

**HOMERITZ CORPORATION BERHAD**  
**REGISTRATION NO.: 200801004508 (805792-X)**  
(Incorporated in Malaysia)

Minutes of the Seventeenth Annual General Meeting ("Meeting") of the Company (or "Homeritz") held at BEI Boutique Hotel, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor on Tuesday, 21 January, 2025 at 11.00 a.m.

Present                                    The attendance below was as per the Attendance List of Directors and Company Secretaries in Annexure 1.

**Board of Directors**

Mr Chua Fen Fatt (Managing Director)  
Ms Tee Hwee Ing (Executive Director)  
Mr Kee Tong Kiak (Senior Independent Non-Executive Director)  
Puan Hamsiah Binti Khalid (Independent Non-Executive Director)  
Mr Wong Wai Hung (Independent Non-Executive Director)

In Attendance        :    Ms Ng Mei Wan (Company Secretary)  
                                     Ms Tan Hui Khim (Company Secretary)

The attendance of shareholders/proxies and others was as per summary of Attendance List in Annexure 2.

1.        **CHAIRMAN OF THE MEETING**

It was agreed by all present to appoint Mr Kee Tong Kiak ("Chairman") to chair the Meeting. Having obtained the quorum, Mr Kee Tong Kiak presided as Chairman and chaired the Meeting.

2.        **QUORUM**

The quorum for the Meeting was confirmed as present.

3.        **NOTICE OF THE MEETING**

The Notice convening this Meeting had been sent to all shareholders within the prescribed time.

4.        **PRELIMINARY OF THE MEETING**

4.1       The Chairman introduced each and every member of the Board of Directors (or "Board"), the Company Secretaries as well as the External Auditors, Messrs Crowe Malaysia PLT who were present at the Meeting.

4.2       Before the Meeting dealt with the business on hand, the Chairman briefed the shareholders and proxies that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed corporation must, among others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, the Company had engaged Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator and MK Advisory Management as the Independent Scrutineer.

4.3       There was 1 shareholder holding a total of 187 ordinary shares or less than 1% of the total issued share capital of the Company appointed the Chairman as her proxy.

4.4       The Chairman continued to highlight briefly to the Meeting on the Annual Report 2024 and the Audited Financial Statements of the Company for the financial year ended 31 August 2024.

- 4.5 For and on behalf of the Board, the Chairman briefed the Meeting on the enquiries raised by the Minority Shareholders Watch Group ("MSWG") via its letter dated 14 January 2025 as well as the Management and/or the Board's representation and/or explanation ("Reply") (as attached). A copy each of the said MSWG's letter and the Reply dated 21 January 2025 had been provided and/or distributed to MSWG.

5. **AGENDA 1  
RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
31 AUGUST 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND  
AUDITORS THEREON**

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- 5.1 The Chairman informed that the motion was put for discussion as the provisions of Section 340(1)(a) of the Companies Act 2016 and Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.
- 5.2 The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 31 August 2024 together with the Reports of the Directors' and Auditors' thereon be hereby received.
- 5.3 The Chairman opened to the floor for questions pertaining to the Company's accounts and prospects. A summary of questions and suggestion raised by the shareholders together with the summarised responses by the Company was annexed hereto and marked as Annexure 3.

6. **AGENDA 2 (ORDINARY RESOLUTION NO. 1)  
DIRECTORS' FEES AND ALLOWANCES UP TO RM182,000.00 FOR THE FINANCIAL  
YEAR ENDING 31 AUGUST 2025 PAYABLE QUATERLY IN ARREARS AFTER EACH  
QUARTER OF COMPLETED SERVICE OF THE DIRECTORS DURING THE SUBJECT  
FINANCIAL YEAR**

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- 6.1 The Chairman informed that the proposed payment of Directors' fees and allowances of up to RM182,000.00 for the financial year ending 31 August 2025 was to facilitate payment of Directors' fees and allowances on a quarterly basis and/or as and when required. In the event the Directors' fees and allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting for additional fees and allowances to meet the shortfall.
- 6.2 The motion was proposed by Ms Wong Seah Wei, a proxy representing 100% shareholding for the shareholders, Mr Quek Wee Seong and Ms Tee Hwee Ing and seconded by Ms Er Shing Ni, a proxy representing 100% shareholding for the shareholder, Mr Tay Ming Siang.

7. **AGENDA 3 (ORDINARY RESOLUTION NO. 2)  
DECLARATION OF A FINAL SINGLE-TIER DIVIDEND OF 1.7 SEN PER ORDINARY  
SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

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- 7.1 The Chairman informed that this resolution is to approve the declaration of final single-tier dividend of 1.7 sen per ordinary share in respect of the financial year ended 31 August 2024.
- 7.2 The motion was proposed by Mr Wong Yee Hui, a proxy representing 100% shareholding for the shareholder, RHB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Yee Hui and seconded by Ms Loy Huei Ting, a proxy representing 100% shareholding for the shareholder, Ms Chua Fen Lee.

**8. AGENDA 4 (ORDINARY RESOLUTION NO. 3)  
RE-ELECTION OF MR CHUA FEN FATT AS DIRECTOR, RETIRING IN ACCORDANCE  
WITH CLAUSE 91 OF THE CONSTITUTION OF THE COMPANY**

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- 8.1 The Chairman informed that the next item on the Agenda was related to the re-election of Mr Chua Fen Fatt as Director who was retiring at the Meeting in accordance with Clause 91 of the Constitution of the Company.
- 8.2 The Chairman informed that the retiring Director, Mr Chua Fen Fatt being eligible has offered himself for re-election.
- 8.3 The motion was proposed by Mr Wong Yee Hui, a proxy representing 100% shareholding for the shareholder, RHB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Yee Hui and seconded by Mr Teo Seng Kuang, a proxy representing 100% shareholding for the shareholder, RHB Capital Nominees (Tempatan) Sdn. Bhd., Teo Seng Kuang (JBA).

**9. AGENDA 5 (ORDINARY RESOLUTION NO. 4)  
RE-ELECTION OF MS TEE HWEI ING AS DIRECTOR, RETIRING IN ACCORDANCE  
WITH CLAUSE 91 OF THE CONSTITUTION OF THE COMPANY**

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- 9.1 The Chairman informed that the next item on the Agenda was related to the re-election of Ms Tee Hwei Ing as Director who was retiring at the Meeting in accordance with Clause 91 of the Constitution of the Company.
- 9.2 The Chairman informed that the retiring Director, Ms Tee Hwei Ing being eligible has offered herself for re-election.
- 9.3 The motion was proposed by Mr Wong Yee Hui, a proxy representing 100% shareholding for the shareholder, RHB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Yee Hui and seconded by Ms Loy Huei Ting, a proxy representing 100% shareholding for the shareholder, Ms Chua Fen Lee.

**10. AGENDA 6 (ORDINARY RESOLUTION NO. 5)  
RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS AND  
AUTHORITY TO THE DIRECTORS TO FIX THEIR REMUNERATION**

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- 10.1 The Chairman informed that the retiring Auditors, Messrs Crowe Malaysia PLT had earlier indicated their willingness to continue in office.
- 10.2 Based on the Audit and Risk Management Committee's review of the performance of Messrs Crowe Malaysia PLT and having assessed their independence in the performance of their obligations as External Auditors for the financial year ended 31 August 2024, the Board unanimously recommended their re-appointment for the financial year ending 31 August 2025.
- 10.3 The motion was proposed by Ms Wong Seah Wei, a proxy representing 100% shareholding for the shareholders, Mr Quek Wee Seong and Ms Tee Hwei Ing and seconded by Ms Loy Huei Ting, a proxy representing 100% shareholding for the shareholder, Ms Chua Fen Lee.

**11. AGENDA 7 (ORDINARY RESOLUTION NO. 6 - SPECIAL BUSINESS)  
PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE  
SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

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- 11.1 The Chairman informed that pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company are empowered to issue and allot shares in the capital of the Company provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total issued share capital of the Company as they may think fit.
- 11.2 In accordance with Clause 9 of the Company's Constitution, by passing the Ordinary Resolution 6, the shareholders of the Company shall be taken as agree for the new shares to be issued to such person(s) as the Directors may deem fit and expedient in the interest of the Company without first offer the new shares to holders of existing issued shares of the Company prior to issuance of the new shares.
- 11.3 The mandate now sought was a renewal from the previous mandate obtained at the last Annual General Meeting held on 22 January 2024 which will expire at the conclusion of this Meeting. The Company did not issue any new shares based on the previous mandate.
- 11.4 The motion was proposed by Ms Loy Huei Ting, a proxy representing 100% shareholding for the shareholder, Ms Chua Fen Lee and seconded by Mr So Kai Yang, a proxy representing 100% shareholding for the shareholders, Mr Quek Wee Seng and Mr Chua Fen Fatt.

**12. AGENDA 8 (ORDINARY RESOLUTION NO. 7 - SPECIAL BUSINESS)  
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")**

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- 12.1 The Chairman informed that the Company had on 11 December 2024 announced to Bursa Malaysia Securities Berhad on its intention to seek the shareholders' mandate for new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.
- 12.2 By voting in favour of the proposed Ordinary Resolution 7, it would enable the Company and its subsidiaries ("Homeritz Group") to enter into and to give effect to the specified RRPT with the respective related parties as stated in Section 2.3 of the Circular to Shareholders dated 23 December 2024, which were necessary for its day-to-day operations, to be entered into by the Homeritz Group on the basis that these transactions are or to be entered into on terms which are not more favourable to the related parties involved than those generally available to the public and are not detrimental to the minority shareholders of the Company.
- 12.3 The motion was proposed by Ms Ng Sek Eng, a proxy representing 100% shareholding for the shareholder, Ms Leong Yok Moy and seconded by Ms Lim Leek Ser, a proxy representing 100% shareholding for the shareholder, Mr Boon Ian Yong.

13. **AGENDA 9 (ORDINARY RESOLUTION NO. 8 - SPECIAL BUSINESS)  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN  
ORDINARY SHARES UP TO 10% OF ITS ISSUED SHARE CAPITAL ("SHARE BUYBACK  
MANDATE")**

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- 13.1 The Chairman informed that this proposed ordinary resolution, if passed, will empower the Directors of the Company to purchase shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company as they consider would in the best interest of the Company.
- 13.2 Further details on the Share Buy Back Mandate are provided in the Statement to Shareholders dated 23 December 2024.
- 13.3 The motion was proposed by Mr Wong Yee Hui, a proxy representing 100% shareholding for the shareholder, RHB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Yee Hui and seconded by Ms Wong Seah Wei, a proxy representing 100% shareholding for the shareholders, Mr Quek Wee Seong and Ms Tee Hwee Ing.

14. **OTHER BUSINESS**

- 14.1 The Chairman sought confirmation from the Company Secretary that the Company had not received any notice to transact any other business which had been given in accordance with the Companies Act 2016 and Constitution of the Company.
- 14.2 The Chairman informed that the poll voting would commence soon. The Poll Administrator was invited to brief the Meeting on the procedures for the conduct of poll and time required for counting and validation of votes cast.

15. **ANNOUNCEMENT OF POLL RESULTS**

After the votes have been counted and verified by the Independent Scrutineer, the Chairman called the Meeting to order and announced the poll results as follows:

15.1 Ordinary resolution 1

	<b>No. and Percentage of Shares</b>
<b>For</b>	317,999,450 (99.9996%)
<b>Against</b>	1,250 (0.0004%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 1 was carried as follows:

"RESOLVED THAT the payment of Directors' fees and allowances up to RM182,000.00 for the financial year ending 31 August 2025 payable quarterly in arrears after each quarter of completed service of the Directors during the subject financial year be hereby approved."

15.2 Ordinary resolution 2

	<b>No. and Percentage of Shares</b>
<b>For</b>	318,000,700 (100.0000%)
<b>Against</b>	0 (0.0000%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 2 was carried as follows:

"RESOLVED THAT the declaration of a Final Single-Tier Dividend of 1.7 sen per ordinary share in respect of the financial year ended 31 August 2024 be hereby approved."

15.3 Ordinary resolution 3

	<b>No. and Percentage of Shares</b>
<b>For</b>	317,999,450 (99.9996%)
<b>Against</b>	1,250 (0.0004%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 3 was carried as follows:

"RESOLVED THAT Mr Chua Fen Fatt retiring in accordance with Clause 91 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

15.4 Ordinary resolution 4

	<b>No. and Percentage of Shares</b>
<b>For</b>	317,999,450 (99.9996%)
<b>Against</b>	1,250 (0.0004%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 4 was carried as follows:

"RESOLVED THAT Ms Tee Hwee Ing retiring in accordance with Clause 91 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

15.5 Ordinary resolution 5

	<b>No. and Percentage of Shares</b>
<b>For</b>	317,999,450 (99.9996%)
<b>Against</b>	1,250 (0.0004%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 5 was carried as follows:

"RESOLVED THAT Messrs Crowe Malaysia PLT be hereby re-appointed as the Company's Auditors for the ensuing year and the Directors be hereby authorised to fix the Auditors' remuneration."

15.6 Ordinary resolution 6

	<b>No. and Percentage of Shares</b>
<b>For</b>	317,999,450 (99.9996%)
<b>Against</b>	1,250 (0.0004%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 6 was carried as follows:

“RESOLVED THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant regulatory authorities (where applicable), the Directors of the Company be hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement(s) or option(s) or offer(s) (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company without first offer to holders of existing issued shares of the Company, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being (“Proposed General Mandate”).

RESOLVED THAT such approval on the Proposed General Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

RESOLVED THAT the Directors of the Company be hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for such New Shares on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AND RESOLVED THAT authority be hereby given to the Directors of the Company, to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation thereto as to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.”

15.7 Ordinary resolution 7

	<b>No. and Percentage of Shares</b>
<b>For</b>	27,535,687 (99.9955%)
<b>Against</b>	1,250 (0.0045%)
<b>Total</b>	27,536,937 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	290,463,763

In view thereof, the Chairman declared that Ordinary Resolution 7 was carried as follows:

"RESOLVED THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given for the Company and its subsidiaries ("Group") to enter into the RRPT as set out in the Section 2.3 of the Part A of the Circular to Shareholders dated 23 December 2024, which are necessary for the Group's day-to-day operations, in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate");

RESOLVED THAT the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which time the Proposed Shareholders' Mandate has been passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND FURTHER RESOLVED THAT the Directors of the Company and/or any of them be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."



15.8 Ordinary resolution 8

	No. and Percentage of Shares
<b>For</b>	317,999,450 (99.9996%)
<b>Against</b>	1,250 (0.0004%)
<b>Total</b>	318,000,700 (100.0000%)
	<b>No. of Shares</b>
<b>Abstained / Spoilt</b>	0

In view thereof, the Chairman declared that Ordinary Resolution 8 was carried as follows:

"RESOLVED THAT subject to compliance with the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be hereby given full authority, to seek shareholders' approval for the renewal of authority for the Company to purchase and/or such amount of ordinary shares in the Company ("Shares") through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- (a) the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total issued share capital of the Company; and
- (b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits of the Company;

RESOLVED THAT the Directors be hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 127 of the Companies Act 2016) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Malaysia Securities Berhad in accordance with the relevant rules of Bursa Malaysia Securities Berhad and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Companies Act 2016, rules, regulations, guidelines, requirements and/or orders of Bursa Malaysia Securities Berhad and any other relevant authorities for the time being in force;

AND RESOLVED THAT such approval and authorisation shall only continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

AND FURTHER RESOLVED THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate."

16. **CONCLUSION OF MEETING**

There being no further business, the Meeting ended at 12.00 noon with a vote of thanks to the Chairman.

The Chairman thanked the shareholders and proxies for their presence and continuous support.

Confirmed as correct records:

.....  
KEE TONG KIAK  
Chairman of the Meeting

Dated this 21 January 2025



14 January 2025

Reference: MSWG-CM-07-02/25  
By Email

The Board of Directors  
HOMERITZ CORPORATION BERHAD  
No. 7 (1st Floor), Jalan Pesta 1/1  
Taman Tun Dr. Ismail 1, Jalan Bakri  
84000 Muar  
Johor Darul Ta'zim

Attention: Ng Mei Wan  
Tan Hui Khim  
*Company Secretaries*

Dear Directors,

17<sup>th</sup> ANNUAL GENERAL MEETING (AGM) OF HOMERITZ CORPORATION BERHAD ("HOMERITZ" OR "THE GROUP" OR "THE COMPANY") TO BE HELD ON TUESDAY, 21 JANUARY 2025

In consideration of the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

A. OPERATIONAL & FINANCIAL MATTERS

1. On 12 December 2024, the Board announced that a fire incident occurred on the same date at one (1) of the premises belonging to Embrace Industries Sdn. Bhd., a wholly owned subsidiary of Homeritz. The affected premise is situated at Lot No. 8721, PN 9639, Mukim of Jalan Bakri, District of Muar, State of Johor. The incident affected one of the spraying lines and inventory work-in-progress. The damages sustained from the fire incident were restricted to one (1) block of furniture factory building. (Source: Bursa announcement dated 12 December 2024)
  - a) What was the root cause of the fire incident?
  - b) Were all the affected assets adequately covered by insurance? What is the estimated amount that can be claimed from insurance?
  - c) Please update shareholders on the potential financial impact of the fire incident on the Group for the financial year ending 2025.

**Minority Shareholders Watch Group**

Badan Pengawas Pemegang Saham Minoriti Berhad (20-0001022302)

23-2, Menara AIA Sentral  
No. 30, Jalan Sultan Ismail  
50250 Kuala Lumpur



Tel +60 3 2732 0010  
Email [mwatch@mswg.org.my](mailto:mwatch@mswg.org.my)  
Website [www.mswg.org.my](http://www.mswg.org.my)

## 2. Financial Performance

Financial Year End 31 August ("FYE")	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	155,366	164,903	243,294	162,644	229,721
Profit before tax ("PBT")	30,490	27,709	53,650	33,387	44,929

(Page 3 of the Annual Report (AR) 2024).

As shown above, Homeritz reported higher year-on-year revenue and PBT in FYE 2024 compared to the previous financial year.

As the Group is operating in global economic uncertainties and facing increases in production costs and fluctuation in foreign exchange rates (Page 6 of AR 2024), what is the outlook of the Group's business in the financial year ending 2025? Is this good performance sustainable?

3. Other expenses increased sharply to RM33,534,034 in FYE 2024 from RM21,658,551 in FYE 2023 (Page 65 of AR 2024). This represents an increase of RM11,875,483 or 54.83%.

What is the nature of these expenses? Does the Group expect other expenses to remain at the same level or higher in FYE 2025?

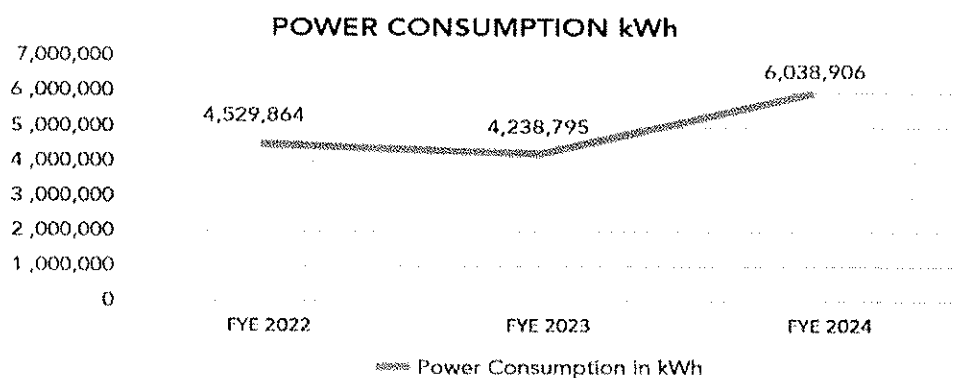
## 4. Inventories

In FYE 2024, inventories of finished goods were higher amounting to RM5,096,405 (FYE 2023: RM1,893,418). (Page 81 of AR 2024)

- a) What factors led to the significant increase in the inventories of finished goods?
  - b) What steps are the Group taking to clear these finished goods, avoiding any potential write-down in the financial year ending 2025?
5. The Group will continue to remain focused in its core business and to develop new products, new design for existing products and thus deriving better cost efficiencies and effective cost management across all functions (Page 6 of AR 2024).
    - a) What is the update on the abovementioned initiatives to develop new products and design for existing products? For which markets is the initiative intended?
    - b) Have the initiatives managed to derive better cost efficiencies and effective cost management across all functions? Please explain.

## B. SUSTAINABILITY MATTERS

### 1. Power Consumption



(Page 20 of AR 2024)

As reported, the Company's power consumption increased to 6 million plus kilowatt-hour (kWh) in FYE 2024 from 4 million plus kWh in FYE 2023.

Proactive measures to reduce energy consumption have been implemented, such as leveraging natural light and installing Light Emitting Diodes (LED) lighting. Our power consumptions, even though fluctuating along with the production load, are constrained within a limited range. The increase in power consumption is aligned with the rise in revenue.

Apart from the measures taken to reduce energy consumption, what other measures can the company take to achieve them?

### 2. Carbon emissions

TABLE 4

	± CO <sub>2</sub> e
FYE 2022	2,371
FYE 2023	2,711
FYE 2024	4,689

(Page 20 of AR 2024)

The values reported in TABLE 4 for each financial year are the combined figures for Scope 1 and Scope 2 carbon emissions.

Would the Company segregate Scope 1 and 2 figures in the next reporting cycle instead of combining them? Users of this report may need to know each Scope's figures for evaluation, and the Company will have precise segregation data for monitoring purposes as it must take meaningful actions to reduce its impact on climate change.

We look forward to your reply. Additionally, please present the questions raised and the related answers to the shareholders present at the forthcoming AGM.

Thank you.

Yours sincerely

A handwritten signature in black ink, appearing to be 'MSWG', written in a cursive style.

MINORITY SHAREHOLDERS WATCH GROUP

# HOMERITZ

Date: 21 JAN 2025

The Chief Executive Officer  
Minority Shareholders Watch Group  
Level 23, Unit 23-2, Menara AIA Sentral,  
No. 30, Jalan Sultan Ismail,  
50250 Kuala Lumpur.

Dear Sir,


**RE: 17th ANNUAL GENERAL MEETING (AGM) OF HOMERITZ CORPORATION  
BERHAD ("HOMERITZ" OR "THE GROUP" OR "THE COMPANY") TO BE HELD  
ON TUESDAY, 21 JANUARY 2025**

We refer to your letter dated 14 January 2025 regarding the questions on operational & financial and sustainability matters ("Questions").

We are pleased to enclose herewith our reply to the Questions (attached in Appendix) for your attention.

The Board would like to take this opportunity to thank MSWG for the interest shown in our Group and for your efforts to strengthen shareholders activism.

Yours faithfully,  
For and on behalf of Homeritz Corporation Berhad

 x  
Tee Hwee Ing  
Executive Director

家丽资机构有限公司

**HOMERITZ CORPORATION BERHAD** Co. No. 200801004508 (805792-X)

Lot 8726, Ptd 6023, Batu 8, Kawasan Perindustrian Bukit Bakri, 84200 Muar, Johor, West Malaysia

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# APPENDIX

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 17<sup>th</sup> AGM to be held on Tuesday, 21 January 2025  
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## Operational & Financial Matters

No.	Question:	Reply:																																
1)	<p>On 12 December 2024, the Board announced that a fire incident occurred on the same date at one (1) of the premises belonging to Embrace Industries Sdn. Bhd., a wholly owned subsidiary of Homeritz. The affected premise is situated at Lot No. 8721, PN 9639, Mukim of Jalan Bakri, District of Muar, State of Johor. The incident affected one of the spraying lines and inventory work-in progress. The damages sustained from the fire incident were restricted to one (1) block of furniture factory building. (Source: Bursa announcement dated 12 December 2024)</p> <p>a) What was the root cause of the fire incident?            b) Were all the affected assets adequately covered by insurance? What is the estimated amount that can be claimed from insurance?            c) Please update shareholders on the potential financial impact of the fire incident on the Group for the financial year ending 2025.</p>	<p>Please note that the Company made a further announcement regarding the fire incident on 17 January 2025.</p> <p>a) The fire was caused by a spark from the switch at the duct conveyor spray booth.</p> <p>b) Unfortunately, the Company was in the midst of renewing the fire insurance and the affected assets were not covered by insurance at the time the fire incident occurred. The factory was previously used for storage purposes. The spraying line was set up in year 2024 for temporary use only and the Company is planning to move to new factory. Due to the change in the nature of operation of the factory, it took longer time for the insurance company to renew the insurance policy which expired on 12 October 2024.</p> <p>c) The loss arising from the incident is approximately RM3 million which will be recognised in the profit or loss for the financial quarter ended 28 February 2025.</p>																																
2)	<table border="1"> <thead> <tr> <th>Financial Year End</th> <th>2023</th> <th>2023</th> <th>2023</th> <th>2022</th> <th>2022</th> <th>2022</th> <th>2024</th> </tr> <tr> <th>31 August (P'Y/E)</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>155,366</td> <td>164,903</td> <td>249,294</td> <td>182,644</td> <td>182,644</td> <td>182,644</td> <td>182,644</td> </tr> <tr> <td>Profit before tax ("PBT")</td> <td>30,890</td> <td>27,709</td> <td>53,650</td> <td>37,347</td> <td>37,347</td> <td>37,347</td> <td>37,347</td> </tr> </tbody> </table> <p>(Page 3 of the Annual Report (AR) 2024).</p> <p>As shown above, Homeritz reported higher year-on-year revenue and PBT in FYE 2024 compared to the previous financial year.</p> <p>As the Group is operating in global economic uncertainties and facing increases in production costs and fluctuation in foreign exchange rates (Page 6 of AR 2024), what is the outlook of the Group's business in the financial year ending 2025? Is this good performance sustainable?</p>	Financial Year End	2023	2023	2023	2022	2022	2022	2024	31 August (P'Y/E)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Revenue	155,366	164,903	249,294	182,644	182,644	182,644	182,644	Profit before tax ("PBT")	30,890	27,709	53,650	37,347	37,347	37,347	37,347	<p>The market is beyond our control and we cannot influence market sentiment. However, our ability to remain profitable in the last few years is a testimony that our products can compete in the world market.</p> <p>The Board expects that the Group will continue to be profitable for the next financial year.</p>
Financial Year End	2023	2023	2023	2022	2022	2022	2024																											
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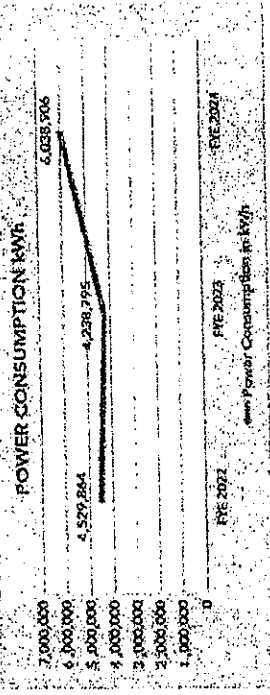
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3	<p>Other expenses increased sharply to RM33,534,034 in FYE 2024 from RM21,658,551 in FYE 2023 (Page 65 of AR 2024). This represents an increase of RM11,875,483 or 54.83%.</p> <p>What is the nature of these expenses? Does the Group expect other expenses to remain at the same level or higher in FYE 2025?</p>	<p>The increase in other expenses was primarily due to direct costs such as subcontracting work, transportation and haulage charges for import and export, as well as water and electricity charges. These increases align with the rise in revenue compared to 2023. Additionally, exhibition fees rose as the Group participated in more furniture fairs in 2024.</p> <p>The fluctuation in these direct costs will depend on market conditions and sales volumes. The Group will periodically assess the full financial impact of rising operational costs.</p>
4	<p>In FYE 2024, inventories of finished goods were higher amounting to RM5,096,405 (FYE 2023: RM1,893,418). (Page 81 of AR 2024).</p> <p>a) What factors led to the significant increase in the inventories of finished goods?          b) What steps are the Group taking to clear these finished goods, avoiding any potential write-down in the financial year ending 2025?</p>	<p>a) The increase in the inventories of finished goods was due to the Red Sea crisis, which caused delivery delays. Additionally, the higher finished goods are to cater to Q1'25 sales.</p> <p>b) As the Group operates on a made-to-order basis, the likelihood of writing down finished goods is relatively low.</p>
5	<p>The Group will continue to remain focused in its core business and to develop new products, new design for existing products and thus deriving better cost efficiencies and effective cost management across all functions (Page 6 of AR 2024).</p> <p>a) What is the update on the abovementioned initiatives to develop new products and design for existing products? For which markets is the initiative intended?          b) Have the initiatives managed to derive better cost efficiencies and effective cost management across all functions? Please explain.</p>	<p>a) The Group's R&amp;D team is led by the Managing Director and experienced staff. We regularly create, design and commercialise new products with new design to the customers. Additionally, we participate in and attend international furniture fairs to stay abreast of customer needs and market trends.</p> <p>b) The Group always strives to diversify its market and serve a wide range of clientele. Hence, we did not analyse which markets the initiative is intended for.</p> <p>The initiatives have contributed to better cost efficiencies and effective cost management across various functions. The development of new products and new designs has led to optimised production processes, reducing waste and enhancing operational efficiency.</p> <p>These efforts are continuously monitored to ensure sustained improvements across all functions of the business.</p>

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## Sustainability Matters

No.	Question:	Reply:
1)	 <p>(Page 20 of AR 2024)</p> <p>As reported, the Company's power consumption increased to 6 million plus kilowatt-hour (kWh) in FYE 2024 from 4 million plus kWh in FYE 2023.</p> <p>Proactive measures to reduce energy consumption have been implemented, such as leveraging natural light and installing Light Emitting Diodes (LED) lighting. Our power consumptions, even though fluctuating along with the production load, are constrained within a limited range. The increase in power consumption is aligned with the rise in revenue.</p> <p>Apart from the measures taken to reduce energy consumption, what other measures can the company take to achieve them?</p>	<p>As mentioned at page 15 of the Annual Report, the Group plans to install solar panels at our premises. This project is still under negotiation with contractors.</p>

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2)

TABLE 4

	Scope 1	Scope 2
FYE 2022	2,371	2,711
FYE 2023	2,711	4,289
FYE 2024		

(Page 20 of AR 2024)

The values reported in TABLE 4 for each financial year are the combined figures for Scope 1 and Scope 2 carbon emissions.

Would the Company segregate Scope 1 and 2 figures in the next reporting cycle instead of combining them? Users of this report may need to know each Scope's figures for evaluation, and the Company will have precise segregation data for monitoring purposes as it must take meaningful actions to reduce its impact on climate change.

The Group disclosed carbon emissions on a voluntary basis for the financial year ended 2024. We will review the need to segregate Scope 1 and 2 figures in accordance with Bursa requirements and financial reporting standards.

2.

Annexure 3

Shareholder: Mr Wong Yee Hui, a proxy of the shareholder, RHB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Yee Hui

	Question	Responses from the Board
1)	How did the Company's business in Malaysia perform so well in the financial year ended 31 August 2024, given that the current economic situation in Malaysia is not so well?	The Group always strives to diversify its market and serve a wide range of clientele. We believe that the growth in Malaysia's market was primarily driven by our product quality, product design and timely delivery.
2)	Is the Company selling its products in Malaysia in their original design and also selling them online?	The Company sells its products in Malaysia in their original design. The Company does not sell its products online.
3)	There are many external factors that could affect the Company's business, especially currency fluctuations. Can the Company sustain the results in year 2025?	The Board expects that the Group will continue to be profitable for the next financial year.

Shareholder: Mr Lee Eng Shan

	Question	Responses from the Board
1)	What is the impact of the implementation of the Minimum Wages Order to the Company?	The Group believe the impact is insignificant as we have experienced increases in minimum wages before and have still remained profitable over the past few years. Higher minimum wages could reduce staff turnover rates and improve efficiency. The Group has also invested in machineries for automation to reduce over dependence on the workers.

Shareholder: Mr Kwang Qi Cai, a proxy of the shareholder, Jcbnext Berhad

	Question	Responses from the Board
1)	Is the Company planning to expand its business to other countries?	Currently, the Group has no intention to expand its business to other countries. The Group will maintain the manufacturing plants in Kawasan Perindustrian Bukit Bakri, Muar, Johor, to facilitate administrative control and to have better control over production costs as well as quality of the products, leading to greater efficiency, economics of scale and faster time-to-market.
2)	Is the Company facing the competition from companies in China?	Yes, the Company is facing competition from companies in China. However, the Company always strives to do as best as it can in order to compete globally, especially in terms of product quality, product development and our customer service.
3)	Will the Company set up one-stop service to compete with the competitors?	At the moment, the Company does not have such plan and will remain focused on the manufacturing activities of its existing and new products.

Shareholder: Mr Tan Ching Yuew, a proxy of the shareholder, Jcbnext Berhad

Question	Responses from the Board
1) What is the breakdown for each product in the total revenue?	Sofa and dining series are the top contributors to the Group's revenue.

Shareholder: Mr Chong Cho Teng ("Mr Chong")

Suggestion	Responses from the Board
1) Mr. Chong suggested that the Company play a video regarding its background and operations to help shareholders better understand the Company.	The Board would consider the suggestion.