly and additional meeting will be called if necessary. The Board of Directors is satisfied with the level of commitment given by all Directors in fulfilling their roles and responsibilities.

During the financial year ended 31 March 2021, the number of Board meeting held and attendance of each Director is as follows:

Directors	Number of Meetings Attended
Dato' Wira Ng Chun Hau (Executive Chairman) (Appointed on 8 December 2020)	2/2
Datin Fong Nyok Yoon (Executive Director)	5/5
Ng Boon Kang (Independent Non-Executive Director)	5/5
Tan Loon Cheang (Independent Non-Executive Director)	5/5
Lim Say Leong (Independent Non-Executive Director) (Appointed on 17 November 2020)	3/3
Beh Hong Shien (Independent Non-Executive Director) (Appointed on 8 December 2020)	2/2
Lim Chee Pang (Non-Independent Non-Executive Director) (Appointed on 8 December 2020)	3/3

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Access to Information and Advice (Continued)

Directors	Number of Meetings Attended
Dato' Chuah Chin Lai (Managing Director) (Resigned on 1 April 2021)	5/5
Lai Kian Huat (Non-Independent Non-Executive Director) (Resigned on 17 November 2020)	3/3
Hem Kan @ Chan Hong Kee (Independent Non-Executive Director) (Resigned on 21 August 2020)	1/1

Board Charter
The Board of Directors affirms the importance of the roles and responsibilities of the Directors and the Management. As an integral part of the corporate governance process, the Board of Directors has set out their roles and responsibilities in the Board Charter to ensure accountability for both parties. The Board of Directors will review the Board Charter periodically to ensure their responsibilities is in line with the Caely Group's objectives. 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 of Directors has adopted the Code of Conducts and Ethics, revised the Whistleblowing Policies and Procedures, and adopted the Anti-Bribery and Anti-Corruption Policy of the Company pursuant to section 17A of Malaysian Anti-Corruption Commission Act 2009 in 2020. Caely Group 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 by the Caely Group's employees and how they relate to Caely Group's business principles and core values. Whilst the Whistleblowing Policy is designed to cultivate a positive environment where integrity and ethical behavior are fostered and to allow employees to raise genuine concerns without fear of recrimination, and enable prompt corrective action to be taken where appropriate. Generally, all disclosures pursuant to the Whistleblowing Policy will be made to the Executive Chairman, who will then refer the disclosure together with a general recommendation for consideration by the Chairman of Risk Management and Audit Committee.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board

Composition and Independence of the Board of Directors
Presently, the Board of Directors consists of one (1) Executive Chairman, one (1) Executive Director, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfils the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (⅓) of the Board of Directors, 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 Retails, Property Development, Construction and Ecommerce industry, operations, accounting, finance, law and general management. Their profiles can be found in the Annual Report.

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

- Pursuant to Clause 99 of Constitution of the Company, where one-third (1/3) of the Directors is to retire;
- Pursuant to Clause 102 of the Constitution of Company, those directors who were appointed in the 1st year, shall retire at the forthcoming Annual General Meeting.
- The Code's requirements for Independent Directors who have served the Board of Directors for cumulative term of more than nine (9) years to continue serving as Independent Directors, subject to Shareholders' approval.

Annual Assessment of Independence
The Board of Directors, through its Nomination Committee, assesses the independence of the Independent Directors annually. Such assessment is carried out to ensure the Independent Directors would bring independent and objective judgement and opinion to the Board of Directors. The Board of Directors is satisfied with the level of independence demonstrated by the Independent Directors. During the financial year ended 31 March 2021, the Nomination Committee held one (1) meeting to assess the contribution and performance of each individual Director, which also includes assessment on the independence of the Independent Directors. The Board of Directors is satisfied with the contribution and performance of each individual Director and the Independent Directors are complied with the criteria of Independence prescribed in the MMLR.

Tenure of Independent Directors
With 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 of Directors 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. As 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. Nevertheless, none of the Independent Directors exceeded a cumulative term of nine (9) years with the Company.

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 while participating, deliberating and making decision during the meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board (continued)

Recruitment and Appointment of Directors

The Nomination Committee was established to assist the Board of Directors to identify suitable candidate for appointment as Director, to the Board of Directors and/or Board Committees wherever necessary, as well as to assess the skills and other qualities of the Board of Directors in an ongoing basis.

The Nomination Committee is empowered by the Board of Directors to make recommendations to any appointment of a new Director or to fill any board vacancy as and when necessary. When making the recommendation, the Nomination Committee will take into consideration the required mix of skills, knowledge, expertise, experience and other qualities required to be a Director of the Company.

Currently, Caely Group does not have a specific policy on diversity, such as 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 to align with the needs of Caely Group. The Board of Directors 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.

The Board of Directors is also supportive to gender diversity in the boardroom as the Government's initiatives to increase women representatives in the corporate world. The Board of Directors will endeavor to ensure greater diversity will be taken into consideration in nominating and appointing new directors to the Board of Directors. Currently, the Board of Directors comprises only one (1) female representative, which is the Executive Director of the Company.

Nominating Committee

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

Names	Number of Meeting Attended
Lim Say Leong (Chairman)	3/3
Ng Boon Kang (Member)	4/4
Tan Loon Cheang (Member)	4/4
Hem Kan @ Chan Hong Kee (Chairman) (Resigned on 21 August 2020)	2/2

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board (continued)

Annual Assessment of Directors

The Nomination Committee reviews annually the required mix of skills and experience of Directors, including core competencies which the Directors should bring to the Board of Directors. The Nomination Committee also assesses the effectiveness of the Board of Directors 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 Nomination Committee and reported to the Board of Directors.

During the financial year ended 31 March 2021, the Nomination Committee had carried out the annual assessment and was satisfied that the Board of Directors and Board Committees are effective as a whole and having the required mix of skills, size and composition, experience, competencies and other qualities. The Nomination Committee was also satisfied that each of the Directors has the character, experience, integrity, competence and time to effectively discharge their respective roles.

Directors' Training

Caely Group acknowledges the importance of continuous education and training to enable the Board of Directors to stay 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 the Directors are given the opportunity to further enhance their skills and knowledge. All the Directors have attended trainings conducted either in-house or by external parties.

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.

During the financial year ended 31 March 2021, the training programmes attended by the respective Directors are summarised as follows:

Directors	Seminar/Training Programmers Attended
Dato' Wira Ng Chun Hau (Appointed on 8 December 2020)	- Mandatory Accreditation Programme
Datin Fong Nyok Yoon	- SA 8000 for Social Accountability compliance - ISO 13485:2016 Awareness Training - ISO 13485:2016 Internal Audit Training - Occupational First Aid & CPR Training
Ng Boon Kang	- New Public Rulings in 2019 and 2020 - Complimentary Webinar: The Future of Accounting is Here - MIA Webinar Series: Tax Treatment on Interest Income, Interest Expenses and Rental Income – Latest Developments - MIA Webinar Series: Transfer Pricing – What is transfer pricing and its compliance requirements - National Tax Conference 2020
Tan Loon Cheang	- SA 8000 for Social Accountability compliance - ISO 13485:2016 Awareness Training - ISO 13485:2016 Internal Audit Training - Occupational First Aid & CPR Training

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Composition of the Board (continued)

Directors' Training (continued)

Directors	Sminar/Training Programmers Attended
Lim Say Leong (Appointed on 17 November 2020)	- Mandatory Accreditation Programme
Beh Hong Shien (Appointed on 17 November 2020)	- Mandatory Accreditation Programme
Lim Chee Pang (Appointed on 17 November 2020)	- Mandatory Accreditation Programme
Dato' Chuah Chin Lai (Resigned on 1 April 2021)	- SA 8000 for Social Accountability compliance - ISO 13485:2016 Awareness Training - ISO 13485:2016 Internal Audit Training - Occupational First Aid & CPR Training
Lai Kian Huat (Resigned on 17 November 2020)	- Nil
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	- Nil

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 Committee

The Remuneration Committee was established to assist the Board of Directors to assess and recommend the remuneration packages of the Directors of Caely Group. The Board of Directors will decide after considering the recommendation from the Remuneration Committee. The Terms of Reference of the Remuneration Committee is available for public viewing on the Company's website at www.caelyholdings.com.

The members of the Remuneration Committee are as follows:

Names	Number of Meetings Attended
Tan Loon Cheang (Chairman)	4/4
Datin Fong Nyok Yoon (Member)	4/4
Ng Boon Kang (Member)	4/4

The Remuneration Policy is set to attract, motivate and retain quality Directors as well as to align the interests of the Board of Directors with the interests of the Company's shareholders.

The Executive Directors' remuneration is linked to the performance, services, seniority, experience and scope of responsibilities, which 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 of Directors deems appropriate.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

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

Remuneration Committee (continued)

For instance, the basic salary takes into consideration 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 Caely Group, together with an assessment on each individual's performance during the year. Other customary benefits-in-kind, such as car, is 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 each 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 2021 are as follows:-

	Fees	Salaries, bonus and other emoluments	Allowance	Benefits in kind	Total
The Company	**RM**	**RM**	**RM**	**RM**	**RM**
Director					
Dato' Wira Ng Chun Hau (Appointed on 8 December 2020)	16,311	-	600	-	16,911
Datin Fong Nyok Yoon	54,606	-	2,100	-	56,706
Ng Boon Kang	38,400	-	1,500	-	39,900
Tan Loon Cheang	28,800	-	1,500	-	30,300
Lim Say Leong (Appointed on 17 November 2020)	10,720	-	900		11,620
Beh Hong Shien (Appointed on 8 December 2020)	9,058	-	600	-	9,658
Lim Chee Pang (Appointed on 17 November 2020)	10,720	-	900	-	11,620
Dato' Chuah Chin Lai (Resigned on 1 April 2021)	51,613	-	1,500	-	53,113
Lai Kian Huat (Resigned on 17 November 2020)	24,213	-	900	-	25,113
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	11,226	-	300	-	11,526
Total	**255,667**	**-**	**10,800**	**-**	**266,467**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

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

Remuneration Committee (continued)

The group	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Dato' Wira Ng Chun Hau (Appointed on 8 December 2020)	16,311	-	600	-	16,911
Datin Fong Nyok Yoon	54,606	475,506	2,100	18,000	550,212
Ng Boon Kang	38,400	-	1,500	-	39,900
Tan Loon Cheang	28,800	-	1,500	-	30,300
Lim Say Leong (Appointed on 17 November 2020)	10,720	-	900	-	11,620
Beh Hong Shien (Appointed on 8 December 2020)	9,058	-	600	-	9,658
Lim Chee Pang (Appointed on 17 November 2020)	10,720	-	900	-	11,620
Dato' Chuah Chin Lai (Resigned on 1 April 2021)	51,613	366,173	1,500	23,950	443,236
Lai Kian Huat (Resigned on 17 November 2020)	24,213	-	900	-	25,113
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	11,226	-	300	-	11,526
Senior Management					
Chuah Lim Tai	-	149,886	-	-	149,886
Gok Ching Hee	-	178,481	-	-	178,481
Total	**255,667**	**1,170,046**	**10,800**	**41,950**	**1,478,463**

***Inclusive of defined contribution plan**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Risk Management and Audit Committee

The Board of Directors aims to present a balanced and meaningful assessment of Caely Group's position and prospects to shareholders via announcements of its quarterly and annual financial results. In the preparation of the financial statements, the Risk Management and Audit Committee assists the Board of Directors to oversee the financial reporting of Caely Group by reviewing the quarterly financial reports and Annual Financial Statements for consistency and appropriateness in accordance to 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 of Directors and issuance to shareholders.

The Risk Management and Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors and the Risk Management and Audit Committee Report is set out on pages 50 to 55 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 Caely Group for the financial year ended 31 March 2021, to ensure that the statements comply with the Malaysia Financial Reporting Standards ("MFRS"), prior to their recommendation to the Board of Directors for approval;
iii. Review the significant matters highlighted by the External Auditors, Messrs PKF ("PKF") 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 MMLR of Bursa Securities.

B. External Audit

i. Review with PKF the Audit Status Update Memorandum on the audit of the financial statements for the financial year ended 31 March 2021, 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 2021, 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; and

iii. Evaluate the performance of PKF for the financial year ended 31 March 2021 covering areas such as calibre, quality processes, audit team, audit governance, and independence of PKF.

C. Internal Audit

i. Review with the Internal Auditors, 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.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

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

D. Others

i. Review on a quarterly basis, any Recurrent Related Party Transaction ("RRPT") entered into by the Company and/or its subsidiaries with related parties to ensure that Caely 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 of Directors' approval for inclusion in the Annual Report.

3. Risk Management and Internal Control Framework

The Board of Directors recognises that risk management is an integral part of Caely 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 Caely Group in achieving its business and corporate objectives.

The Management is responsible to create a risk awareness culture and 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 of Directors. If necessary, the Board of Directors may seek the assistance and consultation of external parties to form an opinion.

Caely 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 of Directors recognises their responsibility for Caely Group's system of internal control covering not only financial control but also operational and compliance control as well as risk management. The internal control system is designed to meet Caely 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.

For the financial year ended 31 March 2021, 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. RSM would report and highlight any major finding on the weakness in the systems and controls of the operation. The highlighted weaknesses were rectified based on RSM's recommendations 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 of Directors acknowledges the importance for shareholders to be informed on all material business matters relating to Caely Group. The Board of Directors 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 of Directors ensures that shareholders and investors are informed of the financial performance and major corporate information of the Company. These information are 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 Caely Group's performance and business activities.

3. **Conduct of General Meetings**
The Annual General Meeting is the principal form of dialogue with shareholders. At the Annual General Meeting, the Executive Chairman shall inform shareholders that they are encouraged to participate and are given opportunity to raise questions or seek more information on Caely Group. The Executive Chairman, Chief Executive Officer cum Chief Financial Officer and other Directors are also available during the Annual General Meeting to respond to shareholders' enquiries.

4. **Encourage Poll Voting**
Pursuant to Paragraph 8.29(A) of the MMLR of Bursa Securities, the Company will ensure 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 of Directors is committed to promote effective communication and proactive engagement with shareholders. During the general meetings, the Board of Directors, Company Secretaries and External Auditors would be present to answer questions that may be raised. The Executive Chairman would allot time for shareholders to raise questions for each agenda set out in the notice of the general meetings.

KEY FOCUS AREAS AND FUTURE PRIORITIES

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

1. To focus on major strategic issues and 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 of Directors will set the direction for the 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. Caely Group will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting;

4. To continue monitoring succession planning for the senior leadership team and 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 of Caely Group and allow users to easily navigate through the website. The Company is endeavored to harness technological advancements to improve the efficiency at which the general meetings are run and to pave the way for remote shareholders' participation.

RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

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 ("the Code") issued by Securities Commission Malaysia, the Board of Directors is pleased to present the Risk Management and Audit Committee ("RMAC") Report which lays out the activities of RMAC held for the financial year ended 31 March 2021.

The Board of Directors 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 Board of Directors to ensure appropriate Corporate Governance standards within the Company and its subsidiaries ("Caely Group").

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

MEMBERS OF THE RMAC

Composition of members
The RMAC comprises three (3) Directors, all of whom are Independent Non-Executive Directors. The members are as follows:

Names	Designation
Ng Boon Kang (Chairman)	Independent Non-Executive Director
Tan Loon Cheang (Member)	Independent Non-Executive Director
Lim Say Leong (Member)	Independent Non-Executive Director

TERMS OF REFERENCE

1. Objectives

The principle objective of the RMAC is to assist the Board of Directors 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 of Directors 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 (Continued)

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 (4) times each financial year, usually preceding the meetings of the Board of Directors;
   - iii). The external and internal auditors may request a meeting if they consider it necessary in any Committee Meeting;
   - iv). At least once a year, the Committee shall meet with the external auditors without any executive member or the Management present;
   - v). The Chief Executive Officer cum Chief Financial Officer/Executive Director and the Finance Manager/Accountant 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. **Authority**
   - i. The Committee shall have explicit authority to investigate any matter within its terms of reference. It shall have the authority to seek any information it requires from any employee of the Group and all employees are directed to cooperate with any request made by the Committee;
   - ii. The Committee shall have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee can seek for external legal or other independent professional advice it considers necessary;
   - iii. The Committee shall have direct communication channels with the internal and external auditors and be able to convene meetings with internal and/or external auditors, excluding the attendance of other Directors and employees of the Group whenever deemed necessary; and
   - iv. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee shall report such matter to Bursa Securities.

6. **Duties and responsibilities**

   The following are the main duties and responsibilities of the Committee, and where appropriate, the Committee shall report to the Board of Directors on the following:

   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 Caely Group’s risk management policy and implementation of the risk management framework; and
      - **iii.** Review and recommend to the Board of Directors, the Directors’ Statement on Risk Management and Internal Control and any changes thereto.

TERMS OF REFERENCE (Continued)

6. Duties and responsibilities (Continued)

b. Financial Reporting

i. Review the quarterly results and annual financial statements before making recommendations to the Board of Directors 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. Annual assess the performance of services provided by the internal audit function; and
vi. Any appraisal and assessment of the performance of members of the internal audit function and approve any appointment or termination of senior staff members of the internal audit function.

TERMS OF REFERENCE (Continued)

6. Duties and responsibilities (Continued)

e. Related Party Transactions

Review and recommend to the Board of Directors, 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.

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 of Directors has not been satisfactorily resolved by the Board of Directors;
ii. To highlight such matters as the Committee considers appropriate or as defined by the Board of Directors from time to time;
iii. To announce to Bursa Securities, if there are 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 Caely Group;
v. Review and verify on allocation of share options to ensure compliance with the criteria for allocation of share options (if any); and
vi. To undertake such other functions as may be agreed to by the Committee and the Board of Directors.

ATTENDANCE AT MEETINGS

During the financial year ended 31 March 2021, the RMAC held five (5) meetings in the presence of the Company Secretary. The Executive Chairman, Executive Director, Chief Executive Officer cum Chief Financial Officer and Internal Auditors were invited to the RMAC meetings to respond to RMAC's enquiries and to provide detailed information and explanations. At times, other persons were also invited to assist with the deliberations. The external auditors, Messrs. PKF ("PKF") attended two (2) of the meetings held during the financial year ended 31 March 2021. 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
Tan Loon Cheang	5/5
Lim Say Leong (Appointed on 17 November 2020)	3/3
Hem Kan @ Chan Hong Kee (Resigned on 21 August 2020)	1/1

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 MARCH 2021

The summary of the activities carried out by the RMAC in discharging 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 financial year ended 31 March 2021;
- Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response;
- Reviewed and recommended the re-appointment of external auditors and their audit fees to the Board of Directors;
- Undertook an evaluation of the independence of external auditors;
- Reviewed and recommended the quarterly and annual financial results, reports and announcements for the Board of Directors' 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 and assessed the adequacy of the scope, functions, competency and resources of the internal audit function;
- Reviewed the risk management program including key risks identified, the potential impacts and assessed the likelihood of the risk re-occurring;
- Reviewed the application of the corporate governance principles and the extent of Caely Group's compliance with Best Practices set under the Code;
- Reviewed all related party transactions entered by Caely Group and to ensure that such transactions are on normal commercial terms which are not detrimental to the interests of the minority shareholders;
- Reported to the Board of Directors on any major event covered by the RMAC and make recommendations to the Board of Directors and management concerning these matters;
- Ensured adequate procedures being in place pursuant to Section 17A of Malaysian Anti-Corruption Commission Act 2009; and
- Reviewed and recommended the appointment of new RMAC member for the Board of Directors' approval.

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 2021 were as follows:

1. **Inventory Management**
   i. Recording of finished goods, work in progress & raw materials
   ii. Monitoring of inventory balances
   iii. Safekeeping of inventories
   iv. Physical count and verification procedures
   v. Handling of slow moving, obsolete and damaged inventories
   vi. Review of Policies and Procedures

2. **Corporate Liability**
   i. Top management commitment
   ii. Risk Assessment
   iii. Undertake Control Measures
   iv. Systematic Review, Monitor and Enforcement
   v. Training and communication

INTERNAL AUDIT FUNCTIONS (Continued)

3. **Contract Management**
   i. Execution of Contracts
   ii. Appointment and Selection of Main and Sub-contractors
   iii. Evaluation of Main and Sub-contractors
   iv. Approved List of Main and Sub-contractors
   v. Review of Relevant of Policies and Procedures

4. **Follow up audits on:**
   i. Review Report on Human Resource Management of Classita (M) Sdn Bhd - November 2019
      - Absence of performance measurement for packing section of the production process
      - Limitation in the Company's current approach to standard labour costing
      - Limitations noted on the Company's DejawinT system

   ii. Review Report on Key Operating Departments' Workflow Efficiency & Effectiveness of Classita (M) Sdn Bhd - February 2020
      - Frequent delay in delivery of customers' order

The total cost incurred for the internal audit reviews performed by the professional services firm, RSM to Caely Group in respect of the financial year ended 31 March 2021 amounted to RM24,409.00.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors 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 ("the Code") issued by Securities Commission Malaysia and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. THE BOARD'S RESPONSIBILITIES

The Board of Directors and the Senior Management recognise their overall responsibilities and endeavored to maintain a sound system of risk management and internal control that covers financial, operational, compliance and risk management practices in the organisation for the Company's and its subsidiaries' ("Caely Group"). The Board of Directors and the Senior Management shall review and maintain an adequate organisation-wide system of internal control with steadfast integrity, so as to improve the governance process of Caely Group.

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

The Board of Directors has received assurance from the Executive Chairman and the Chief Executive Officer cum Chief Financial Officer that Caely 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 Caely Group.

3. RISK MANAGEMENT FRAMEWORK

Caely Group has established an on-going risk management commitment to identify, assess and evaluate risks, its likelihood and its impact. Thereafter, proper preventive measures will be taken to manage every potential risk that could be exposed to Caely Group. The risk management policy and framework is established to incorporate, amongst others the following activities:-

- To identify various risk factors (financial and non-financial) that could potentially have significant impact on Caely Group's success and continuity;
- To establish a risk coverage policy and to rank each of these risks according to its impact;
- To assess each of these risks (using the risk factors and relative weight) on Caely Group's core business lines, i.e. manufacture and sale of undergarment products, retail sales and property development and construction);
- To establish an overall risk profile and prioritise the respective risk accordingly;
- To establish an overall audit plan that covers all key risk areas;
- To conduct reviews on control activities of high-risk areas;
- To evaluate the control activities and to provide appropriate opinion to enhance the system of internal control;
- To monitor the changes in business condition, environment and operating style; and
- To evaluate if there is any changes to the risks identified earlier against the internal control system.

4. INTERNAL AUDIT FUNCTIONS

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

The person-in-charge from RSM for the financial year ended 31 March 2021 is Mr Ian Ng. He has over approximately 20 years of experience in external and internal audits. 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 from RSM that performed the internal audit exercises for Caely Group for the financial year ended 31 March 2021 are as follows:

Name	Qualification
Ian Ng (Principal)	Charted Accountant, Malaysian Institute of Accounts (MIA) Member of CPA Australia
Emily Ang (Assistant Manager)	Bachelor of Arts (Hons) Accounting and Finance
Loh Yi Lin (Assistant Manager)	Bachelor of Accounting (Hons)
Chuah Sze Sheng (Consultant)	Bachelor of Accounting (Hons)

During the financial year ended 31 March 2021, 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 internal audit reports on the findings with the 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 ended 31 March 2021, 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 has resulted any material losses, contingencies or uncertainties that require to be disclosed in this Annual Report. The cost of internal audit function for the financial year ended 31 March 2021 was approximately RM24,409.00 (2020: RM44,432.00).

Description of the internal audit functions and activities from the internal auditors during the financial year ended 31 March 2021 are included in RMAC Report of this Annual Report.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

Caely Group's risk management and internal control system have the following key elements:-

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

- 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 Caely Group's business;

- Internal control procedures in respect of the manufacturing segment are set out in a series of standard operating policies and procedures. These procedures are subject to regular review and improvement to reflect any emerging risk or to resolve operational deficiencies, and where appropriate, to ensure compliance with the Worldwide Responsible Accreditation Production ("WRAP") and Business Social Compliance Initiative ("BSCI") certification;

- Risk Management, internal controls and standard operating policies and procedures set out for Property Development and Construction segment are preparation of the Feasibility Study Report for each identified project which shall include the profitability and cash flow analysis, conducting study on statutory requirements and compliances, and market survey before adopting any project identified. A proper and systematic procurement policies and procedures has also been established especially on the awarding of contract to contractors which must be assessed and approved by the tendering committee;

- Management reports are prepared at each subsidiary level on a monthly basis;

- 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 of Directors' Meeting for consideration and approval;

- The RMAC and the Board of Directors are committed to identify any significant risks faced by Caely Group and shall assess the adequacy of financial and operational controls in place to address these risks;

- The RMAC will review 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 Caely Group's internal control system and to report the RMAC's deliberation to the Board of Directors during the Board of Directors' Meeting. As part of the ongoing control improvement process, the Management will take appropriate actions to address the control recommendations made by the internal and external auditors. None of the internal control weaknesses identified during the financial year ended 31 March 2021 has resulted any material losses, contingencies or uncertainties that require to be disclosed in this Annual Report; and

- The Board of Directors and the Management convened several meetings during the financial year ended 31 March 2021 in order to assess the performance and controls at operational level.

6. Review by External Auditors

As required under Paragraph 15.23 of MMLR of Bursa Securities, 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 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

6. **Review by External Auditors (Continued)**

Based on the procedures performed, the external auditors has reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report was not prepared, in all material respects, in accordance with the disclosure required under paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

AAPG 3 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 assurance from the Executive Chairman and the Chief Executive Officer cum Chief Financial Officer that the development of internal control is an ongoing process and has taken steps to establish a sound internal control system and effective risk management framework throughout Caely Group. The Board of Directors is committed to continuously review the internal controls and put in place appropriate structure and framework that is necessary to further improve Caely Group's internal control system.

This statement was made in accordance with the resolution of the Board dated 13 July 2021.

INTRODUCTION

The Sustainability Statement of Caely Holdings Bhd ("the Company" or "Caely") is prepared based on the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In this Sustainability Statement, we have highlighted the Economic, Environmental and Social ("EES") activities and initiatives, which has always been part and parcel of the culture of the Company and its subsidiaries ("Caely Group"), in order to achieve an uninterrupted growth in Caely Group's financial performance, and ultimately to maximise Shareholders' investment.

BOUNDARIES

This Sustainability Statement aims to illustrate Caely Group's strategic efforts in EES. The information contained in this Sustainability Statement are based on the material areas that Caely Group has identified. The Company believes that this Sustainability Statement will provide the Shareholders sufficient breadth of overall sustainability impact and performance of Caely Group.

REPORTING PERIOD

This Sustainability Statement covers for the financial year ended 31 March 2021 (1 April 2020 to 31 March 2021) ("FYE 2021").

AUDIENCE

This Sustainability Statement is published for our valued stakeholders' information. The stakeholders include Shareholders, Government, suppliers, customers, employees and local communities.

In FYE 2021, the focus is on engaging with Caely Group's internal stakeholders, which are the Board of Directors, the Management and the employees.

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

ECONOMIC

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

For manufacturing segment, Caely Group is the leading undergarments manufacturer in Malaysia, catering to both local and export markets under its own brand as well as other Original Equipment Manufacturer ("OEM") brands. The Management is proud to inform that one of Caely Group's products, namely nursing bra, which is manufactured by Caely Group, is renowned internationally due to its quality and design.

Caely Group is also actively expanding the trading and retail segment for the mother care products, baby care products and personal care products through conventional marketing channel and ecommerce platform.

In the property development segment, the focus of Caely Group is on small to mid-scale residential development, by building residential developments for the well-beings of the local community.

Caely Group aims to create the best value by delivering quality products and services at the most competitive pricing. Caely Group reviews its market position continuously to meet and manage the ever-changing market trend and consumer demand.

Key Highlights of Caely Group for FYE 2021

		(RM'000)
1	Revenue	57,486
2	Loss Before Tax	13,701
3	Net Assets	77,115

Economic Performance

The economic performance is measured to ensure the economic sustainability of the Group, which is elaborated in the Management Discussion & Analysis section, as set out in pages 27 to 34 of this Annual Report.

Procurement Practices

In the manufacturing segment, Caely Group is one of the largest manufacturers and exporters of lingerie in Malaysia. Caely Group commences its operations in 1988 with just a handful of skilled staffs on a rented premises, and now, Caely Group has more than 700 staffs in its own production complex on a 7½ acres site, located at Teluk Intan, Perak. The modern manufacturing facilities of Caely Group coupled with its high creativity in designs, styles, computerised pattern and marker systems, have been the competitive edge of Caely Group against other lingerie manufacturers.

Lingerie manufacturing calls for products with innovative designs. With this in mind, sourcing of quality fabric materials has been an important aspect of the business process. The components and fabrics are sourced from a healthy mix of local and overseas suppliers. Caely Group acknowledges the local suppliers in Malaysia and has been supportive to their business. Thus, procuring locally enables Caely Group to contribute to the local economy. Local suppliers that meets the required standards provides Caely Group the materials that are essential to produce high quality undergarments. Caely Group's continuous improvement and efforts in sourcing of quality raw material will create more value to the customers.

Procurement Practices (Continued)
For trading and retail segment, we source our products both locally and from overseas. On sourcing practices, customers' value and satisfaction will also be the priority of Caely Group.

For property development and construction segment, Caely Group's strategy is to procure the materials from local supplier in order to boost the local economy. Therefore, majority of Caely Group's suppliers are local suppliers.

Direct Economic Value

The demand for textile and apparel is expected to decline in the short term, due to the outbreak of Coronavirus disease (Covid-19) pandemic, which has been negatively affected the global economy.

However, the Management is confident that the demand for textile and apparel will gradually recover when the impact of Covid-19 pandemic on global economy slowly subsided, especially after the world and our country achieved herd immunity through wide coverage of vaccination to the populations.

The Government of Malaysia expects to achieve herd immunity by end of 2021. Meanwhile, marketing team of Caely Group has been actively sourcing for new customers in order to safeguard the job opportunity for our employees and to fully utilise the company resources. The Management is proud to inform that although Covid-19 pandemic has disrupted the operation of Caely Group, Caely Group has managed to retain all employees, both locals and foreigners. Manufacturing segment has enabled Caely Group to continue provide employment opportunities in Teluk Intan, Perak.

Caely Group has contributed employment opportunities for the local communities whereby some employees have been with Caely Group for close to 30 years. The Management is working towards instilling a culture of emphasising the well-being of employees, by enabling them to grow and prosper with Caely Group. Employees of Caely Group are offered competitive salaries and benefits coupled with a conducive working environment. The Management is proud to inform that, as at to-date, Caely Group has not reported any case of Covid-19 infection in the premises of Caely Group. This is impossible without the intensive effort and cooperation from the Management and all employees.

Business Development and Strategic Partnerships/Collaborations
Caely Group continually seeks business opportunities through strategic business investments by expanding into new markets and/or new business portfolios, that could provide positive direct and indirect economic impact. Moving forward and judging from the changes in business environment especially those affected by Covid-19 pandemic outbreak and consumers spending behaviour, Caely Group will focus its efforts in developing and expanding the ecommerce platform especially for the sales and retails segments. In addition, Caely Group also values partnerships and collaborations to develop and grow the property industries.

ENVIRONMENTAL

Caely Group remains steadfast in its commitment to achieve a sustainable development and to operate in a way that could minimise environmental harm. To be an environmental friendly company, Caely Group invests in new technologies and adopts industry best practices to optimise the resources and to promote energy efficiency.

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

Energy Management
Caely Group has implemented the following steps to minimise the impact to the environmental:

- Switched off the office's centralised air-conditioning during the lunch hour for energy savings.
- Encouraged the employees to adopt an energy-savvy behaviour, such as setting the air-conditioner temperature at 24 degree Celsius and to switch off the lights and other electrical equipment during lunch time and when they are not in the office.
- Encouraged the employees to suggest energy and resource-saving initiatives.

Material and Waste Management
Caely Group acknowledges that heavy usage of paper could impact significantly to the environment. Caely Group's approach to material and waste management is to avoid unnecessary paper consumption and waste generation. Hence, the Management and employees are always mindful to minimise paper usage. Generally, Caely Group practises the following on paper management:-

- Reducing papers – to avoid any printing and photocopying, if possible, and encourage paperless environment. In the event that the printing or photocopying is necessary, then to practise double sided printing or reduce the paper size for economic reasons.
- Recycled papers are 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 encouraged to re-use envelopes, papers and boxes, as much as possible.

In manufacturing segment, Caely Group ensures the raw materials are being utilised to its optimal level and thus reducing the wastage to its minimal level. Caely Group also encourages usage of recycled carton boxed and other packing materials, while ensuring such practices would not negatively affect the product quality. For transportation of goods for both import and export deliveries, Caely Group would often utilise fully the transport loading capacity, as much as possible for every trip of delivery. This will help to reduce gas emission to the environment by reducing the number of possible trips and also bring economic benefit to the company by minimising the cost of transportation.

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

SOCIAL

Occupational Safety and Health

Caely Group aims 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 within Caely Group. Through the collaboration with the local fire and rescue department, fire drill is being conducted at least twice a year, which would cover on how to use the fire-fighting equipment, first aid, CPR, orderly evacuation procedures and other hazard preventive measures.

The Workplace

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

For the Muslim employees' convenient, Caely Group installed a Surau in the factory compound. Hence, the Muslim employees need not to travel outside every Friday for prayers.

Employees' Welfare and Well-Being

The Group has been actively organising activities to promote a healthy lifestyle for employees, to celebrate all festivities, to foster relationship during Caely Group's annual dinner and family days' events.

The Group has also provided transportation to carry workers back and forth from their resident areas to the factory.

At the end of 2020, Caely Group was certified by the Jabatan Tenaga Kerja for providing clean and well equipped living facilities in the hostel of the foreign workers. Caely Group has also conducted swab tests in early of 2021, by engaging qualified medical practitioner, for all foreign workers. The outcome of the tests showed that none of the foreign workers was infected with Covid-19. Caely Group will continue to ensure that the welfare and well-being of all employees are always taken care of especially in terms of health and living environment.

Compliance with International Social Practice Standards

In the undergarment manufacturing segment, where Caely Group's products are exported to European countries and the United States of America ("USA"), Caely Group is obliged to comply with the strict requirements of social practice and accountability standards that specifically focus on the wellbeing of employees and forced labour issues, i.e. the Worldwide Responsible Accredited Production ("WRAP") for USA and Business Social Compliance Intiative ("BSCI") for European countries.

Caely Group is subjected to regular audit by independent auditor to maintain the certification standards, and the Management is proud to inform that Caely Group has been maintaining the certification status all these while.

To demonstrate Caely Group's commitment and to enhance its social accountability practices, the Management is in the process of applying for another certification that has stricter compliance requirements, i.e. the SA8000 certification, which is recognised globally. The Management expects to obtain the certification in September 2021 and according to the independent certification body, Caely Group will be the first company in Malaysia and among the few in South-East Asia region to be certified with SA8000 certification, if Caely Group succeed in the application.

Minimum Wage

Caely Group has based on the Minimum Wages Order 2020 revised the minimum monthly basic salary from RM1,100.00 to RM1,200.00.

Trainings
The human resource development and training programs focus on building leadership, self-confidence, personal and work competencies.

Trainings are conducted either in-house or outsourced to professionals body. The training programs could be conducted through formal classroom, on-the-job training or action-based training.

By having these trainings, Caely Group believes its employees will be well equipped and motivated to perform their duties and to realise their full potential.

Contributing to Communities
As a caring corporate entity, Caely Group has been adopting the "Caring and Sharing" approach to the community.

Caely 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 from the local institution, Bethany Home of the Handicapped, Caely Group has continued to employ some of their students after appropriate trainings being conducted. Caely Group also donates regularly to Bethany Home and several old folk homes either in cash and/or consumer products. In addition, Caely Group also donates to local schools and organisations in the local community.

Supply Chain
Caely Group is committed to ensure that all its activities will not have a significant impact to the environment.

Being an exporter, Caely Group's manufacturing segment has to comply with the stringent requirements set by the overseas buyer, whereby the raw materials used should be free from harmful substances and got to be tested in accordance to Oeko-Tex Standard 100, a worldwide independent testing and certification of raw, semi-finished and finished textile products. Therefore, Caely Group insisted all its suppliers to also comply with this standard. Compliance to the stringent requirements and standards is a testament to Caely Group's continuous improvement in sustainability efforts as highlighted above.

In the property and construction segment, suppliers and contractors are carefully selected through pre-qualification screening, a thorough assessment of their credentials, call tenders exercise, and follow-up meetings and interviews.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Directors is 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 Company and its subsidiaries ("Caely Group") as at 31 March 2021 in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The Board of Directors is responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of Caely Group for the financial year ended 31 March 2021. 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 Board of Directors has:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured 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 Board of Directors is responsible to ensure that Caely Group maintains proper accounting records that disclose with reasonable accuracy in the financial position of Caely Group which enables the Board of Directors 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 Board of Directors also has a general responsibility to take necessary steps that are reasonably available to them to safeguard the assets of Caely Group whereby an appropriate system of internal control is established to prevent and detect fraud as well as other irregularities.

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

DIRECTORS' REPORT

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 2021.

Principal activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 13 to the financial statements.

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

Result

	Group RM	Company RM
(Loss)/Profit for the financial year	(13,328,254)	29,884,444
Attributable to:		
Owners of the parent	(14,277,615)	29,884,444
Non-controlling interests	949,361	-
(Loss)/Profit for the financial year	(13,328,254)	29,884,444

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 2021.

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	
Tan Loon Cheang	
Ng Boon Kang	
Lim Say Leong	- Appointed on 17 November 2020
Lim Chee Pang	- Appointed on 17 November 2020
Dato' Wira Ng Chun Hau	- Appointed on 8 December 2020
Beh Hong Shien	- Appointed on 8 December 2020
Gok Ching Hee	- Appointed & Resigned on 1 April 2021
Hem Kan @ Chan Hong Kee	- Resigned on 21 August 2020
Lai Kian Huat	- Resigned on 17 November 2020
Dato' Chuah Chin Lai	- Resigned on 1 April 2021

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
Dato' Chuah Chin Lai
Datin Wira Lim Chee Ting

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 2021 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 1.4.2020	**Bought**	**Sold**	**Balance as at 31.3.2021**
In the Company				
Direct interest				
Dato' Chuah Chin Lai	18,864,000	16,237,000	(24,600,300)	10,500,700
Datin Fong Nyok Yoon	27,260,000	11,095,400	(22,600,000)	15,755,400
Dato' Wira Ng Chun Hau	-	32,902,700	-	32,902,700
Lim Say Leong	-	110,000	-	110,000
Lim Chee Pang	-	18,000	-	18,000
Indirect interest				
Dato' Chuah Chin Lai	27,260,000	11,095,400	(22,600,000)	15,755,400
Datin Fong Nyok Yoon	18,864,000	16,237,000	(24,600,300)	10,500,700
Dato' Wira Ng Chun Hau	-	28,939,700	(3,595,000)	25,344,700

Directors' interests in shares (continued)

Warrants 2018/2021

	Number of Warrants			
	Balance as at 1.4.2020	**Granted***	**Sold**	**Balance as at 31.3.2021**
In the Company				
Direct interest				
Dato' Chuah Chin Lai	12,732,000	16,237,000	-	28,969,000
Datin Fong Nyok Yoon	13,630,000	11,395,400	-	25,025,400
Dato' Wira Ng Chun Hau	-	2,002,700	-	2,002,700
Indirect interest				
Dato' Chuah Chin Lai	13,630,000	11,395,400	-	25,025,400
Datin Fong Nyok Yoon	12,732,000	16,237,000	-	28,969,000

* 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' Wira Ng Chun Hau, 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 33 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 RM852,479 and RM10,800 respectively as disclosed in Note 5 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM255,667 and RM255,667 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 RM9,550 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 RM50,266,551 to RM59,559,261 by 48,909,000 new shares of RM0.19 each on the exercise of warrants pursuant to Deed Poll of 19 April 2019.

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 2021 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 events

Details of significant events are disclosed in Note 39 to the financial statements.

Subsequent events after reporting period

Details of subsequent events after reporting period are 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 2021 amounted to RM169,000 and RM65,000 respectively.

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

DATIN FONG NYOK YOON

DATO' WIRA NG CHUN HAU

Teluk Intan, Perak Darul Ridzuan

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 80 to 187 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 2021 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,

DATIN FONG NYOK YOON	DATO' WIRA NG CHUN HAU

Teluk Intan, Perak Darul Ridzuan

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

I, DATIN FONG NYOK YOON, 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 80 to 187 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 18 August 2021)

DATIN FONG NYOK YOON

Before me,

COMMISSIONER FOR OATHS

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of CAELY HOLDINGS BHD., which comprise the statements of financial position as at 31 March 2021 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 80 to 187.

In our opinion, 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 2021, and of their financial performances and their 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 Opinion

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 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.

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

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.

(i) Revenue and cost recognition of property development
(Refer to Notes 1(d)(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.

Key Audit Matters (continued)

(i) Revenue and cost recognition of property development (continued)

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(d)(iv), 2(k) and 16 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 2021, property development cost stated at cost amounted to RM25,096,689.

Given the prevailing weak sentiment in the property development market in Malaysia arising from macroeconomic factors and a slowdown in economic activity during Covid-19 Pandemic 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;
(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.

Key Audit Matters (continued)

(iii) Recoverability on amount owing by subsidiaries
(Refer to Notes 2(g) and 17 to the financial statements)

The gross carrying amount of the amount owing by subsidiaries amounted to RM37,358,334. The Company carries significant amount owing by subsidiaries which subject to a high credit risk exposure.
Due to the difficulties in determining the probability of default on amount owing by subsidiaries, we consider the estimation and judgement made by the Directors 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(d)(v), 2(g), 2(n) and 17 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 RM14,375,775 were made during the current financial year, resulted in total impairment of RM18,651,799 was made against trade receivable balances of RM31,502,221 as at the financial year end.

As part of our audit to test Management's assessment of the recoverability of the Group'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 collectibility of receivables as at financial year end; and
(c) Tested reasonableness of the Group's ECL model, and key assumptions made by management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Group and of the Company 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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Group and of the Company 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.

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

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.

- 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.

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

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.

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	3	57,485,726	69,455,516	1,000,000	288,000
Cost of sales	4	(47,531,568)	(62,423,103)	-	-
Gross profit		9,954,158	7,032,413	1,000,000	288,000
Other operating incomce		4,075,374	958,844	94,692	123,970
Selling and distribution costs		(1,567,215)	(2,343,338)	-	-
Administrative expenses		(8,170,569)	(10,486,471)	(7,264,137)	(9,825,281)
Net (loss)/profit on impairment of financial assets		(16,791,369)	(1,970,866)	36,049,783	(36,061,413)
(Loss)/Profit from operations		(12,499,621)	(6,809,418)	29,880,338	(45,474,724)
Finance cost	6	(1,201,397)	(1,827,661)	-	-
(Loss)/Prodit before tax	7	(13,701,018)	(8,637,079)	29,880,338	(45,474,724)
Tax income	8	372,764	1,095,533	4,106	3,875
Total comprehensive (loss)/income for the financial year		(13,328,254)	(7,541,546)	29,884,444	(45,470,849)
Loss attributable to:					
Owners of the parent		(14,277,615)	(7,450,434)		
Non-controlling interests	25	949,361	(91,112)		
		(13,328,254)	(7,541,546)		
Total comprehensive loss attributable to:					
Owners of the parent		(14,277,615)	(7,450,434)		
Non-controlling interests	25	949,361	(91,112)		
		(13,328,254)	(7,541,546)		
Loss per share (sen)					
- Basic	9	(7.70)	(4.53)		
- Diluted	9	(6.73)	(3.11)		

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	23,715,138	24,461,396	59,568	77,867
Right-of-use assets	11	192,420	751,129	-	-
Investment properties	12	4,100,000	4,100,000	4,100,000	4,100,000
Investment in subsidiaries	13	-	-	26,440,049	33,011,355
Goodwill	14	-	-	-	-
Deferred tax assets	15	3,782,278	2,530,607	-	-
		31,789,836	31,843,132	30,599,617	37,189,222
Current assets					
Inventories	16	54,928,388	52,766,881	-	-
Receivables, deposits and prepayments	17	15,069,285	36,492,517	37,380,780	494,000
Tax recoverable		183,642	184,306	17,425	17,425
Marketable securities	18	-	3,113	-	3,113
Fixed deposit with licensed banks	19	3,128,518	3,061,802	-	-
Cash and bank balances	20	2,802,204	2,121,831	876,442	372
		76,112,037	94,630,450	38,274,647	514,910
Assets classified held for sale	21	580,591	-	-	-
		76,692,628	94,630,450	38,274,647	514,910
TOTAL ASSETS		108,482,464	126,473,582	68,874,264	37,704,132
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	59,559,261	50,266,551	59,559,261	50,266,551
Others reserves	23	10,651,327	10,736,804	1,851,511	1,851,511
Retained profits/ (Accumulated losses)	24	7,123,089	21,315,227	741,669	(29,142,775)
		77,333,677	82,318,582	62,152,441	22,975,287
Non-controlling interests	25	(218,944)	(1,168,305)	-	-
Total equity		77,114,733	81,150,277	62,152,441	22,975,287

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONTINUED)

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Non-current liabilities					
Lease liabilities	26	108,031	609,536	-	-
Term loans	27	10,413,079	10,966,509	-	-
Deferred tax liabilities	15	1,270,122	1,045,079	153,637	157,743
		11,791,232	12,621,124	153,637	157,743
Current liabilities					
Payables and accrued liabilities	28	11,336,732	16,067,424	6,568,186	14,571,102
Contract liabilities	29	360,395	2,155,034	-	-
Provisions	30	258,354	467,148	-	-
Derivative liabilities payable	31	-	12,198	-	-
Tax payable		557,678	22,932	-	-
Lease liabilities	26	76,759	122,629	-	-
Term loans	27	1,576,775	1,588,043	-	-
Short term bank borrowings :	32				
- Bank overdrafts		2,605,615	10,158,010	-	-
- Others		1,776,777	2,108,763	-	-
		18,549,085	32,702,181	6,568,186	14,571,102
Liabilities held for sale	21	1,027,414	-	-	-
		19,576,499	32,702,181	6,568,186	14,571,102
Total liabilities		31,367,731	45,323,305	6,721,823	14,728,845
TOTAL EQUITY AND LIABILITIES		108,482,464	126,473,582	68,874,264	37,704,132

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Share capital RM	Reserve on consolidation RM	Revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
		Equity attributable to the owners of the parent						
Group								
At 1 April 2019		49,930,688	80,344	10,741,937	28,680,184	89,433,153	(1,077,193)	88,355,960
Exercise of warrants	22	335,863	-	-	-	335,863	-	335,863
Loss 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
Exercise of warrants	22	9,292,710	-			9,292,710	-	9,292,710
(Loss)/profit for the financial year		-	-		(14,277,615)	(14,277,615)	949,361	(13,328,254)
Transfer of reserve		-	-	(85,477)	85,477	-	-	-
At 31 March 2021		59,559,261	80,344	10,570,983	7,123,089	77,333,677	(218,944)	77,114,733

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

	Note	Share capital RM	Non-distributable Revaluation reserve RM	Distributable Retained profits/ (Accumulated loss) RM	Total RM
Company					
At 1 April 2019		49,930,688	1,851,511	16,328,074	68,110,273
Exercise of warrants	22	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
Exercise of warrants	22	9,292,710	-	-	9,292,710
Total comprehensive income for the financial year		-	-	29,884,444	29,884,444
At 31 March 2021		59,559,261	1,851,511	741,669	62,152,441

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Cash flows from operating activities					
(Loss)/Profit before tax		(13,701,018)	(8,637,079)	29,880,338	(45,474,724)
Adjustments for:					
Property, plant and equipment					
- depreciation		690,673	729,356	18,299	18,285
- gain on disposal		(10,000)	(76,700)	-	-
- written off		-	13,942	-	-
Impairment loss on investment in subsidiaries		-	-	6,571,316	9,004,657
Right-of-use assets					
- depreciation		187,624	146,395	-	-
Allowance for expected credit loss/impairment loss					
- charge for the financial year		16,791,370	2,042,333	-	36,061,413
- reversal		(2,013,818)	(71,467)	(36,049,783)	(11,630)
(Reversal of Provision)/Provision for liquidated ascertained damages		(772,484)	1,593,397	-	-
Interest expense		1,159,430	1,820,836	-	-
Interest income		(65,758)	(98,748)	-	-
Amortisation of government grant		(1,091,413)	-	-	-
Allowance for slow moving inventories					
- provided for		266,973	911	-	-
- reversal		(122,682)	(150,322)	-	-
Fair value (gain)/loss on:					
- marketable securities		(8,804)	3,203	(8,804)	3,203
- derivatives financial instruments		(12,198)	14,823	-	-
Dividend income		-	-	(1,000,000)	-
Gain on disposal of marketable securitries		(1,648)	-	(1,648)	
Net unrealisable foreign exchange (gain)/loss		(424,714)	66,726	-	-
Operating profit/(loss) before working capital changes		871,532	(2,602,394)	(590,282)	(398,796)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Operating profit/(loss) before working capital changes		871,532	(2,602,394)	(590,282)	(398,796)
(Increase)/Decrease in inventories		(2,305,798)	6,796,193	-	-
Decrease/(Increase) in receivables		7,101,429	17,700,385	8,508	(363)
Decrease in payables		(3,337,527)	(15,299,479)	(53,628)	(77,271)
Increase in Housing Development Accounts		(419)	(2,581)	-	-
Cash generated from/(used in) operations		2,329,217	6,592,124	(635,402)	(476,430)
Liquidated ascertained damages and compensation paid		(1,230,949)	(899,824)	-	-
Interest paid		(474,594)	(800,937)	-	-
Tax paid		(119,206)	(1,309,983)	-	(17,425)
Tax refunded		752	2,015,290	-	49,208
Net cash from/(used in) operating activities		505,220	5,596,670	(635,402)	(444,647)
Cash flows from investing activities					
Acquisition for property, plant and equipment		(107,649)	(99,669)	-	(1,584)
Acquisition for subsidiary		-	-	(10)	-
Proceeds from disposals of property, plant and equipment		10,000	76,700	-	-
Proceeds from disposals of investment in equity instrument		13,565	-	13,565	-
Interest income received		65,758	98,748	-	-
Dividend received		-	-	1,000,000	-
Addition of right-of-use asset		-	(439,801)	-	-
Net cash (used in)/from investing activities		(18,326)	(364,022)	1,013,555	(1,584)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Deposits released under lien for credit facilities with licensed banks		(66,716)	(94,309)	-	-
Net changes in short term bank borrowings		(331,986)	(2,339,544)	-	-
Repayments of term loans		(564,698)	(1,440,951)	-	-
Government grant received		1,091,413	-	-	-
Repayments of lease liabilities		(127,789)	333,574	-	-
Repayments to a director		(826,489)	(292,150)	-	-
Interest paid		(684,835)	(1,019,899)	-	-
Exercise of warrants	22	9,292,710	335,863	9,292,710	335,863
Advances (to)/from a subsidiary		-	-	(8,794,793)	64,432
Net cash from/(used in) financing activities		7,781,610	(4,517,416)	497,917	400,295
Net increase/(decrease) in cash and cash equivalents		8,268,504	715,232	876,070	(45,936)
Cash and cash equivalents at 1 April 2020/2019		(8,451,148)	(9,166,380)	372	46,308
Cash and cash equivalents at 31 March	(i)	(182,644)	(8,451,148)	876,442	372

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the followings:

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Cash and bank balances		2,802,204	2,121,831	876,442	372
Less: Bank overdrafts	32	(2,605,615)	(10,158,010)	-	-
Less Bank balances held under Housing Development Account		(415,388)	(414,969)	-	-
Add: Transfer to assets classified as held for sale (Note 21)		36,155	-	-	-
		(182,644)	(8,451,148)	876,442	372

(ii) Reconciliation of liabilities arising from financing activities:

2021	As at 1 April RM	Cash flow RM	Non-cash changes Liabilities held for sale RM	As at 31 March RM
Group				
Lease liabilities	732,165	(127,789)	(419,586)	184,790
Term loans	12,554,552	(564,698)	-	11,989,854
Short term bank borrowings (excluding bank overdrafts)	2,108,763	(331,986)	-	1,776,777
Amount owing to a director	1,461,589	(826,489)	(151,126)	483,974
	16,857,069	(1,850,962)	(570,712)	14,435,395
Company				
Amount owing to a subsidiary	14,342,617	(7,949,287)	-	6,393,330

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

Notes: (continued)

(ii) Reconciliation of liabilities arising from financing activities: (continued)

2020	As at 1 April (before restated) RM	Initial application of MFRS 16 RM	As at 1 April (after restated) RM	Cash flows RM	As at 31 March 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

1. Basis of preparation

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

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

These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

(a) Standards issued and effective

On 1 April 2020, the Group and the Company have also adopted the following new and amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2020.

Description

- Amendments to MFRS 3, *Business Combinations*: Definition of Business
- Amendments to MFRS 4, *Insurance Contracts*: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Material
- Amendments to MFRS 101, *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current-Deferral of Effective Date
- Amendments from other Standards:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 2, *Share-Based Payment*
  - Amendments to MFRS 3, *Business Combinations*
  - Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
  - Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 14, *Regulatory Deferral Accounts*
  - Amendments to MFRS 15, Revenue *from Contracts with Customers*
  - Amendments to MFRS 101, *Presentation of Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
  - Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*

1. Basis of preparation (Continued)

(a) Standards issued and effective (continued)

Description

- Amendments from other Standards : (continued)
  - Amendments to MFRS 110, *Events after the Reporting Period*
  - Amendments to MFRS 116, *Property, Plant and Equipment*
  - Amendments to MFRS 119, *Employee Benefits*
  - Amendments to MFRS 128, *Investments in Associates and Joint Ventures*
  - Amendments to MFRS 132, *Financial instruments: Presentation*
  - Amendments to MFRS 134, *Interim Financial Reporting*
  - Amendments to MFRS 136, *Impairment of Assets*
  - Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets*
  - Amendments to MFRS 138, *Intangible Assets*
  - Amendments to MFRS 140, *Investment Property*
  - Amendments to IC Interpretation 12, *Service Concession Arrangements*
  - Amendments to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
  - Amendments to IC Interpretation 20, *Stripping Costs in the Production Phase*
  - Amendments to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
  - Amendments to IC Interpretation 132, *Intangible Assets – Web Site Costs*

Adoption of above amended MFRS did not have any material impact to the financial performances or positions of the Group and of the Company.

(b) 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 MFRS 16, *Leases*: Covid-19-Related Rent Concessions	1 June 2020
● Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases*: Interest Rate Benchmark Reform – Phase 2	1 January 2021
● Amendments to MFRS 16, *Leases:* Covid-19-Related Rent Concessions	1 April 2021
● Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework	1 January 2022

1. Basis of preparation (Continued)

(b) Standards issued but not yet effective (continued)

Description	**Effective for annual periods beginning on or after**
● 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
● MFRS 17, *Insurance Contracts*	1 January 2023
● Amendments to MFRS 17, *Insurance Contracts*	1 January 2023
● Amendments to MFRS 101, *Presentation of Financial Statements*: Classifications of Liabilities as Current or Non-current	1 January 2023
● Amendments to MFRS 101, *Presentation of Financial Statements*: Disclosure of Accounting Policies	1 January 2023
● Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
● Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128 *Investment in Associate and Joint Ventures*: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

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

1. Basis of preparation (Continued)

(c) 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.

(d) 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 tax

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.

(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.

1. Basis of preparation (Continued)

(d) Significant accounting estimates and judgements (continued)

(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 certaincircumstances, be significant.

- 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.

  The economic uncertainties resulting from the Covid-19 Pandemic have impacted and may continue to impact selling prices and the saleability of inventories. When future events differ from current expectations, the carrying amounts of unsold inventories may have to be written down or written back in future financial periods.

1. Basis of preparation (Continued)

(d) Significant accounting estimates and judgements (continued)

(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.

(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.

1. **Basis of preparation (Continued)**

(d) Significant accounting estimates and judgements (continued)

(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.

The economic uncertainties resulting from the Covid-19 Pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total property development costs and total property development profits.

(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.

1. **Basis of preparation (Continued)**

(d) Significant accounting estimates and judgements (continued)

(ix) Recognition of Construction Contracts Profits (continued)

The economic uncertainties resulting from the Covid-19 Pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total construction contract costs and total construction contract profits.

(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.

(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.

The economic uncertainties resulting from the Covid-19 Pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the calculation of value-in-use. Cash flows projected based on those inputs of assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

1. **Basis of preparation (Continued)**

(d) **Significant accounting estimates and judgements (continued)**

(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 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 RMNIL(2020:RM439,801).

(b) Incremental borrowing rate of lease

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

2. Summary of significant accounting policies

(a) Basis 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) Basis 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) Basis 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) Transaction 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) Function 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:

	2021 RM	2020 RM
Assets		
1 United States Dollar	4.14	4.30
1 Euro	4.87	4.73
Liabilities		
1 United States Dollar	4.15	4.31
1 Euro	4.87	4.75
100 Hong Kong Dollars	53.36	55.58
100 Chinese Renminbi	63.29	60.82

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 contract

The Group constructs 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 created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the 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 over 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) Divided 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 expense

(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

(i) Initial recognition and measurement

(a) As a lessee

The Group 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'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)

(i) Initial recognition and measurement (continued)

(b) As a lessor

Leases for which the Group 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 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 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 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 by the end of the lease term or if the cost of the right-of-use asset reflects that the Group 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)

(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 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.

(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.

2. Summary of significant accounting policies (continued)

(k) Inventories (continued)

(i) Inventory properties (continued)

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.

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 assets/(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 down payments 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 become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure 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

The Group and the Company classify 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 and 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

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 (continued)

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.

(v) Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

2. Summary of significant accounting policies (continued)

(w) Non-current assets held for sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for sale in its immediate condition. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, or included within a disposal group that is classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are included in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on profit or loss. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

In case conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Accordingly, results of operations, previously presented in discontinued operations, are reclassified and included in result from continuing operations for all periods presented. Non-current assets that ceases to be classified as held for sale are remeasured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision to sell.

3. Revenue

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

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue from contract customers	57,485,726	69,455,516	1,000,000	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 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue from contract customers				
Finished goods				
- Direct sales and retail	4,792,157	3,433,538	-	-
- Manufacturing and export	52,752,872	59,953,889	-	-
Construction contract				
Property development	-	70,250	-	-
- Project in progress	-	5,184,376	-	-
- Completed development units	(595,864)	377,060	-	-
Leisure and hospitality				-
- Golf club activities	536,561	436,403	-	-
Dividend income	-	-	1,000,000	-
Management fee charged to subsidiaries	-	-	-	288,000
	57,485,726	69,455,516	1,000,000	288,000

3. Revenue (continued)

(a) Disaggregation of revenue (continued)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Geographical markets				
Malaysia	5,363,114	9,640,686	1,000,000	288,000
United States of America	2,854,352	2,951,296	-	-
Canada	9,645,864	11,241,366	-	-
Germany	34,728,224	37,437,492	-	-
France	268,797	460,951	-	-
Hong Kong	3,586,988	6,349,933	-	-
United Kingdom	-	(20,112)	-	-
Netherlands	472,609	522,192	-	-
Myanmar	132,381	288,817	-	-
Czech	308,821	406,294	-	-
Egypt	-	121,630	-	-
Lebanon	-	38,889	-	-
Australia	11,059	-	-	-
Singapore	1,283	-	-	-
Others countries	112,234	16,082	-	-
	57,485,726	69,455,516	1,000,000	288,000
Timing revenue recognition				
At a point in time	57,485,726	64,200,890	1,000,000	288,000
Over time	-	5,254,626	-	-
	57,485,726	69,455,516	1,000,000	288,000

4. Cost of sales

	Group 2021 RM	Group 2020 RM
Contract costs	-	618,734
Property development costs	842,503	9,675,045
Cost of finished goods sold	46,689,065	52,129,324
	47,531,568	62,423,103

5. Employee benefits expense

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Executive directors:				
- fees	122,530	144,000	122,530	144,000
- allowances	4,200	4,000	4,200	4,000
- salaries and bonus	724,706	1,038,854	-	-
- defined contribution plan	116,973	153,777	-	-
	968,409	1,340,631	126,730	148,000
Non-executive directors:				
- fees	133,137	168,000	133,137	168,000
- allowances	6,600	5,700	6,600	5,700
	139,737	173,700	139,737	173,700
Total directors' remuneration	1,108,146	1,514,331	266,467	321,700
Other staff costs:				
- salaries, wages and bonus	13,662,379	14,608,126	-	-
- defined contribution plan	712,992	831,575	-	-
- other short term employee benefits	931,735	1,197,284	-	-
Total other staff costs	15,307,106	16,636,985	-	-
Total employee benefits expense	16,415,252	18,151,316	266,467	321,700
Monetary value of benefits-in-kind given to certain directors	41,950	41,950	-	-

6. Finance cost

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Term loan interests	568,520	839,954	-	-
Overdraft interests	474,594	800,937	-	-
Lease liability interests	41,351	27,472	-	-
Interests on other borrowings	74,964	152,473	-	-
Net interest expense	1,159,429	1,820,836	-	-
Commitment fees	41,968	6,825	-	-
	1,201,397	1,827,661	-	-

7. Profit/(Loss) before tax

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Auditors' remuneration	169,000	164,000	65,000	65,000
Other non-statutory services	15,000	15,000	6,000	6,000
Employee benefit expense (including directors' remuneration)	16,415,252	18,151,316	266,467	321,700
Allowance for slow moving inventories				
- provided for	266,973	911	-	-
- reversal	(122,682)	(150,322)	-	-
Impairment loss:				
- addition	16,791,370	2,042,333	-	-
- reversal	(2,013,818)	(71,467)	-	-
Gain on disposal of plant, property and equipment	(10,000)	(76,700)	-	-
Gain on disposal of marketable securities	(1,648)	-	(1,648)	-
Depreciation for plant, property and equipment	690,673	729,356	18,299	18,285
Depreciation for right-of-use assets	187,624	146,395	-	-
(Reversal of provision)/Provision for liquidated ascertained damages	(772,484)	1,593,397	-	-

7. Loss before tax (continued)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Fair value (gain)/loss on marketable securities	(8,804)	-	(8,804)	3,203
Interest income	(65,758)	(98,748)	-	-
Interest expense	1,159,430	1,820,836	-	-
Impairment on amount owing from subsidiary	-	-	-	36,061,143
Impairment on investment in subsidiary	-	-	629,741	9,004,657
Government grant	(1,091,413)	-	-	-
Reversal of impairment on amount due from subsidiary	-	-	(36,049,783)	(11,630)
Write off for property, plant and equipment	-	13,942	-	-
Net unrealised foreign exchange (gain)/loss	(424,714)	66,726	-	-
Net realised foreign exchange gain	(33,971)	(340,744)	-	-
Fair value (gain)/loss on derivative asset receivable	(12,198)	14,823	-	-

8. Tax income

(a) Recognised in profit or loss

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Current tax:				
- Current year	731,099	713,764	-	-
- Overprovision in prior years	(77,235)	(403,094)	-	-
	653,864	310,670	-	-
Deferred tax:				
- Origination and reversal of temporary differences	25,482	(1,544,864)	(4,106)	(3,875)
- Crystallisation of revaluation reserve	(26,485)	(26,484)	-	-
- (Over)/Underprovision in prior years	(1,025,625)	165,145	-	-
	(1,026,628)	(1,406,203)	(4,106)	(3,875)
	(372,764)	(1,095,533)	(4,106)	(3,875)

8. Income tax (continued)

(a) Recognised in profit or loss (continued)

Reconciliation of tax expense

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
(Loss)/Profit before tax	(13,701,018)	(8,637,079)	29,880,338	(45,474,724)
Tax calculated at statutory tax rate of 24%	(3,288,244)	(2,072,899)	7,171,281	(10,913,934)
Non-deductible expenses	14,337,014	1,253,303	1,716,561	10,910,059
Non-taxable income	(10,316,136)	(3,614)	(8,891,948)	-
Double deduction expenses	(12,813)	(43,778)	-	-
Crystalisation of revaluation reserve	(26,485)	(26,484)	-	-
Utilisation of deferred tax asset not recognised	36,760	35,888	-	-
	730,096	(857,584)	(4,106)	(3,875)
Overprovision of current tax in prior year	(77,235)	(403,094)	-	-
(Over)/Underprovision of deferred tax in prior year	(1,025,625)	165,145	-	-
Tax income	(372,764)	(1,095,533)	(4,106)	(3,875)

The Group has unabsorbed capital allowance and unutilised tax losses amounting to approximately RM1,715,648 and RM13,585,965 (2020: RM2,800,163 and RM10,438,033) 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 2018 onwards to set off against future taxable profit as follows:

	RM	Utilised Up to
YA 2018 and above	2,146,397	YA 2025
YA 2019	429,708	YA 2026
YA 2020	7,319,711	YA 2027
YA 2021	3,690,149	YA 2028
	13,585,965	

9. Loss per share

Basic/Diluted loss per share of the Group is calculated by dividing net loss 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 loss per share

	Group 2021	Group 2020
Net loss for the financial year attributable to owners of the parent (RM)	(14,277,615)	(7,450,434)
Weighted average number of ordinary shares in issue (units)	185,389,629	164,376,705
Basic loss per share (sen)	(7.70)	(4.53)

(b) Diluted loss per share

	Group 2021	Group 2020
Net loss for the financial year attributable to owners of the parent (RM)	(14,277,615)	(7,450,434)
Weighted average number of ordinary shares in issue (units)	185,389,629	164,376,705
Effect of exercise of Warrants (units)	26,632,100	75,541,100
Weighted average number of ordinary shares in issue (units)	212,021,729	239,917,805
Diluted loss per share (sen)	(6.73)	(3.11)

10. Property, plant and equipment

2021	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 2020	7,630,000	14,291,099	8,481,345	6,704,314	1,823,176	814,930	2,584,481	42,329,345
Additions	-	-	9,000	63,149	35,500	-	-	107,649
Disposals	-	-	-	-	(124,445)	-	-	(124,445)
Transfer to held for sale	-	-	(694,970)	(483,555)	-	(814,930)	-	(1,993,455)
At 31 March	7,630,000	14,291,099	7,795,375	6,283,908	1,734,231	-	2,584,481	40,319,094
Accumulated depreciation and impairment loss								
At 1 April 2020								
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
Charge for the financial year	-	412,343	148,506	116,266	3,550	10,008	-	690,673
Disposal	-	-	-	-	(124,445)	-	-	(124,445)
Transfer to held for sale	-	-	(610,176)	(482,674)	-	(737,371)	-	(1,830,221)
At 31 March								
Accumulated depreciation	-	1,560,784	7,477,185	5,863,708	1,702,279	-	-	16,603,956
Accumulated impairment loss	-	-	-	-	-	-	-	-
	-	1,560,784	7,477,185	5,863,708	1,702,279	-	-	16,603,956

10. Property, plant and equipment (continued)

2021	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	12,730,315	318,190	420,200	31,952	-	2,584,481	23,715,138
Representing:								
At cost	-	-	318,190	420,200	31,952	-	2,584,481	3,354,823
At valuation	7,630,000	12,730,315	-	-	-	-	-	20,360,315
	7,630,000	12,730,315	318,190	420,200	31,952	-	2,584,481	23,715,138

10. 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								
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

10. 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
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

10. 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

10. Property, plant and equipment (continued)

	Company	
	2021 RM	2020 RM
Furniture, fittings and equipment		
Cost		
At 1 April 2020/2019	587,431	585,847
Additions	-	1,584
At 31 March	587,431	587,431
Accumulated depreciation		
At 1 April 2020/2019	509,564	491,279
Charge for the financial year	18,299	18,285
At 31 March	527,863	509,564
Carrying amount		
At 31 March	59,568	77,867

(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	
	2021 RM	2020 RM
Freehold land	1,019,735	1,019,735
Buildings	9,750,955	10,069,400
	10,770,690	11,089,135

Carrying amount of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 27 and Note 32 to the financial statements are RM20,195,770 (2020: RM20,605,385).

10. Property, plant and equipment (continued)

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

11. Right-of-use assets

	Land RM	Plant and machinery RM	Furniture, fitting and equipment RM	Motor vehicles RM	Total RM
Group					
2021					
Cost					
At 1 April 2020	439,801	94,512	126,000	490,000	1,150,313
Transferred to held for sale	(439,801)	-	-	-	(439,801)
At 31 March 2021	-	94,512	126,000	490,000	710,512
Accumulated depreciation					
At 1 April 2020	13,744	22,840	44,100	318,500	399,184
Charge for the financial year	54,972	9,452	25,200	98,000	187,624
Transferred to held for sale	(68,716)	-	-	-	(68,716)
At 31 March	-	32,292	69,300	416,500	518,092
Carrying amount					
At 31 March	-	62,220	56,700	73,500	192,420

11. Right-of-use assets (continued)

	Land RM	Plant and machinery RM	Furniture, fitting and equipment RM	Motor vehicles RM	Total RM
Group					
2020					
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	439,801	94,512	126,000	490,000	1,150,313
Accumulated depreciation					
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 7 years.

The Group has entered into finance lease arrangement in acquiring the asset as disclosed in Note 26 to the financial statements with a carrying amount of the asset amounted to RM192,420 (2020: RM325,072).

12. Investment properties

	Group and Company	
	2021	2020
	RM	RM
At fair value		
At 1 April 2020/2019/31 March	4,100,000	4,100,000
Rental income from investment property	84,240	112,840
Direct operating expenses relating to investment property that generate rental income	18,715	18,797

The investment properties of the Group and of the Company are stated at fair value of RM4,100,000 (2020: RM4,100,000) based on valuations (using comparison valuation method) carried out by an independent professional valuer on 17 February 2021.

13. Investment in subsidiaries

	Company	
	2021	2020
	RM	RM
Unquoted shares at cost	61,804,496	61,804,486
Less: Impairment loss		
At 1 April 2020/2019	(28,793,131)	(19,788,474)
Addition during the financial year	(6,571,316)	(9,004,657)
At 31 March	(35,364,447)	(28,793,131)
	26,440,049	33,011,355

13. Investment in subsidiaries (continued)

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

Name of subsidiaries	Percentage of equity held (%) 2021 %	2020 %	Principal activities
Caely (M) Sdn. Bhd.	100	100	Property development and construction activities, property management, direct sales, trading and consignment sales of fabric face masks, personal protective equipment, medical products, 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 related raw materials, protective facial mask and personal protective equipment.
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.
Caely Ecommerce Sdn. Bhd.*	100	-	Supply and selling via online for all kinds of garments, clothes, scarf, pharmaceutical products, cosmetic, skincare & personal care products.

* On 12 January 2021, the Group incorporated a wholly-owned subsidiary known as Caely Ecommerce Sdn. Bhd. with a registered capital of RM10.

13. Investment in subsidiaries (continued)

13.1 Impairment of investment in subsidiaries

In the current reporting period

The directors performed an impairment test on the investment in subsidiaries as those subsidiaries had been persistently making losses.

A further impairment of RM6,571,316 was recognised in the investment in subsidiaries. The recoverable amount of the investment has been determined based on the fair value less cost of disposal using the net assets of each subsidiary. The amount of impairment loss has been recognised under "Administrative expenses" line item in the Company's statement of comprehensive income for the year ended 31 March 2021.

In the previous reporting period

The directors performed an impairment test on the investment in subsidiaries as those subsidiaries had been persistently making losses.

A further impairment of RM9,004,657 was recognised in the investment in subsidiaries. The recoverable amount of the investment has been determined based on the fair value less cost of disposal using the net assets of each subsidiary. The amount of impairment loss has been recognised under "Administrative expenses" line item in the Company's statement of comprehensive income for the year ended 31 March 2020.

14. Goodwill

	Group	
	2021 RM	2020 RM
Cost arising from acquisition of a subsidiary	357,964	357,964
Less: Impairment loss		
At 1 April 2020/2019/31 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.

15. Deferred tax (assets)/liabilities

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets				
- subject to income tax	(3,782,278)	(2,530,607)	-	-
Deferred tax liabilities				
- subject to income tax	812,767	587,724	13,923	18,029
- subject to real property gains tax	457,355	457,355	139,714	139,714
	1,270,122	1,045,079	153,637	157,743
Deferred tax (assets)/liabilities (net)	(2,512,156)	(1,485,528)	153,637	157,743

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 April 2020/2019	(1,485,528)	(79,325)	157,743	161,618
Recognised in profit or loss (Note 8)	(1,026,628)	(1,406,203)	(4,106)	(3,875)
At 31 March	(2,512,156)	(1,485,528)	153,637	157,743

Group	Property, plant and equipment RM	Revaluation reserve RM	Total RM
2021			
Deferred tax liabilities			
At 1 April 2020	1,117,284	1,255,685	2,372,969
Recognised in profit or loss (Note 8)	(23,621)	(26,485)	(50,106)
At 31 March 2021	1,093,663	1,229,200	2,322,863
2020			
Deferred tax liabilities			
At 1 April 2019	1,028,203	1,282,169	2,310,372
Recognised in profit or loss (Note 8)	89,081	(26,484)	62,597
At 31 March 2020	1,117,284	1,255,685	2,372,969

15. 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
2021						
Deferred tax assets						
At 1 April 2020	(504,282)	(1,200,060)	(2,259,008)	73,506	31,347	(3,858,497)
Recognised in profit or loss (Note 8)	281,788	(1,704,666)	457,586	(11,230)	-	(976,522)
At 31 March 2021	(222,494)	(2,904,726)	(1,801,422)	62,276	31,347	(4,835,019)
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 8)	(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)

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

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

Company	Property, plant and equipment RM	Revaluation reserve RM	Total RM
2021			
Deferred tax liabilities			
At 1 April 2020	18,029	139,714	157,743
Recognised in profit or loss (Note 8)	(4,106)	-	(4,106)
At 31 March 2021	13,923	139,714	153,637
2020			
Deferred tax liabilities			
At 1 April 2019	21,904	139,714	161,618
Recognised in profit or loss (Note 8)	(3,875)	-	(3,875)
At 31 March 2020	18,029	139,714	157,743

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

	Group 2021 RM	2020 RM
Unutilised tax losses	1,482,940	1,402,971
Unabsorbed capital allowances	810,041	736,842
	2,292,981	2,139,813

16. Inventories

	Note	Group 2021 RM	Group 2020 RM
At cost:			
Property development costs	(a)	25,096,689	23,746,955
Completed development units		18,440,177	18,147,159
Raw materials		6,097,266	4,986,362
Work in progress		1,395,548	1,265,306
Operating supplies		-	1,000
Finished goods		3,359,733	3,954,822
		54,389,413	52,101,604
At net realisable value:			
Finished goods		538,975	665,277
		54,928,388	52,766,881
Recognised in profit or loss:			
Inventories recognised as cost of sales		48,245,289	52,129,324
Contract costs recognised as cost of sales		-	618,734
Property development cost recognised as cost of sales		842,503	9,675,045
Impairment of slow-moving inventories		266,973	911
Reversal of slow-moving inventories		(122,682)	(150,322)

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

	Group 2021 RM	Group 2020 RM
Completed development units	3,516,805	5,521,076

16. Inventories (continued)

(a) Property development costs

	Group 2021 RM	Group 2020 RM
At cost		
At 1 April 2020/2019		
Leasehold land	6,894,701	10,815,143
Development costs	16,852,254	30,265,260
	23,746,955	41,080,403
Costs incurred during the financial year		
- Development costs	2,312,237	5,480,064
Unsold completed properties transfer to inventories	-	(12,519,733)
Costs recognised in profit and loss in current financial year	(962,503)	(10,293,779)
At 31 March	25,096,689	23,746,955
Property development costs are analysed as follows:		
At cost		
Leasehold land	6,894,701	6,894,701
Development costs	18,201,988	16,852,254
	25,096,689	23,746,955

A total of 88 (2020: 88) sub-divided titles to the property development leasehold land of the Group 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 2021.

Included in leasehold land as at 31 March 2021 is a piece of land purchased from an abandoned project. The Group has redeemed the master land title and is in the process of transferring the ownership back to the Group.

17. Receivables, deposits and prepayments

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Non-current asset					
Amounts owing by subsidiaries		-	-	-	32,454,842
Less: Impairment		-	-	-	(32,454,842)
		-	-	-	-
Current assets					
Trade receivables	(a)	31,502,221	36,293,664	-	-
Transfer to held for sale		(5,888)	-	-	-
Less: Impairment		(18,646,028)	(4,276,024)	-	-
		12,850,305	32,017,640	-	-
Non-trade receivables	(b)	1,191,829	1,214,192	-	4,440
Transfer to held for sale		(1,337)	-	-	-
Less: Impairment		(639,522)	(239,082)	-	-
		550,970	975,110	-	4,440
Amounts owing by subsidiares	(c)	-	-	37,358,334	6,000,000
Less: Impairment		-	-	-	(5,536,954)
		-	-	37,358,334	463,046
Accrued billings in respect of property development		-	893,174	-	-
Deposits		300,887	340,000	9,686	9,686
Prepayments		215,519	682,122	12,760	16,828
Advances to sub-contractors		1,151,604	1,584,471	-	-
		15,069,285	36,492,517	37,380,780	494,000

17. Receivables, deposits and prepayments (continued)

(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 (2020: 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	
	2021 RM	2020 RM
Loss allowance		
At 1 April 2020/2019	4,276,024	2,233,691
Additions	16,389,593	2,042,333
Transfer to held for sale	(5,771)	-
Reversal of allowance for impairment	(2,013,818)	-
At 31 March	18,646,028	4,276,024

(b) Non-trade receivables

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

	Group	
	2021 RM	2020 RM
Loss allowance		
At 1 April 2020/2019	239,082	310,549
Additions	401,777	-
Transfer to held for sale	(1,337)	
Reversal of allowance for impairment	-	(71,467)
At 31 March	639,522	239,082

(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	
	2021 RM	2020 RM
Loss allowance		
At 1 April 2020/2019	37,991,796	1,942,013
Addition	-	36,061,413
Written off	(1,942,013)	-
Reversal	(36,049,783)	(11,630)
At 31 March	-	37,991,796

18. Marketable securities

	Group and Company 2021 RM	2020 RM
Fair value through profit or loss		
Shares in corporations and unit trust		
- quoted in Malaysia	-	3,113

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

19. Fixed deposit with licensed banks

As of 31 March 2021, the fixed deposits with licensed banks of the Group carry interest at rates 1.74% (2020: 2.80% to 3.10%) per annum. The fixed deposits maturity period are ranging from 89 days to 90 days (2020: 90 days).

The fixed deposits with licensed banks of the Group amounted to RM3,128,518 (2020: RM3,061,802) are charged as security for banking facilities granted to the Group as mentioned in Note 32 to the financial statements.

20. Cash and bank balances

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash on hand		18,621	17,547	-	-
Cash at bank		2,404,350	1,689,315	876,442	372
Bank balances held under Housing Development Accounts	(a)	415,388	414,969	-	-
		2,838,359	2,121,831	876,442	372
Transfer to held for sale		(36,155)	-	-	-
		2,802,204	2,121,831	876,442	372

(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 in Malaysia held at call with banks.

21. Assets/(Liabilities) classified as held for sale

On 23 February 2021, the management has concluded the decision on disposal of its subsidiary, Omni Green Sdn Bhd, the disposal of its subsidiary was completed on 30 April 2021.

As at 31 March 2021, this subsidiary was classified as assets and liabilities held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The details are as follows:

	Note	Group 2021 RM	Group 2020 RM
Assets classified as held for sale			
Disposal of subsidiary	(i)	580,591	-
Liabilities classified as held for sale			
Disposal of subsidiary	(i)	1,027,414	-

(i) Disposal of subsidiary

	Group 2021 RM	Group 2020 RM
Assets classified as held for sale		
Property, plant and equipment	163,234	-
Right-of-use asset	371,085	-
Receivables, deposits and prepayments	10,117	-
Cash and bank balances	36,155	-
	580,591	-
Liabilities classified as held for sale		
Lease liability	419,586	-
Payables and accrued liabilities	607,828	-
	1,027,414	-

22. Share capital

	Group and Company		Group and Company	
	2021	**2020**	**2021**	**2020**
	No. of shares	**No. of shares**	**RM**	**RM**
Issued and fully paid:				
At 1 April 2020/2019	164,458,900	81,345,600	50,266,551	49,930,688
Issuance of shares pursuant to:				
- share split	-	81,345,600	-	-
- exercise of warrants	48,909,000	1,767,700	9,292,710	335,863
At 31 March	213,367,900	164,458,900	59,559,261	50,266,551

(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 2021, the Company increased its issued and paid-up share capital from RM50,266,551 to RM59,559,261 by 48,909,000 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

(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 2021, 26,632,100 (2020: 75,541,100) Warrants were still unexercised.

23. Other reserves

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Group					
Reserve on consolidation		80,344	80,344	-	-
Revaluation reserve	(a)	10,570,983	10,656,460	1,851,511	1,851,511
		10,651,327	10,736,804	1,851,511	1,851,511

(a) Revaluation reserve

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revaluation reserve	11,912,145	12,024,106	1,991,225	1,991,225
Less: realisation of revaluation reserve	(111,962)	(111,961)	-	-
	11,800,183	11,912,145	1,991,225	1,991,225
Deferred tax (Note 15)	(1,255,685)	(1,282,169)	(139,714)	(139,714)
Less: realisation of deferred tax	(26,485)	(26,485)	-	-
	(1,229,200)	(1,255,685)	(139,714)	(139,714)
Revaluation reserve, net of tax	10,570,983	10,656,460	1,851,511	1,851,511
Revaluation surplus in respect of:				
- land and buildings (under property, plant and equipment)	8,719,472	8,804,949	-	-
- investment property (prior to transfer of owner-occupied to investment property)	1,851,511	1,851,511	1,851,511	1,851,511
	10,570,983	10,656,460	1,851,511	1,851,511

24. 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 profits can be distributed to shareholders as tax-exempt dividends.

25. Non-controlling interests

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

	Omni Green Sdn. Bhd. 2021 RM	Omni Green Sdn. Bhd. 2020 RM
NCI percentage of ownership interest and voting interest	49%	49%
Carrying amount of NCI	(218,944)	(1,168,305)
Profit/(Loss) allocated to NCI	949,361	(91,112)

Summarised financial information before intra-group elimination:

	Omni Green Sdn. Bhd. 2021 RM	Omni Green Sdn. Bhd. 2020 RM
Non-current assets	534,319	634,795
Current assets	46,272	18,505
Current liabilities	(1,027,414)	(3,037,595)
Net liabilities	(446,823)	(2,384,295)
Revenue	536,561	436,403
Profit/(Loss) for the financial year	1,937,472	(185,944)
Total comprehensive profit/(loss) for the financial year	1,937,472	(185,944)
Cash flow used in operating activities	(85,528)	(64,625)
Cash flow used in investing activities	-	(1,350)
Cash flow from financing activities	114,295	50,750

26. Lease liabilities

	Group 2021 RM	Group 2020 RM
Representing:		
Current liabilities	110,967	122,629
Non-current liabilities	493,409	609,536
	604,376	732,165
Transfer to held for sale	(419,586)	-
	184,790	732,165
Recognised in profit or loss:		
Interest expense on lease liabilities	41,351	27,472

The effective interest rates of hire-purchase creditors ranged from 4.76% to 8.45% (2020: 4.76% to 8.45%) per annum.

27. Term loans

	Group 2021 RM	Group 2020 RM
Secured:		
Current	1,576,775	1,588,043
Non-current	10,413,079	10,966,509
	11,989,854	12,554,552

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

	Group 2021 RM	Group 2020 RM
Within one year	1,576,775	1,588,043
More than one year but less than five years	5,575,105	6,020,825
More than five years	4,837,974	4,945,684
	11,989,854	12,554,552

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	312	25,210

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

The term loans of the Group bear interest at a range of 6.81% to 9.06% (2020: 6.81% to 7.46%) per annum and secured by:

(i) a fixed charges over freehold land and buildings of certain subsidiaries as disclosed in Note 10 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 3.56% (2020: 5.10%) per annum and secured by:

(i) First party open charge over completed development units of the Group as disclosed in Note 16 to the financial statements; and
(ii) guaranteed by the Company.

28. Payables and accrued liabilities

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Current liabilities					
Trade payables	(a)	8,012,538	9,846,074	-	-
Progress billings for property development		-	499,398	-	-
Non-trade payables	(b)	1,468,672	2,614,175	40,141	92,484
Accrued liabilities		1,828,250	1,646,188	134,715	136,000
Amount owing to a director	(c)	635,100	1,461,589	-	-
Amount owing to a subsidiary	(d)	-	-	6,393,330	14,342,618
		11,944,560	16,067,424	6,568,186	14,571,102
Transfer to held for sale		(607,828)	-	-	-
		11,336,732	16,067,424	6,568,186	14,571,102

(a) Trade payables

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2020: cash on delivery to 90 days).

(b) Non-trade payables

Included in non-trade payables of the Group as at 31 March 2021 is the sales and services tax payable of RM20,187 (2020: RM22,183) 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 2021 RM	Group 2020 RM
Contract liabilities	360,395	2,155,034
At 1 April 2020/2019	2,155,034	1,363,461
Consideration paid to customers	(1,022,155)	(801,824)
Provision relating to liquidated ascertained damages	29,940	1,593,397
Reversal of provision for liquidated ascertained damages	(802,424)	-
At 31 March	360,395	2,155,034

30. Provision

	Group 2021 RM	Group 2020 RM
Provision for compensation claims		
At 1 April 2020/2019	467,148	565,148
Compensation paid during the financial year	(208,794)	(98,000)
At 31 March	258,354	467,148

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. Derivative financial instruments

	Group 2021 RM	Group 2020 RM
Derivative financial instruments		
Liabilities	-	(12,198)

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 2021 was RMNIL (2020: RM635,100).

32. Short-term bank borrowings

	Group 2021 RM	Group 2020 RM
Secured:		
Bank overdrafts	2,605,615	10,158,010
Trade finance liabilities	-	249,983
Foreign currency revolving credit	1,776,777	1,858,780
	4,382,392	12,266,773
Representing:		
Bank overdrafts	2,605,615	10,158,010
Others	1,776,777	2,108,763
	4,382,392	12,266,773

The secured short-term bank borrowings are secured by:

(i) fixed charges on the freehold land and buildings of certain subsidiaries as disclosed in Note 10 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 16 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 2021 %	Group 2020 %
Weighted average effective interest rates per annum:		
- bank overdrafts	7.51 to 9.06	6.70 to 9.31
- foreign currency revolving credit	2.98	4.95
- trade finance liabilities	-	6.20

	Group 2021 Days	Group 2020 Days
The range of credit periods of these short term borrowings are as follows:		
- foreign currency revolving credit	390	178
- trade finance liabilities	-	146 - 148

33. 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 operating decisions, 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 of the Company are as follows:

	Group	
	2021	**2020**
	RM	**RM**
Transaction with directors		
- Advances repaid to	(826,489)	(524,792)
- Advances received	-	232,642

	Company	
	2021	**2020**
	RM	**RM**
Transactions with Caely (M) Sdn. Bhd.		
- management fees charged	-	55,200
Transactions with Classita (M) Sdn. Bhd.		
- management fees charged	-	220,800
- dividend income	(1,000,000)	-
Transactions with Marywah Industries (M) Sdn. Bhd.		
- management fees charged	-	12,000

The balances outstanding with related parties in respect of the above transactions are disclosed in Notes 17 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.

33. Significant related party disclosures (continued)

(c) Key management compensation

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Fees	255,667	312,000	255,667	312,000
Salaries and bonus	1,029,049	1,048,554	10,800	9,700
Define contribution plan expenses	151,797	153,777	-	-
	1,436,513	1,514,331	266,467	321,700
Monetary value of benefits-in-kind	41,950	41,950	-	-

34. Financial guarantees

	Group 2021 RM	Group 2020 RM
Corporate guarantees given to financial institution for banking facilities granted to certain subsidiaries	16,372,246	24,571,342

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
2021						
Revenue						
Total revenue	(595,864)	54,721,579	4,792,157	1,000,000	536,561	60,454,433
Intersegment revenue	-	(1,968,707)	-	(1,000,000)	-	(2,968,707)
External revenue	(595,864)	52,752,872	4,792,157	-	536,561	57,485,726
Results						
(Loss)/Profit from operations	(17,950,180)	5,610,060	450,765	(598,129)	(12,137)	(12,499,621)
Finance cost	(278,620)	(876,675)	(17,812)	-	(28,290)	(1,201,397)
(Loss)/Profit before tax	(18,228,800)	4,733,385	432,953	(598,129)	(40,427)	(13,701,018)
Tax income						372,764
Loss for the financial year						(13,328,254)
Segment assets	55,252,992	41,564,856	1,942,673	5,058,456	697,567	104,516,544
Unallocated corporate assets						
- Deferred tax assets						3,782,278
- Current tax recoverable						183,642
						108,482,464

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**
2021						
Segment liabilities	14,074,001	14,035,591	48,827	174,856	1,206,656	29,539,931
Unallocated corporate liabilities						
- Deferred tax liabilities						1,270,122
- Current tax payable						557,678
						31,367,731
Capital expenditure	3,999	93,930	-	-	9,720	107,649
Included in loss from operations are:						
Interest income	(2,769)	(62,989)	-	-	-	(65,758)
Depreciation and impairment loss of property, plant and equipment	(1,508)	608,699	19,679	18,299	45,504	690,673
Depreciation of right-of-use asset	98,000	34,652	-	-	54,972	187,624
Allowance for slow moving inventories:						
- reversal	-	(122,682)	265,973	-	1,000	144,291

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						
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						
- reversal	-	(81,921)	(67,490)	-	-	(149,411)

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	
	2021 **RM**	**2020** **RM**
Malaysia	5,363,114	9,640,686
United States of America	2,854,352	2,951,296
United Kingdom	-	(20,112)
Canada	9,645,864	11,241,366
Germany	34,728,224	37,437,492
France	268,797	460,951
Hong Kong	3,586,988	6,349,933
Netherlands	472,609	522,192
Myanmar	132,381	288,817
Czech	308,821	406,294
Egypt	-	121,630
Lebanon	-	38,889
Australia	11,059	-
Singapore	1,283	-
Other countries	112,234	16,082
	57,485,726	69,455,516

For the financial year, the revenue of 4 (2020: 2) customers which contributed more than 70% of the total revenue of the Group are RM40,240,008 (from manufacturing segment). Total revenue of these major customers is RM40,481,685 (2020: RM28,426,358).

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 2021 and the statements of financial position as at 31 March 2021. 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
2021			
Financial assets			
Receivables and deposits (excluding prepayments and advances to sub-contractors)	13,702,162	13,702,162	-
Fixed deposits with licensed banks	3,128,518	3,128,518	-
Cash and bank balances	2,802,204	2,802,204	-
	19,632,884	19,632,884	-
Financial liabilities			
Term loans	11,989,854	11,989,854	-
Short term bank borrowings	4,382,392	4,382,392	-
Lease liabilities	184,790	184,790	
Payables and accrued liabilities (excluding statutory liabilities)	11,316,545	11,316,545	-
	27,873,581	27,873,581	-
Company			
2021			
Financial assets			
Receivables and deposits (excluding prepayments)	37,380,780	37,380,780	-
Cash and bank balances	876,442	876,442	-
	38,257,222	38,257,222	-
Financial liability			
Payables and accrued liabilities (excluding statutory liabilities)	6,568,186	6,568,186	-

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
2020			
Financial assets			
Receivables and deposits (excluding prepayments, advances to sub-contractors and GST receivables)	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	12,266,775	-
Derivative financial liabilities	12,198	-	12,198
Lease liabilities	732,165	732,165	
Payables and accrued liabilities (excluding statutory liabilities)	16,045,241	16,045,241	-
	41,610,929	41,598,731	12,198

36. Financial instruments (continued)

Categories of financial instruments (continued)

Company	**Carrying amount RM**	**AC RM**	**FVTPL RM**
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	-

Net gains/(losses) arising from financial instruments

Group	**2021 RM**	**2020 RM**
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Allowance for expected credit loss		
- charge for the financial year	(16,791,370)	(2,042,333)
- write back	2,013,818	71,467
Interest income	65,758	98,748
Unrealised foreign exchange gain/(loss)	465,866	(19,542)
	(14,245,928)	(1,891,660)
Financial assets and liabilities measured at fair value through profit or loss		
Fair value gain/(loss) on:		
- marketable securities	8,804	(3,203)
- derivative financial instruments	(12,198)	(14,823)
Gain on disposal of marketable securities	1,648	-
	(1,746)	(18,026)
Financial liabilities measured at amortised cost		
Interest expenses	(1,159,429)	(1,820,836)
Unrealised foreign exchange loss	(41,152)	(47,184)
	(1,200,581)	(1,868,020)

36. Financial instruments (continued)

Categories of financial instruments (continued)

Net gains/(losses) arising from financial instruments (continued)

Company	**2021 RM**	**2020 RM**
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	36,049,783	11,630
	36,049,783	(36,049,783)
Financial assets measured at fair value through profit or loss		
Fair value gain/(loss) on:		
- marketable securities	8,804	(3,203)
Gain on disposal of marketable securities	1,648	-
	10,452	(3,203)

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, liquidity risk and foreign currency 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 and foreign currency 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 does not have any significant credit risk from the construction activities as the significant outstanding amount has been impaired during the year. 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 RM16,372,246 (2020: RM24,571,342) 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
2021			
Not past due	7,303,537	(300)	7,303,237
1 to 60 days past due	241,500	(524)	240,976
61 to 120 days past due	166,232	(1,914)	164,318
More than 121 days past due	5,778,007	(636,233)	5,141,774
	13,489,276	(638,971)	12,850,305
Credit impaired			
Individually impaired	18,007,057	(18,007,057)	-
	31,496,333	(18,646,028)	12,850,305
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

36. Financial instruments (continued)

Credit risk (continued)

Inter-company loans and advances

The Company provides unsecured loans and advances to intercompanies. The Company monitors the ability of the intercompanies 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 intercompanies 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 intercompany is unlikely to repay its loan or advance to the Company in full;
- The intercompany's loan or advance is overdue for more than 365 days; or
- The intercompany 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			
2021			
Amount due from subsidiaries	37,358,334	-	37,358,334
2020			
Amount due from subsidiaries	38,454,842	(37,991,796)	463,046

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
2021	**%**	**RM**
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed bank	1.74%	3,128,518
Variable rate instruments		
Financial liabilities		
Lease liabilities	4.76% to 8.45%	(184,790)
Foreign currency revolving credit	2.98%	(1,776,777)
Bank overdrafts	7.51% to 9.06%	(2,605,615)
Term loans	3.56% to 9.06%	(11,989,854)
		(16,557,036)
		(13,428,518)
2020		
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed bank	2.80% to 3.10%	3,061,802
Variable rate instruments		
Financial liabilities		
Lease liabilities	4.76% to 8.45%	(732,165)
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)
		(25,553,490)
		(22,491,688)

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:

	2021 Increase/ (Decrease) RM	2020 Increase/ (Decrease) RM
Effects on profit after taxation:		
Increase by 10 basis points	(1,021)	(1,709)
Decrease by 10 basis points	1,021	1,709

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
2021					
Payables and accrued liabilities	11,307,914	11,307,914	11,307,914	-	-
Lease liabilities	184,790	196,236	83,394	112,842	-
Term loans	11,989,854	18,607,042	2,266,428	7,351,309	8,989,305
Short term bank borrowings	4,382,392	4,382,392	4,382,392	-	-
	27,864,950	34,493,584	18,040,128	7,464,151	8,989,305
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

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
2021					
Payables and accrued liabilities	6,568,186	6,568,186	6,568,186	-	-
Financial guarantee contract	-	16,290,900	-	-	-
	6,568,186	22,859,086	6,568,186	-	-
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	-	-

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)

The Group's exposure to foreign currency is as follows:

Group	RMB RM	USD RM	Euro RM	Total RM
2021				
Financial assets				
Receivables, deposits and prepayments	-	3,552,961	3,237,208	6,790,169
Cash and bank balances	-	197,895	146,541	344,436
	-	3,750,856	3,383,749	7,134,605
Financial liabilities				
Payables and accrued liabilities	(669,029)	(880,913)	-	(1,549,942)
Net currency exposure	(669,029)	2,869,943	3,383,749	5,584,663
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 liabilities				
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

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:

Group	**2021 Increase/ (Decrease) RM**	**2020 Increase/ (Decrease) RM**
Effects on profit after taxation:		
RMB/RM		
Strengthen by 5% (2020: 5%)	(25,423)	82,534
Weaken by 5% (2020: 5%)	25,423	(82,534)
USD/RM		
Strengthen by 5% (2020: 5%)	109,058	118,336
Weaken by 5% (2020: 5%)	(109,058)	(118,336)
Euro/RM		
Strengthen by 5% (2020: 5%)	128,582	64,192
Weaken by 5% (2020: 5%)	(128,582)	(64,192)

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
2021				
Non-financial assets				
Property, plant and equipment	-	-	21,185,000	21,185,000
Investment properties	-	-	4,100,000	4,100,000
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)	-	(12,198

37. Fair values (continued)

Fair value hierarchy (continued)

Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000
2020				
Non-financial asset				
Investment properties	-	-	4,100,000	4,100,000
Financial asset				
Marketable securities	3,113	-	-	3,113

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 land and buildings included in property, plant and equipment as disclosed in Note 10 and investment property as disclosed in Note 12 to the financial statements are classified under Level 3 as the fair value is derived using the unobservable input and comparison method as there has been a limited number of similar sales in the same location. The unobservable input for land is price per square feet which is RM23 to RM67 (2020: 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% (2020: 5%) increase in unobservable input in price per square feet would lead to an increase of RM381,500 (2020: 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 2021.

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:

	2021 RM	2020 RM
Borrowings	16,372,246	24,821,325
Lease liabilities	184,790	732,165
Less: Cash and bank balances	(2,802,204)	(2,121,831)
Net debt	13,754,832	23,431,659
Total equity	77,114,733	81,150,277
Total capital	90,869,565	104,581,936
Gearing ratio	15.14%	22.41%

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 2021.

The Group is not subject to any other externally imposed capital requirements.

39. Significant event

(a) Global crisis – Covid-19 outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak a pandemic due to its rapid spread across the globe. On 18 March 2020, the Malaysian Government imposed a Movement Control Order ("MCO") to curb the spread of Covid-19 infections in Malaysia.

When the number of daily new infections began to fall, the MCO was lifted on 12 May 2020 and was replaced with less restrictive forms of MCO. On 13 January 2021, following the start of a second wave of infections in Malaysia, the Government re-imposed the MCO which continues to the date of issue of these financial statements.

Similarly, across the globe, many countries have also imposed lockdowns, travel restrictions and other measures to curb the spread of Covid-19 infections.

The emergence of the Covid-19 outbreak in early 2020 and the resulting lockdowns imposed across the globe have brought about significant economic uncertainties in Malaysia and the overseas markets.

The Company has considered the impact of Covid-19 in the application of significant judgements and estimates to determine amounts recognised in the financial statements, including those disclosed in Note 1(d) above. As the pandemic continues to evolve, there is uncertainty over its duration and the potential effects it may have on the Company's financial and liquidity positions.

Given the fluidity of the situation, the Company will continue to monitor the impact of the pandemic and take appropriate and timely measures to minimise its impact on the Company's operations.

(b) Political unrest in Myanmar

On 1st February 2021, Myanmar woke to the news that its military forces, known as the Tatmadaw, had retaken power after a decade of democratic government. The political realignment led to mass demonstrations and nationwide uprisings, with doctors, teachers, and civil servants engaging in a civil disobedience movement. As protests began to spread from urban areas in the majority ethnic-Bamar lowlands to the borders, ethnic communities called for greater changes beyond the restoration of democracy, voicing long-held political grievances over the country's political system and demanding representative political institutions and future federal arrangements.

In the aftermath of the political turmoil, mass protest campaigns in the Kachin State capital of Myitkyina were met with the same violent crackdowns by security forces as those in Yangon and other parts of the country. The crisis wrought by the abrupt change in government overlays the Covid-19 pandemic, with political turmoil amplifying the growing economic and humanitarian crisis.

Accordingly, the financial impact of the political unrest in Myanmar to the Group 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 Group's financial performance and financial position.

40. Subsequent event after reporting period

(a) Private Placement of up to 10% of the issued shares in Caely

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

On 19 April 2021, the Board of Directors of Caely is pleased to announce that they intended to raise funds mainly for a new property development project located in Taman Wallagonia (Phase 6), Perak.

Bursa Securities had vide its letter dated 3 May 2021, approved the listing of and quotation for up to 24,000,000 new ordinary shares, representing up to 10% of the total number of issued shares of CHB, to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities subject to the following conditions:

(i) Caely and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
(ii) Caely and M&A are required to inform Bursa Securities upon completion of the Proposed Private Placement;
(iii) M&A is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;
(iv) Caely to furnish Bursa Securities with a certified true copy of the resolution passed pursuant to Sections 75 and 76 of the Companies Act 2016, in the event the current authority has expired; and
(v) M&A Securities is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement.

On 19 May 2021, the Private Placement had completed.

(b) Disposal of subsidiary

On 30 April 2021, the Company disposed Omni Green Sdn. Bhd. for a total cash consideration of RM1.

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 13 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 18 August 2021.

LANDED PROPERTIES AS AT 31 MARCH 2021

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 16 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 25 years	-	15,250	31.03.2019	351,880
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 23 years	-	11,100	31.03.2019	325,850
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 21 years	-	28,140	31.03.2019	1,334,516
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 24 years	-	69,928	31.03.2019	4,248,790
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 17 years	-	76,800	31.03.2019	5,326,820
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 ½ -storey factory building	Freehold 14 years	-	8,400	31.03.2019	407,984
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 14 years	-	7,200	31.03.2019	246,688
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey surau	Freehold 14 years	-	625	31.03.2019	18,976

LANDED PROPERTIES AS AT 31 MARCH 2021 (CONTINUED)

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	1-storey factory building	Freehold 14 years	-	1,980	31.03.2019	61,672
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey hostel	Freehold 13 years	-	7,200	31.03.2019	322,592
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 19 years	-	1,693	31.03.2019	84,546
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

ANALYSIS OF SHAREHOLDINGS AS AT 30 JULY 2021

Total Number of Issued Shares	:	257,439,604 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	1 vote per share
No. of Shareholders	:	3,383

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JULY 2021

Size of shareholdings	No of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	183	5.41	3,364	0.00
100 – 1,000	423	12.50	191,130	0.07
1,001 – 10,000	1,642	48.54	9,095,590	3.53
10,001 – 100,000	992	29.32	32,271,020	12.54
100,001 – less than 5% of issued shares	138	4.08	102,427,400	39.79
5% and above of issued shares	5	0.15	113,451,100	44.07
	3,383	100.00	257,439,604	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JULY 2021

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Dato' Sri Goh Choon Kim	54,352,300	21.11	1,500,000 (a)	0.58
Datin Fong Nyok Yoon	19,055,400	7.40	14,600,700 (b)	5.67
Dato' Chuah Chin Lai	14,600,700	5.67	19,055,400 (c)	7.40
Dato' Wira Ng Chun Hau	37,124,500	14.42	27,897,800 (d)	10.84

Notes:-

(a) Deemed interested in the shareholdings of his spouse, Datin Sri Ong Ah Poh pursuant to Section 8(4) of the Companies Act 2016 ("the Act").

(b) Deemed interested in the shareholdings of her spouse, Dato' Chuah Chin Lai pursuant to Section 8(4) of the Act.

(c) Deemed interested in the shareholdings of his spouse, Datin Fong Nyok Yoon pursuant to Section 8(4) of the Act.

(d) Deemed interested in the shareholdings of Public Gold Marketing Sdn. Bhd., his son, Ng Yan Xun and his spouse, Datin Wira Lim Chee Ting pursuant to Section 8(4) of the Act.

DIRECTORS' SHAREHOLDINGS AS AT 30 JULY 2021

	Direct Interest		Deemed Interest		
	No. of Shares Held	% of Issued Shares	No. of Shares Held		% of Issued Shares
Dato' Wira Ng Chun Hau	37,124,500	14.42	27,897,800	(a)	10.84
Datin Fong Nyok Yoon	19,055,400	7.40	14,600,700	(b)	5.67
Lim Chee Pang	28,000	0.01	0		0.00
Lim Say Leong	110,000	0.04	0		0.00

Notes:-

(a) Deemed interested in the shareholdings of Public Gold Marketing Sdn. Bhd., his son, Ng Yan Xun and his spouse, Datin Wira Lim Chee Ting pursuant to Section 8(4) of the Act.

(b) Deemed interested in the shareholdings of her spouse, Dato' Chuah Chin Lai pursuant to Section 8(4) of the Act.

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS AS AT 30 JULY 2021

No.	Name of Shareholders	No. of Shares	% of Issued Shares
1	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Goh Choon Kim*	54,352,300	21.11
2	FONG NYOK YOON	19,055,400	7.40
3	CHUAH CHIN LAI	14,140,700	5.49
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Chun Hau*	13,000,000	5.05
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB for Ng Chun Hau (PB)*	12,902,700	5.01
6	PUBLIC GOLD MARKETING SDN BHD	10,553,100	4.10
7	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Yan Xun*	8,885,000	3.45
8	KENANGA NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Lim Chee Ting*	7,155,000	2.78
9	CHUAH KIM SEAH	7,000,000	2.72
10	MAI CALVIN	7,000,000	2.72
11	GOH ENG HOE	7,000,000	2.72
12	M & A NOMINEE (TEMPATAN) SDN BHD *Pledged Securities Account for Ng Chun Hau (PNG)*	6,900,000	2.68

ANALYSIS OF SHAREHOLDINGS AS AT 30 JULY 2021 (CONTINUED)

No.	Name of Shareholders	No. of Shares	% of Issued Shares
13	ISLAND SYNERGY SDN BHD	4,490,900	1.74
14	NG CHUN HAU	4,071,800	1.58
15	LUHUR SEJAHTERA SDN BHD	2,045,000	0.79
16	ONG AH POH	1,500,000	0.58
17	KHOR TENG TONG	1,400,000	0.54
18	LIM CHEE TING	1,304,700	0.51
19	LIM MOOI CHOO	1,000,000	0.39
20	SOO YOKE MUN	981,400	0.38
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Yap Chin Hock (7003122)*	935,000	0.36
22	TAN JIAN JONG	887,400	0.34
23	LIOU CHOON FAH	730,000	0.28
24	OTHMAN BIN MERAH	700,000	0.27
25	KENANGA NOMINEES (TEMPATAN) SDN BHD *Rakuten Trade Sdn Bhd For Ahmed Azzaad Bin Navamukundan*	700,000	0.27
26	RHB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account For Khor Mooi Soong*	589,300	0.23
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account For Zulkifli Bin Ismail*	550,000	0.21
28	HSBC NOMINEES (TEMPATAN) SDN BHD *Exempt An For Credit Suisse (SG BR-TST-TEMP)*	520,000	0.20
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account For Ng Geok Wah (B BRKLANG-CL)*	500,000	0.19
30	KOID LI YEE	500,000	0.19
TOTAL		**191,349,700**	**74.33**

CAELY HOLDINGS BHD.
[Registration No: 199601036023 (408376-U)]
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

PROXY FORM

I/We

____
(Full Name in Capital Letters)

of

____
(Full address)

being a Member/Members of CAELY HOLDINGS BHD. hereby appoint * the Chairman of the meeting or

_______________________ of _______________________
(Full Name in Capital Letters) (Full Address)

or failing him/her _______________________________________ of
(Full Name in Capital Letters)

____
(Full Address)

as * my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Twenty-Fifth Annual General Meeting ("AGM") of the Company, to be conducted on a fully virtual basis through live streaming and online voting via the Remote Participation and Electronic Voting ("RPEV") Facilities at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Wednesday, 22 September 2021 at 10.00 a.m. and at every adjournment thereof to vote as indicated below:

ORDINARY RESOLUTIONS		**FOR**	**AGAINST**
Resolution 1	To approve the payment of Directors' fees amounting to RM255,667.00 for the financial year ended 31 March 2021.		
Resolution 2	To approve the payment of Directors' fees and benefits up to an amount of RM450,00.00 to the Directors with effect from 23 September 2021 until the next AGM.		
Resolution 3	To approve the re-election of Mr Tan Loon Cheang, the Director who retires pursuant to Clause No. 99 of the Constitution of the Company.		
Resolution 4	To approve the re-election of Mr Lim Chee Pang, the Director who retires pursuant to Clause No. 102 of the Constitution of the Company.		
Resolution 5	To approve the re-election of Mr Lim Say Leong, the Director who retires pursuant to Clause No. 102 of the Constitution of the Company.		
Resolution 6	To approve the re-election of Mr Beh Hong Shien, the Director who retires pursuant to Clause No. 102 of the Constitution of the Company.		
Resolution 7	To approve the re-election of Dato' Wira Ng Chun Hau, the Director who retires pursuant to Clause No. 102 of the Constitution of the Company.		
Resolution 8	To re-appoint Messrs. PKF as Auditors of the Company for the financial year ending 31 March 2022 and to authorise the Directors to determine their remuneration.		
Resolution 9	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
SPECIAL RESOLUTION		**FOR**	**AGAINST**
Resolution	Proposed Amendments to the Constitution of the Company.		

(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 is as follows:-

First name Proxy	%
Second name Proxy	%

	100%
	=====

In case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

As witness my hand ______________ day of _______________ 2021.

*Strike out whichever is not desired.

Signature:_ ________________________________

NOTES:

1. Due to the on-going Movement Control Order and as part of the continuing measures to stem the spread of the Coronavirus Disease (COVID-19), the AGM of the Company will be conducted on a fully virtual basis through live streaming and online voting using RPEV facilities at https://meeting.boardroomlimited.my. The procedures for members to register, participate and vote remotely via the RPEV facilities are provided in the Administrative Guide of the AGM.

2. Please follow the procedures set out in the Administrative Guide of the AGM which is available on the Bursa Securities' website and the Company’s website at www.caelyholdings.com, to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely via the RPEV facilities.

3. The Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM to be present at the main venue in Malaysia. Shareholders/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the AGM in person at the Venue on the day of the meeting. Any Shareholders or Proxies or Corporate Representatives who turn up at the Venue would be requested to leave the venue politely.

4. Only depositors whose names appear in the Record of Depositors as at **13 September 2021** (“General Meeting Record of Depositors”) shall be regarded as members entitled to attend, speak and vote at the Meeting.

5. 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.

6. 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.

7. 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.

8. 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.

9. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Poll Administrator’s Office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan at least twenty-four (24) hours before the time appointed for the holding of the

meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the proxy form can be submitted electronically via https://investor.boardroomlimited.com before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Details.

10. Any Notice of Termination of Authority to act as Proxy must be received by the Company at least twenty-four (24) hours before the time appointed for the holding of the meeting or adjourned meeting, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-

    i. the constitution of the quorum at such meeting;
    ii. the validity of anything he/her did as Chair of such meeting;
    iii. the validity of a poll demanded by him/her at such meeting; or
    iv. the validity of the vote exercised by him/her at such meeting.

11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of AGM will 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.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of AGM dated 20 August 2021.

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

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ANNUAL REPORT

STEPPING FORWARD

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FAX : +605-621 5115, 621 5286

www.caelyholdings.com

2021