

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5160
COMPANY NAME : HOMERITZ CORPORATION BERHAD
FINANCIAL YEAR : August 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board sets the strategic direction of the Group and remains committed towards governing, guiding and monitoring the direction of the Company with the objective of enhancing long term sustainable value creation aligned to the interest of shareholders and other stakeholders.</p> <p>There is a division of functions between the Board and the Management. The Board is focused on the Group's overall governance and that accountability is monitored effectively through various KPIs and reporting systems.</p> <p>The Board does not actively manage but rather oversees the overall management of the Group with the day-to-day management of the Group delegated to the Executive Directors and Senior Management Team.</p> <p>The principal roles and responsibilities of the Board can be found in the Board Charter which can be viewed at Company's website.</p> <p>To ensure the effective discharge of its function and responsibilities, the Board also delegates some of the Board's authorities and discretion to the Board Committees, namely Audit and Risk Management Committee, Nominating Committee and Remuneration Committee, which are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The ultimate responsibility for the final decision on all matters deliberated in these Committees, however, lies with the Board.</p> <p>The Independent Non-Executive Directors provide objective and independent judgment to the decision making of the Board and acts as an effective check and balance to the Board's decision-making process.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Group is of the opinion that the current size of the Board is optimum and well-balanced under the leadership of the Board as a whole given the relatively small size of the Group.	
		With a strong and effective representation of Independent Non-Executive Directors, which forms a majority in the Board, the necessary check and balance is in place. Hence, the Board is of the view to maintain the current well-balanced Board composition until such time where the need for a Chairman arises. The Board as a whole is responsible for matters pertaining to the overall conduct of the Group and is committed to good corporate governance practices.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board would review from time to time, and where the need arises, a Chairman to the Board would be appointed accordingly.	
Timeframe	:	Others	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>Given the relatively small size of the Group, the Group does not have a Chairman and a CEO.</p> <p>The Group is of the opinion that the current Board size is optimum and caters effectively to the scope of the Group's operations. The strong and majority representation of Independent Non-Executive Directors in the Board provides the necessary check and balance to safeguard the interest of the shareholders and stakeholders.</p> <p>The Board acts as a balance of authority, power and accountability separate from a Managing Director ("MD"), who manages the business and operations of the Company and implements the Board's decisions. He is subject to the control of the Board and is accountable for leading the Management team, implementing the policies/decisions approved by the Board, building a dynamic corporate culture with the requisite skills and competency.</p> <p>The distinct and separate roles of the Board and MD, with a clear division of responsibilities, in essence and substance, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: The Company do not have Chairman.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries are qualified to act as secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries play an important advisory role and is a source of information and provide guidance to the Board and its Committees on issues relating to compliance with laws, rules, procedures, regulations and governance matters. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group.</p> <p>The Company Secretaries ensure that deliberations at Board and Board Committee meetings are well captured and documented, and proper records are maintained accordingly at the Registered Office of the Company, and produced for inspection, if required.</p> <p>The Board is of the view that the Company Secretaries are competent and have constantly kept themselves abreast with the evolving regulatory changes and developments by attending the relevant conferences and professional development programmes.</p> <p>All Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their duties and functions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors are provided with an agenda, reports and other relevant information at least seven (7) days prior to the Board Meetings, covering various aspects of the Group's operations so that they have a comprehensive understanding of the matters to be deliberated in order to enable them to arrive at an informed decision.</p> <p>All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretaries. Management and advisers are invited to attend Board meetings, where necessary, to provide comprehensive explanations of pertinent issues.</p> <p>Decisions of the Board are made unanimously or by consensus. All proceedings, deliberations and conclusions of Meetings, including whether any director abstained from voting or deliberating on a particular matter are clearly recorded in the minutes of meetings. Such minutes are circulated to the other Board members for perusal prior to confirmation of the minutes at the following meetings. Where appropriate, decisions may be taken by way of Directors' Circular Resolutions between scheduled and special meetings on routine matters as allowed under the Company's constitution.</p> <p>All Directors are entitled to call for additional clarification, information and where necessary, to obtain independent professional advice and information on specific matters, in furtherance of their duties, at the cost of the Company in order to assist them in matters that require their decision-making. Every Director has individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible to oversight overall management of the Company. The Board is guided by its Board Charter which spells out the roles, functions, authorities, responsibilities, membership, key matters reserved for the Board, relationships with management and other matters.</p> <p>In order to ensure the effective discharge of its function and responsibilities, a Board Charter clearly delineates the roles of the Board, Board Committees and Management, providing a structured guidance for Directors and Management in carrying out their stewardship role in discharging their duties towards the Group as well as boardroom activities.</p> <p>Significant matters requiring deliberation and approval from the Board are also clearly defined in the Board Charter as matters reserved for the Board.</p> <p>The Board reviews and updates the Board Charter from time to time in accordance with the needs of the Company and any new regulations and best practices to ensure its effectiveness and relevance to the Board's objectives. The Board Charter was last reviewed and approved by the Board on 15 December 2023 taking into consideration the current corporate governance obligations, best practices and relevant regulations.</p> <p>The Board Charter can be viewed at the Company's website at http://www.homeritzcorp.com</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed in maintaining a corporate culture which engenders ethical conduct. A Code of Conduct and Ethics is formalised with the aim to cultivate good ethical conduct that permeates throughout the Group with transparency, integrity and accountability.</p> <p>This Code describes what the Group must endeavour to do proactively in order to increase corporate value and describes the areas in daily activities that require caution in order to minimise any risks that may occur.</p> <p>The Code of Conduct is accessible through the Company's website at http://www.homeritzcorp.com</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Whistleblowing Policy and Procedure to further strengthen the Group’s governance process. This provides a mechanism for all levels of employees, stakeholders and business associates to report suspected or instances of wrong doing in the conduct of its business, whether in matters of financial or other malpractices, at the earliest opportunity and in an appropriate way.</p> <p>Management will ensure to protect the whistleblower who make disclosures on breach or non-observance of any requirement or provision of the Companies Act 2016 or on any serious offence involving fraud and dishonesty and such disclosures shall be kept confidential.</p> <p>The Whistleblowing Policy and Procedure is made available for reference on the Company’s website at http://www.homeritzcorp.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of conducting the business with taking into consideration the aspects of economic, environment and social (“EES”). The Group has an Enterprise Risk Management Committee (“ERMC”), which is headed by the Group Managing Director and comprises senior management of the Group, to provide oversight role of monitoring sustainability activities, where the relevant material sustainability matters (“MSM”) are identified by the ERMC in tandem with the normal risk management initiatives.</p> <p>The ERMC will conduct a materiality review internally to identify MSM that were and remained relevant and significant to the Group and its stakeholders in influencing business decisions. The ERMC report to the Audit and Risk Management Committee (“ARMC”) on the sustainability developments. The MSM list will table to the Board by ARMC for the Board approval.</p> <p>Please refer to the Sustainability Statement for the relevant measures in managing the material sustainability matters.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had engaged with the stakeholders proactively such as Shareholders, Customers, Employees, Suppliers, Government and Regulator, to ensure that the Board meet the stakeholders’ expectation and satisfaction for the Company’s sustainability growth.</p> <p>The Company had also disclosed the sustainability measures and forms of engagement with the stakeholder in the Sustainability Statement of the Annual Report 2023 to the stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges that the effective management of risk will provide an essential contribution towards the achievement of the Group’s strategic and operational objectives and goals.</p> <p>The ERMC provide oversight and added impetus to the risk management process.</p> <p>Known trends and events that are reasonably likely to have a material impact on the Group’s operations, performance, financial condition and liquidity are disclosed under risk relating to the business from pages 5 to 6 of Annual Report FYE 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The performance of the board and senior management in addressing the company’s material sustainability risks and opportunities are reviewed and evaluated based on the overall performance of the Company in Financial Year Ended 31 August 2023.</p> <p>The Board has reviewed the adequacy and effectiveness of the system of risk management and internal control, and that relevant actions have been or are being taken, as the case may be, to remedy any significant weaknesses identified from the review based on the outcome of observations raised by the Internal Auditors and External Auditors directly to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The current Board composition is in line with the Malaysian Code on Corporate Governance best practice that requires at least half of the Board to comprise of independent directors.</p> <p>The Nominating Committee is responsible for assessing the performance of the existing Directors, reviewing the training needs of Directors and assessing the independence of the Independent Directors. The Board has established an annual performance evaluation process to assess the performance and effectiveness of the Board and Board Committees.</p> <p>The Terms of Reference ("ToR") of the Nominating Committee is available on the Company's website at http://www.homeritzcorp.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board consists of five (5) Directors, of whom three (3) are Independent Non-Executive Directors. In this respect, the Board has complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least one-third (1/3) of the Board membership consisting of Independent Directors.</p> <p>The existing Independent Non-Executive Directors have accounted for more than fifty percent (50%) of the Board composition which is in line with the best practice recommended by Malaysian Code on Corporate Governance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>There are there (3) Independent Non-Executive Directors, namely Datuk Tay Puay Chuan, Encik Mohd Khasan Bin Ahmad and Mr Teo Seng Kuang who have served on the Board for a cumulative term of more than nine (9) years, the Board has reviewed their independence status and is of the view that their independence status have not been infringed and therefore can retain their position. The Company has sought for shareholders' approval through a two-tier voting process during the Fifteenth (15th) Annual General Meeting of the Company held on 17 January 2023.</p> <p>In line with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad which limits the tenure of independent directors to twelve (12) years, Datuk Tay Puay Chuan and Encik Mohd Khasan Bin Ahmad have resigned with effect from 15 May 2023 and Mr Teo Seng Kuang has resigned on 15 December 2023 respectively from the Board and currently the Board does not have any Independent Director serving on the Board for more than nine (9) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied	
Explanation on application of the practice	:	<p>Appointment of Board and Senior Management are based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age, cultural background, candidates' ability to satisfy the test of independence and spend sufficient time on Company's matters.</p> <p>The Board recognises that a diverse Board can offer greater depth and breadth compared to non-diverse Board. Board diversity provides for discussion of the same ideas in differing ways, allowing constructive debates that lead to better decision-making.</p> <p>Please refer to the Board of Directors' Profile and Profile of Key Senior Management of the Annual Report 2023 for further information.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has stipulated specific Terms of Reference for Nominating Committee ("NC"), which cover inter-alia assessing and recommending the candidature of directors to the Board. In nomination and election of new directors, NC carries out the requisite evaluation and assessment on the candidate's ability to discharge his/her duties effectively, before making recommendation to the Board for approval.</p> <p>NC may also obtain and rely upon independent sources such as directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval of the Board. Where the selection of the candidates is based on the recommendations made by Management, the existing Board member(s) or major shareholder(s), NC will explain why other sources are not used.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The information and details of appointment of director as required by Practice 5.7 Malaysian Code on Corporate Governance can be obtained from the Company's announcement to Bursa Malaysia Securities Berhad. The profile of directors is set out on page 7 to 8 of Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nominating Committee consists of entirely Independent Non-Executive Director and is chaired by Senior Independent Director Mr Kee Tong Kiak.</p> <p>The Nominating Committee is responsible for assessing the performance of the existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors. It also assists the Board in reviewing the overall composition on an annual basis, training needs of Directors, independency of the Independent Directors, appropriate balance and size of non-executive participation and establishing evaluation procedures and processes.</p> <p>An annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committee members is carried out and appropriate recommendations are made and subject to the endorsement of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, there are two (2) women directors on the Board. Hence, the Board comprises forty percent (40%) women directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of gender diversity in the Board and senior management and the recommendation of the Malaysian Code on Corporate Governance pertaining to the establishment of a gender diversity policy. Hence, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.</p> <p>The Board currently has forty percent (40%) female representation on the Board, which meets the gender equality principles as set out in the Malaysian Code on Corporate Governance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board through the Nominating Committee conducts its formal annual evaluation and appraisal on the composition, performance and the effectiveness of the Board, its Committees as well as individual independency of independent directors. The assessment is conducted internally and facilitated by the Company Secretary.</p> <p>The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, relationship with management, roles and responsibilities of the Board, the Board Committee and the Chairman, and corporate governance.</p> <p>The assessment of individual director is based on specific criteria, covering areas such as board composition and structure, principal responsibilities of the Board, the board process, succession planning and board governance.</p> <p>On 15 December 2023, NC conducted an annual assessment via questionnaire where rooms for comment are allowed and the results were summarised and reported to the Board. Thus, allowing the Directors to know their standing and the Board to take appropriate remedial actions.</p> <p>None of the directors hold directorships at more than five (5) PLCs as prescribed by Paragraph 15.06 of Listing Requirements. The present directorships held by the directors do not give rise to any conflict of interests nor impair their ability to discharge their responsibilities.</p> <p>Based on the annual board assessment and evaluation, the NC was satisfied that all the Directors have discharged their fiduciary duties effectively and in accordance to the Terms of Reference.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The remuneration policy and procedures were reviewed and adopted and are available on the Company's website at http://www.homeritzcorp.com	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") comprises of three (3) members of whom all are Independent Non-Executive Directors. The RC is entrusted by the Board to set, review and recommend policies and procedures on matters relating to remuneration of the Board and Senior Management.</p> <p>The RC makes recommendation to the Board on the remuneration package of Executive Directors, linked to the Group's performance whilst Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his individual remuneration. All Directors' fees and allowances are subject to shareholders' approval at AGM. The Terms of Reference of the Remuneration Committee and specific responsibilities of RC is available on the Company's website at http://www.homeritzcorp.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The disclosure on the details of remuneration of the individual directors on named basis can be found under the Company's Corporate Governance Overview Statement. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Chua Fen Fatt	Executive Director	Input info here	3.5	Input info here	Input info here	Input info here	Input info here	3.5	Input info here	3.5	1,200	500	28	324	2,055.5
2	Tee Hwee Ing	Executive Director	Input info here	3.5	Input info here	Input info here	Input info here	Input info here	3.5	Input info here	3.5	1,200	500	1	324	2,028.5
3	Mohd Khasan Bin Ahmad	Independent Director	48	2.8	Input info here	Input info here	Input info here	Input info here	50.8	48	2.8	Input info here	Input info here	Input info here	Input info here	50.8
4	Teo Seng Kuang	Independent Director	46	3.5	Input info here	Input info here	Input info here	Input info here	49.5	46	3.5	Input info here	Input info here	Input info here	Input info here	49.5
5	Datuk Tay Puay Chuan	Independent Director	33	2.8	Input info here	Input info here	Input info here	Input info here	35.8	33	2.8	Input info here	Input info here	Input info here	Input info here	35.8
6	Kee Tong Kiak	Independent Director	16	0.7	Input info here	Input info here	Input info here	Input info here	16.7	16	0.7	Input info here	Input info here	Input info here	Input info here	16.7
7	Hamsiah Binti Khalid	Independent Director	12	0.7	Input info here	Input info here	Input info here	Input info here	12.7	12	0.7	Input info here	Input info here	Input info here	Input info here	12.7
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	With regard to the disclosure of remuneration of Group's senior management, the Board has opined that it is not in the best interest of the Company to make such disclosures on the remuneration of the senior management due to the sensitivity of their remuneration package, privacy, competition and issue of staff poaching.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee comprises of three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit and Risk Management Committee is Mr Kee Tong Kiak, who is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the Audit and Risk Management Committee had incorporated the policy whereby no former key audit partner of the External Auditor of the Company shall be appointed as a member of the Audit and Risk Management Committee unless he has ceased as a key audit partner for a period of at least three (3) years.</p> <p>As at the date of this Statement, none of the Audit and Risk Management Committee nor Board members is a former audit partner.</p> <p>The said Terms of Reference is publicly made available on the Company's website at http://www.homeritzcorp.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed their performance, the Audit and Risk Management Committee will recommend their re-appointment to the Board, who will then seek the shareholders' approval at the AGM.</p> <p>The Audit and Risk Management Committee has obtained written assurance and declaration confirming their independence throughout the course of audit engagement as specified by the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p> <p>The Audit and Risk Management Committee at its meeting held on 15 December 2023 undertook an annual evaluation on the performance, suitability, independence, professionalism and remuneration of the external auditors. In its evaluation, the Audit and Risk Management Committee considered several factors, which included adequacy of experience and resources of the firm and the professional staff assigned to the audit together with the independence of Crowe Malaysia PLT ("Crowe") for the financial year under review.</p> <p>Being satisfied with Crowe's performance, independence and suitability, the Audit and Risk Management Committee recommended the re-appointment of Crowe as external auditors of the Company.</p> <p>The Board at its meeting held on 15 December 2023 approved the Audit and Risk Management Committee's recommendation for the approval to be obtained at the Sixteenth (16th) AGM on the re-appointment of Crowe as external auditors of the Company for the financial year ending 31 August 2024.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Audit and Risk Management Committee comprises of the following members, all of whom are Independent Non-Executive Directors:</p> <p>Chairman Mr Kee Tong Kiak</p> <p>Members Pn Hamsiah Binti Khalid Mr Teo Seng Kuang</p> <p>All the Independent Directors satisfied the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the recommendation of the Nominating Committee is generally satisfied that all the Audit and Risk Management Committee (“ARMC”) members are financially literate and carried out their duties in accordance with the Terms of Reference.</p> <p>During ARMC meeting, all the ARMC members were updated by the external auditors, Crowe Malaysia PLT and Company Secretaries, on the key areas of Financial Reporting developments, adoption of Financial Reporting Standards, Malaysian Code on Corporate Governance and other changes in regulatory environment.</p> <p>All members of the ARMC have undertaken continuous professional development to keep themselves abreast of relevant development in accounting and auditing standards, practices and rules through training course, advisories from regulatory bodies and self-reading. Details of their training are disclosed on page 22 the Corporate Governance Overview Statement of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibilities for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and effectiveness.</p> <p>Appropriate internal control system has been applied to identify, assess, monitor and manage significant business risks on an ongoing basis. Where necessary, actions are taken to mitigate risks within cost levels appropriate to the significance of the risks as well as Company's level of risk tolerance.</p> <p>The Group has an out-sourcing arrangement with an independent internal audit service provider for its internal audit function and reports directly to the Audit and Risk Management Committee.</p> <p>The Group's risk management function has been assigned to Audit and Risk Management Committee with the responsibilities to review and advise the Board on risk related issues and measures to put in place to mitigate key risks with the objective to safeguard shareholders' investments and Company's assets.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has an adequate and effective risk management framework, and a sound internal control system in place.</p> <p>The Group’s risk management function is assigned to the Audit and Risk Management Committee to monitor and mitigate significant key business risks. The Audit and Risk Management Committee will perform a risk oversight role by reviewing the adequacy and effectiveness of the Group’s system of of internal control and risk management function, and advises the Board accordingly.</p> <p>The Board is committed towards improving the risk management to meet its corporate objectives and to support all types of businesses and operations within the acceptable level of risks which are aligned with the Group’s risk appetite. The Board is of the view that the existing system of risk management and internal control is sound and sufficient to protect the stakeholders and Group’s interest.</p> <p>The features of risk management and internal control framework are adequately disclosed in the Audit and Risk Management Committee Report, Corporate Governance Overview Statement, and Statement on Risk Management and Internal Control of the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Independent Non-executive Directors. The Group's risk management function is being assigned to the ARMC to monitor and mitigate the significant key business risks. The ARMC will perform a risk oversight role by reviewing the adequacy and effectiveness of the Group's system of internal control and risk management function, and advises the Board accordingly.

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board emphasized on the internal control and risk management which safeguard the Group’s assets and shareholder’s interest. To maintain independency, the Company has engaged internal audit function to an external independent consultant (“Internal Auditor”). The Audit and Risk Management Committee has opined that the internal audit team had carried out their duties objectively, impartially and independently in accordance with the Internal Audit Charter, International Professional Practice Framework for Internal Auditing and Code of Ethics for Internal Auditors.</p> <p>The Audit and Risk Management Committee is satisfied that the Internal Auditor had maintained a high degree of independence and professionalism in carrying out their duties. The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders’ investments.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee has reviewed the adequacy of resource requirements and competencies of the audit staff as well as the annual audit plan and their audit works which performed by Tricor Axcelasia Sdn. Bhd. during the FYE 2023.</p> <p>The Company has outsourced the internal audit function to Atrium Advisory PLT which appointed on 5 October 2023. The internal auditors carry out the internal audit reviews independently in accordance with a recognised framework. The internal audit personnel assigned were free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by them.</p> <p>The Audit and Risk Management Committee has obtained reasonable assurance that the internal audit function has remained effective and advised the Board accordingly. As such, the Board is confident that the Internal Auditor is competent enough to provide value added services, and able to meet all its audit objectives.</p> <p>The processes of corporate governance, risk management and internal control framework are adequately disclosed in the Audit and Risk Management Committee Report, Corporate Governance Overview Statement, and Statement on Risk Management and Internal Control of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adheres strictly to the Bursa Malaysia Securities Berhad's disclosure framework to provide investors and the public with accurate and complete information on a timely basis. The Board ensures that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.</p> <p>The Board has established its Corporate Disclosure Policy to promote timely and high quality disclosure of material information to the public.</p> <p>Towards this, the Company's website incorporates a corporate section which provides all relevant information on the Company and is accessible by the public. This corporate section enhances Investor Relations by including share price information, all announcements made, press releases, quarterly financial reports, annual reports as well as the corporate and governance structure of the Company.</p> <p>To maintain a high level of transparency and effectively address any issues or concerns, stakeholders can direct address their queries or concerns to the Group's dedicated electronic mail at kee@csilk.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The notice of Annual General Meeting (“AGM”) is dispatched to shareholders at least twenty-eight (28) days before the AGM. This would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All the Directors shall endeavour to attend the Company's Annual General Meeting to engage directly with, and be accountable to the shareholders for their stewardship of the Company.</p> <p>The Chairman of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee shall be present on stage to provide response for any questions addressed to them.</p> <p>The Board will also share with the shareholders the Company's responses to questions submitted in advance of the Annual General Meeting by the Minority Shareholder Watchdog Group, if any.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company held its coming general meeting at an accessible location to encourage the shareholders to attend and participate in the meeting.</p> <p>In view of the COVID-19 pandemic and to be in line with the MCCG's Practice 12.3, the Company had leveraged on technology by conducting the Company's Thirteenth and Fourteenth AGM on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. via TIH Online website at https://tiah.online</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company’s financial and non-financial performance as well as the company’s long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: All the Directors shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the Sixteenth (16th) AGM. The proceedings of the Sixteenth (16th) AGM will include the Chairperson’s briefing on the Company’s overall performance for FYE 2023, the presentation of the external auditors’ unqualified report to the shareholders, and a Q&A session which the Chairperson will invite shareholders to raise questions pertaining to the Company’s financial statements and other items for adoption at the meeting, before putting a resolution to vote. The Directors, MD and external auditors will be in attendance to respond to the shareholders’ queries.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the AGM will be available on the Company's website at http://www.homeritzcorp.com no later than thirty (30) business days after the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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