

**CAELY HOLDINGS BHD. [Registration No. 199601036023 (408376-U)]**  
**- SUMMARY OF KEY MATTERS DISCUSSED AT THE EXTRAORDINARY GENERAL MEETING**  
**HELD ON 30 NOVEMBER 2021**

---

**QUESTION 1**

Ms Chea Ah Chun, a shareholder of Caely Holdings Bhd. ("the Company"), had raised the following questions during the Meeting:-

1(a) "What is the purpose for this Extraordinary General Meeting and the expenses incurred?"

1(b) "Most of the revenue of the Company generated from which segment?"

**ANSWER 1(a), (b)**

1(a) Mr Gok Ching Hee ("Mr Gok"), the Chief Executive Officer ("CEO") cum Chief Financial Officer, responded that the purpose of the EGM is to get the shareholders' approval on the proposed bonus issue of warrants. He further informed that the total expenses incurred for the EGM is approximately RM50,000.00.

1(b) Mr Gok replied that most of the revenue of the Company is derived from manufacturing segment. He further informed that the Company had put a lot of efforts to stop the loss making segment, for example, disposal of the loss making subsidiary, Omni Green Sdn Bhd.

In addition, he added that another loss making segment is property development segment. However, the Management had taken the necessary action to recover the bad debts from property development segment and there was a huge amount of bad debts had been recovered over the last two quarters.

**QUESTION 2**

Mr. Chan Fung Han, a shareholder of the Company, had raised the following questions during the Meeting:-

2(a). Refers to Page 14 of the Circular, the Group's existing unutilised capacity of its manufacturing facilities stood at 32.0%, representing 8 production lines and the Group plans to utilise 20.0% of its unutilised capacity for 5 new production lines to commence manufacturing of the new products. What is the timeline in getting start and ramp up the production of the new production lines?

2(b). As at LPD, the Group has successfully secured one business partner. How big is the size of this new business partner and contribution to Caely's

**CAELY HOLDINGS BHD. [Registration No. 199601036023 (408376-U)]**  
**- SUMMARY OF KEY MATTERS DISCUSSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 30 NOVEMBER 2021**

---

business?

- 2(c). How likely the major shareholders (Dato' Chairman and Datin Fong) will convert the warrants into new shares in the future to raise capital for Caely?

**ANSWER 2(a), (b), (c)**

- 2(a). Mr Gok informed that the Company had increased its new production line up to 15% of its production capacity as at to-date.
- 2(b). Mr Gok informed that the new business partner secured by the Company is a world renowned trade mark licensing partner. He added the Company is expected to record RM7.0 million sales and RM3.0 million profit within two (2) years from this collaboration.
- 2(c). Mr Gok replied that both major shareholders, Dato' Wira Ng Chun Hau and Datin Fong Nyok Yoon are committed to convert the warrants into shares. They will exercise their warrants as and when the Company requires funds to meet its operation's need.

**QUESTION 3**

Mr. Thiban Raj Arumugam, a shareholder of the Company, had raised the following question during the Meeting:-

What is the reason behind this warrant issued?

**ANSWER 3**

Mr Gok informed that the rationale for this proposed bonus issue of warrants is to raise fund to complete the outstanding property development project at Tapah Road within three (3) years which may require approximately RM40.0 million construction cost. He added that if the Company manage to sell off the whole project, the Company will be able to crystallise the cash stuck in the property development expenditure account. The Management also hope that the Company can improve its cash flow by approximately RM50.0 million with sales from the Tapah Road Project as well as the funds raised from the conversion of warrants.

**CAELY HOLDINGS BHD. [Registration No. 199601036023 (408376-U)]**  
**- SUMMARY OF KEY MATTERS DISCUSSED AT THE EXTRAORDINARY GENERAL MEETING**  
**HELD ON 30 NOVEMBER 2021**

---

**QUESTION 4**

Ms Teh Sue Leng, a shareholder of the Company, had raised the following question during the Meeting:-

Why the Company is not giving bonus issues instead of bonus issue of warrant?

**ANSWER 4**

Mr Gok replied that the Company had its bonus issue of shares three (3) years ago. Another reason why the Company did not propose bonus issue of shares was mainly due to the loss incurred by the Company over the past two (2) consecutive years.

Mr Gok added that bonus issue of shares will not generate any funds to the Company as opposed to bonus issue of warrants.