

CAELY HOLDINGS BHD. [Registration No. 199601036023 (408376-U)]
- SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-FIFTH ANNUAL GENERAL MEETING

QUESTION 1

Mr. Chan Fung Han, a shareholder of Caely Holdings Bhd. ("the Company"), had raised the following questions during the meeting:-

- 1(a) "Why the Auditors stated that "the revenue and cost recognition of property development" as a Key Audit Matter when there is no revenue generated from property development and less than RM1.0 million of property development cost expensed in Profit and Loss Account for FY2021?"
- 1(b) "When would the inventories development costs of RM18.2 million expected to realise along with its revenue to be recognised? These development cost are related to which project?"
- 1(c) "The Group impaired RM16,791,370 of trade and non-trade receivables, which are the debtors that being impaired and what are the collection efforts that had been subsequently taken by the Group in pursuing to recover this huge sum of outstanding debtors?"
- 1(d) "What is the gain or loss on disposal of Omni Green Sdn. Bhd. that will be recognised in FY2022?"

ANSWER 1(a), (b), (c) & (d)

- 1(a) Mr Gok Ching Hee ("Mr Gok"), the Chief Executive Officer ("CEO") cum Chief Financial Officer, responded that the nature of the property and construction account were prepared in accordance to the accounting standard which involved a lot of assumptions in profit recognition and cost budget. As such, the Auditors regarded the revenue and cost recognition of property development as a Key Audit Matter due to the nature of the property and construction account which involved a lot of assumptions to be taken into consideration although the amount is insignificant.
- 1(b) Mr Gok replied that the inventories of RM18.2 million under the construction and property segment are completed unit cost from Tapah Road Project in Perak which comprised of approximately 24 units of shop lot and Casamas Project in Ulu Kelang which consists of 30 units of apartments.

However, the Management is optimistic in clearing the stock of Casamas Project within two (2) years. On the other hand, as the demand for shop lot is slow currently, the Management expects to sell the inventories from

Tapah Road Project within three (3) years.

- 1(c) Mr Gok informed that the impairment of trade and non-trade receivables of RM16,791,370 were mainly from construction and property segment and the Management had taken all necessary actions to recover the outstanding debts since the financial year ended.

The Management also requires the debtors to strictly follow the repayment schedule which were agreed by both parties and in the event of any default in payment, the Management will initiate the necessary legal action against the debtors in order to recover the debts.

Mr Gok also reported that as at to date, the Company had managed to collect impairment of debts of RM1.4 million from the debtors and will continue to collect from them on monthly basis in accordance to the agreed repayment schedule.

- 1(d) Mr Gok replied that the disposal of Omni Green Sdn. Bhd. had been completed in April 2021 and a gain of RM218,000.00 was recognised from the disposal of the shareholding of 51% in Omni Green Sdn Bhd in the first quarter of unaudited interim financial statements for the financial year ending 2022.

QUESTION 2

Mr. Luan Chuan Hooi, a shareholder of the Company, had raised the following questions during the meeting:-

- 2(a) "May I know what is the company's future outlook?"
- 2(b) "How is the impact of MCO to the Company?"
- 2(c) "How much is the cost saving for this virtual AGM as compared to the physical meeting?"
- 2(d) "Will the Board consider giving door gift, such as e-voucher or e-wallet for those who have participated in this AGM?"

ANSWER 2(a), (b), (c) & (d)

- 2(a) Mr Gok informed that the Company will mainly focus on apparel and manufacturing segment. He further informed that Dato' Chairman has brought in a well-known Intellectual Property licenses to the Company for its retail segment. Moreover, the Company is planning to increase its product range to kids wear and sportswear. The Company will put less focus on construction and property segment in the future.

- 2(b) Mr Gok replied that the implementation of Movement Control Order by the Government has affected the Company's operation in term of the unstable logistic issue especially in receiving of goods and shipment of finished goods to the customers. Meanwhile, the worldwide shortage of containers also affected the shipment of raw material and finished goods.

The restriction from the Government of Malaysia on the number of workers in the factory has affected the output of the Company. Consequently, the unstable logistic and national lockdown has resulted in low sales in the first quarter of financial year ending 2022.

- 2(c) Mr Gok informed that there is no cost saving for the virtual meeting since the cost for virtual meeting is almost the same with physical meeting.

- 2(d) Mr Gok mentioned that the Company is in cost saving mode and the reward to the shareholders will be given in the future.

Dato' Chairman added that a letter of appreciation from the Company signed by the Chairman and CEO together with a face mask produced by the Company had been delivered to all shareholders, this is also one of our marketing activity.

Dato' Chairman informed that the Company is working with the well known brand in the world to bring Caely's name to another level in the near future.