

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

Minutes of the Fourteenth Annual General Meeting ("Meeting") of the Company (or "Homeritz") held on a fully virtual basis and entirely via remote participation and voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via TIIH Online website at <https://tiih.online> on Tuesday, 25 January 2022 at 11.00 a.m.

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Present                      **Board of Directors**

Mr Chua Fen Fatt (Managing Director)  
Ms Tee Hwee Ing (Executive Director)  
Encik Mohd Khasan Bin Ahmad (Independent Non-Executive Director)  
Datuk Tay Puay Chuan (Senior Independent Non-Executive Director)  
Mr Teo Seng Kuang (Independent Non-Executive Director)

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

1.     **CHAIRMAN OF THE MEETING**

It was agreed by all present to appoint Datuk Tay Puay Chuan ("Chairman") to chair the Meeting. Having obtained the quorum, Datuk Tay Puay Chuan 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 briefed the Meeting that in view of the COVID-19 outbreak and as part of the safety measures, the Meeting of the Company would be conducted on a fully virtual basis through live streaming and remote participation and electronic voting.
- 4.2    The Chairman briefed the shareholders and proxies of their rights to speak (including posing question to the Board via real time submission of typed texts) and vote remotely at the Meeting using Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website.
- 4.3    The Chairman introduced each and every member of the Board of Directors (or "Board"), the Companies Secretaries as well as the External Auditors, Messrs Crowe Malaysia PLT who were joining in this Meeting remotely via video conferencing.
- 4.4    There were 8 shareholders holding 255,976,107 shares or equivalent to 61.91% of the total share capital of the Company appointed the Chairman as their proxy.

- 4.5 Before the Meeting dealt with the business on hand, the Chairman briefed the shareholders and proxies that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 Asia Securities Sdn. Berhad as the Independent Scrutineer.
- 4.6 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 casted.
- 4.7 To facilitate the polling process, the Chairman proposed to the Meeting that all the Agenda items to be deliberated first, followed by the Q&A session and lastly by the poll voting.
- 4.8 The Chairman continued to highlight briefly to the Meeting on the Annual Report 2021 and the Audited Financial Statements of the Company for the financial year ended 31 August 2021.
- 4.9 For and on behalf of the Board, Chairman briefed the Meeting on the enquiries raised by the Minority Shareholders Watch Group ("MSWG") via its letter dated 17 January 2022 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 24 January 2022 had been provided and/or distributed to MSWG.

5. **AGENDA 1  
RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
31 AUGUST 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND  
AUDITORS' THEREON**

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The Chairman informed that the motion was put for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (or "the Act") and the Constitution (or "Constitution") do not require a formal approval of the shareholders, and hence was not put forward for voting.

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 31 August 2021 together with the Reports of the Directors' and Auditors' thereon be and were hereby received."

6. **AGENDA 2 (ORDINARY RESOLUTION NO. 1)  
DIRECTORS' FEES AND ALLOWANCES UP TO RM182,000.00 FOR THE FINANCIAL  
YEAR ENDING 31 AUGUST 2022**

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The Chairman informed that this resolution is to facilitate payment of Directors' fees and allowances on current financial year basis. In the event that the Directors' fees and allowances are insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting ("AGM") for additional fees and allowances to meet the shortfall.

The Ordinary Resolution 1 was table to the Shareholders.

7. **AGENDA 3 (ORDINARY RESOLUTION NO. 2)  
DECLARATION OF A FINAL SINGLE-TIER DIVIDEND OF 0.6 SEN PER ORDINARY  
SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

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The Ordinary Resolution 2 was table to the Shareholders.

8. **AGENDA 4 (ORDINARY RESOLUTIONS NO. 3 AND 4)  
RE-ELECTION OF MS TEE HWEI ING AND DATUK TAY PUAY CHUAN AS DIRECTORS,  
RETIRING IN ACCORDANCE WITH CLAUSE 91 OF THE CONSTITUTION OF THE  
COMPANY**

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8.1 **ORDINARY RESOLUTION NO. 3  
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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The Chairman informed that the retiring Director, Ms Tee Hwei Ing being eligible has offered herself for re-election.

The Ordinary Resolution 3 was table to the Shareholders.

8.2 **ORDINARY RESOLUTION NO. 4  
RE-ELECTION OF DATUK TAY PUAY CHUAN AS DIRECTOR, RETIRING IN  
ACCORDANCE WITH CLAUSE 91 OF THE CONSTITUTION OF THE COMPANY**

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Mr Teo Seng Kuang informed that the retiring Director, Datuk Tay Puay Chuan being eligible has offered himself for re-election.

The Ordinary Resolution 4 was table to the Shareholders.

9. **AGENDA 5 (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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The Chairman informed that the retiring External Auditors, Messrs Crowe Malaysia PLT had earlier indicated their willingness to continue in office.

The Ordinary Resolution 5 was table to the Shareholders.

10. **AGENDA 6 (ORDINARY RESOLUTION NO. 6 - SPECIAL BUSINESS)  
RETENTION OF ENCIK MOHD KHASAN BIN AHMAD AS INDEPENDENT NON-  
EXECUTIVE DIRECTOR IN ACCORDANCE WITH THE MALAYSIAN CODE ON  
CORPORATE GOVERNANCE ("MCCG")**

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The Chairman informed that Encik Mohd Khasan Bin Ahmad had served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years in accordance with the MCCG.

As recommended under Practice 5.3 of the MCCG, approval of shareholders on retention of Independent Non-Executive Director who have served the Company for a cumulative term of more than nine (9) years shall be sought through a two-tier voting process.

Under the two-tier voting process, the largest shareholder of the Company shall vote under tier 1 whereas the other shareholders shall vote under tier 2. The resolution is deemed successful only if both tier 1 and tier 2 shareholders voted in support of the resolution tabled.

The Ordinary Resolution 6 was table to the Shareholders.

11. **AGENDA 7 (ORDINARY RESOLUTION NO. 7 - SPECIAL BUSINESS)  
RETENTION OF DATUK TAY PUAY CHUAN AS INDEPENDENT NON-EXECUTIVE  
DIRECTOR IN ACCORDANCE WITH THE MCCG**

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The Chairman informed that Datuk Tay Puay Chuan had served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years in accordance with the MCCG.

As recommended under Practice 5.3 of the MCCG, approval of shareholders on retention of Independent Non-Executive Director who have served the Company for a cumulative term of more than nine (9) years shall be sought through a two-tier voting process.

Under the two-tier voting process, the largest shareholder of the Company shall vote under tier 1 whereas the other shareholders shall vote under tier 2. The resolution is deemed successful only if both tier 1 and tier 2 shareholders voted in support of the resolution tabled.

The Ordinary Resolution 7 was table to the Shareholders.

12. **AGENDA 8 (ORDINARY RESOLUTION NO. 8 - SPECIAL BUSINESS)  
RETENTION OF MR TEO SENG KUANG AS INDEPENDENT NON-EXECUTIVE  
DIRECTOR IN ACCORDANCE WITH THE MCCG**

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The Chairman informed that Mr Teo Seng Kuang had served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years in accordance with the MCCG.

As recommended under Practice 5.3 of the MCCG, approval of shareholders on retention of Independent Non-Executive Director who have served the Company for a cumulative term of more than nine (9) years shall be sought through a two-tier voting process.

Under the two-tier voting process, the largest shareholder of the Company shall vote under tier 1 whereas the other shareholders shall vote under tier 2. The resolution is deemed successful only if both tier 1 and tier 2 shareholders voted in support of the resolution tabled.

The Ordinary Resolution 8 was table to the Shareholders.

13. **AGENDA 9 (ORDINARY RESOLUTION NO. 9 - SPECIAL BUSINESS)  
PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE  
SHARES PURSUANT TO SECTION 75 OF THE ACT**

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The Chairman informed that pursuant to Section 75 of the Act, the Directors of the Company are empowered to allot and issue shares in 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.

The mandate now sought was a renewal from the previous mandate obtained at the last AGM held on 29 January 2021 which will expire at the conclusion of this Meeting.

The Ordinary Resolution 9 was table to the Shareholders.

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

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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 ten percent (10%) of the total number of issued shares of the Company as they consider would be in the best interest of the Company.

Further details on the Share Buy-Back Mandate are provided in the Statement to Shareholders dated 24 December 2021.

The Ordinary Resolution 10 was tabled to the Shareholders.

15. Datuk Chairman informed that the Company had received questions prior to and during the Meeting. The questions received would be moderated to avoid repetition and may also be summarised for reasons of brevity.

A summary of questions by the Shareholders together with the summarised responses by the Company was annexed hereto and marked as Annexure 3.

16. The Chairman informed that the poll voting would commence soon.

17. **ANNOUNCEMENT OF POLL RESULTS**

The Chairman called the Meeting to order and announced the poll results (as per the enclosed "Result on Voting by Poll") as follows:

17.1 Ordinary resolution 1

	<b>No. and Percentage of Shares</b>	<b>No. and Percentage of Shareholders</b>
<b>For</b>	258,892,124 (99.9965%)	77 (91.6667%)
<b>Against</b>	9,110 (0.0035%)	7 (8.3333%)
<b>Total</b>	258,901,234 (100.0000%)	84 (100.0000%)
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	157,000	3

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

Resolved : "THAT the payment of Directors' fees and allowances amounting up to RM182,000.00 for the financial year ending 31 August 2022 be hereby approved."

17.2 Ordinary resolution 2

	No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	258,933,724 (99.9996%)	83 (96.5116%)
<b>Against</b>	1,010 (0.0004%)	3 (3.4884%)
<b>Total</b>	258,934,734 (100.0000%)	86 (100.0000%)
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	123,500	1

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 0.6 sen per ordinary share in respect of the financial year ended 31 August 2021 be hereby approved."

17.3 Ordinary resolution 3

	No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	258,910,574 (99.9996%)	80 (95.2381%)
<b>Against</b>	1,160 (0.0004%)	4 (4.7619%)
<b>Total</b>	258,911,734 (100.0000%)	84 (100.0000%)
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	146,500	3

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

Resolved : "THAT Ms Tee Hwee Ing retiring pursuant to Clause 91 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

17.4 Ordinary resolution 4

	No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	258,890,574 (99.9918%)	79 (94.0476%)
<b>Against</b>	21,160 (0.0082%)	5 (5.9524%)
<b>Total</b>	258,911,734 (100.0000%)	84 (100.0000%)
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	146,500	3

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

Resolved : "THAT Datuk Tay Puay Chuan retiring pursuant to Clause 91 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

17.5 Ordinary resolution 5

	No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	258,910,724 (99.9996%)	81 (96.4286%)
<b>Against</b>	1,010 (0.0004%)	3 (3.5714%)
<b>Total</b>	258,911,734 (100.0000%)	84 (100.0000%)
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	146,500	3

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."

17.6 Ordinary resolution 6

		No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	<b>Tier 1 – Large Holders</b>	223,350,907 (100.0000%)	2 (100.0000%)
	<b>Tier 2 – Other Holders</b>	35,463,592 (99.7967%)	72 (88.8889%)
<b>Against</b>	<b>Tier 1 – Large Holders</b>	0 (0.0000%)	0 (0.0000%)
	<b>Tier 2 – Other Holders</b>	72,235 (0.2033%)	9 (11.1111%)
<b>Total</b>	<b>Tier 1 – Large Holders</b>	223,350,907 (100.0000%)	2 (100.0000%)
	<b>Tier 2 – Other Holders</b>	35,535,827 (100.0000%)	81 (100.0000%)
		<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	<b>Tier 1 – Large Holders</b>	0	0
	<b>Tier 2 – Other Holders</b>	171,500	4

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

Resolved : "THAT Encik Mohd Khasan Bin Ahmad be hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next AGM."

17.7 Ordinary resolution 7

		No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	<b>Tier 1 – Large Holders</b>	223,350,907 (100.0000%)	2 (100.0000%)
	<b>Tier 2 – Other Holders</b>	35,488,717 (99.7972%)	74 (90.2439%)
<b>Against</b>	<b>Tier 1 – Large Holders</b>	0 (0.0000%)	0 (0.0000%)
	<b>Tier 2 – Other Holders</b>	72,110 (0.2028%)	8 (9.7561%)
<b>Total</b>	<b>Tier 1 – Large Holders</b>	223,350,907 (100.0000%)	2 (100.0000%)
	<b>Tier 2 – Other Holders</b>	35,560,827 (100.0000%)	82 (100.0000%)
		<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	<b>Tier 1 – Large Holders</b>	0	0
	<b>Tier 2 – Other Holders</b>	146,500	3

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

Resolved : "THAT Datuk Tay Puay Chuan be hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next AGM."

17.8 Ordinary resolution 8

		No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	<b>Tier 1 – Large Holders</b>	223,350,907 (100.0000%)	2 (100.0000%)
	<b>Tier 2 – Other Holders</b>	35,463,717 (99.7971%)	73 (90.1235%)
<b>Against</b>	<b>Tier 1 – Large Holders</b>	0 (0.0000%)	0 (0.0000%)
	<b>Tier 2 – Other Holders</b>	72,110 (0.2029%)	8 (9.8765%)
<b>Total</b>	<b>Tier 1 – Large Holders</b>	223,350,907 (100.0000%)	2 (100.0000%)
	<b>Tier 2 – Other Holders</b>	35,535,827 (100.0000%)	81 (100.0000%)
		<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	<b>Tier 1 – Large Holders</b>	0	0
	<b>Tier 2 – Other Holders</b>	171,500	4

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

Resolved : "THAT Mr Teo Seng Kuang be hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next AGM."



17.9 Ordinary resolution 9

	No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	258,805,324 (99.9630%)	74 (88.0952%)
<b>Against</b>	95,910 (0.0370%)	10 (11.9048%)
<b>Total</b>	258,901,234 (100.0000%)	84 (100.0000%)
	No. of Shares	No. of Shareholders
<b>Abstained / Spoilt</b>	157,000	3

In view thereof, the Chairman declared that Ordinary Resolution 9 was carried as follows:

Resolved : "THAT, subject always to the Act, the Constitution of the Company and approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors of the Company be hereby empowered pursuant to Section 75 of the Act, to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of the issued shares of the Company for the time being AND THAT the Board of Directors be hereby also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities."

17.10 Ordinary resolution 10

	No. and Percentage of Shares	No. and Percentage of Shareholders
<b>For</b>	258,904,724 (99.9917%)	80 (94.1176%)
<b>Against</b>	21,510 (0.0083%)	5 (5.8824%)
<b>Total</b>	258,926,234 (100.0000%)	85 (100.0000%)
	No. of Shares	No. of Shareholders
<b>Abstained / Spoilt</b>	132,000	2

In view thereof, the Chairman declared that Ordinary Resolution 10 was carried as follows:

Resolved : "THAT, subject to compliance with the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities 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 Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- (i) 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 and paid-up capital of the Company; and
- (ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits of the Company;

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 Act) 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 Securities in accordance with the relevant rules of Bursa Securities 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 Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

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

- (i) 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
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

AND FURTHER 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"

18. **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:



.....  
DATUK TAY PUAY CHUAN  
Chairman of the Meeting

Dated this 25 January 2022

# HOMERITZ

Date: 24 JAN 2022

The Chief Executive Officer  
MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")  
Tingkat 11, Bangunan KWSP,  
No. 3, Changkat Raja Chulan,  
Off Jalan Raja Chulan,  
50200 Kuala Lumpur

Via courier  
Tel: 03-20709090

Attn: Mr. Devanesan Evanson / Mr Ranjit Singh

Dear Sir/ Madam,

**HOMERITZ CORPORATION BERHAD ("HOMERITZ")**

**COMPANY NO.: 200801004508 (805792-X)**


**RE: 14<sup>th</sup> Annual General Meeting ("14TH AGM") to be held on Tuesday, 25 January 2022**

We refer to your letter dated 17 January 2022 pertaining to the questions on operational & financial matters and corporate governance matters ("Questions").

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

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

Yours faithfully,  
For and on behalf of Homeritz Corporation Berhad

  
Tee Hwee Ing  
Executive Director

家丽资机构有限公司

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

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[www.homeritzcorp.com](http://www.homeritzcorp.com)

Operational & Financial Matters

No.	Question:	Reply:
1)	<p>The Company's Profit After Tax declined marginally by 5% to RM22.3 million for FYE2021 compared to RM23.5 million in FYE2020. There was a slight divergence with many other listed furniture manufacturer companies that had registered strong profitability during the pandemic which had compelled people to stay indoors. This had increased the demand for furniture.</p> <p>What are the measures being taken by the company to enhance its profitability for FYE 2022?</p>	<p>Due to this nationwide lockdown measure, the Group's production of furniture had to temporarily stop work started from 1 June 2021 as the Ministry of International Trade and Industry ("MITI") of Malaysia considered the Group's furniture products were not essential products. The Group only resumed the production of furniture after the financial year ended 31 August 2021 after 14 days of second doses vaccination are administered to all the workers. There was no output produced in last quarter of FYE 2021. The profit after tax for FYE2021 only represent the performance of the Company for the first nine for the financial year.</p> <p>The Group's Profit After Tax for nine months ended 31 May 2021 (9MFY2021) increased by 34.8% compared with the corresponding period of last financial year.</p> <p>To enhance the Group's profitability, the Group is continuing with concerted efforts to develop new products, new design for existing products, derive better cost efficiencies and effective cost management across all functions.</p>
2)	<p>The furniture industry is a labor-intensive one. As such, the Group is subject to risk of labour shortages and increase in labour costs. In addition, the Group has to resort to recruiting foreign workers as it faces difficulties in employing local workforce. (Page 5 of AR 2021).</p> <p>a) In light of the Government's call to Malaysian companies to reduce their dependence on foreign labour, what are the measures that have put in place by the Company?</p> <p>b) What is the ratio of foreign workers to local workers for the Company as at the end of FYE2021?</p>	<p>a) The risk of overdependence on labour is partly mitigated by the usage of automated equipment and machinery wherever possible in certain manufacturing processes of the Group. Through research activities, the management would also endeavour to review and improve the manufacturing process flow and techniques in order to minimise human handling and increase efficiency.</p> <p>b) As at the financial year ended 31 August 2021, the ratio of foreign workers to local workers is 6 to 1.</p>

# APPENDIX

HOMERITZ CORPORATION BERHAD  
 Company No.: 200801004508 (805792-X)  
 14th AGM to be held on Tuesday, 25 January 2022  
 Reply to MSWG  
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No.	Question:	Reply:
3)	<p>The Company is one of the leading upholstered furniture manufacturers in Malaysia as an Original Design Manufacturer (ODM) and Original Equipment Manufacturer (OEM). Its products are mainly for the export market.</p> <p>As design and style are both very important to ensure that the Company's products remained relevant in international markets, investment in Research and Development (R&amp;D) is critical to the Company's success.</p> <p>What was the amount spent on R&amp;D in FYE2021 and what is the amount allocated for FYE2022?</p>	<p>The amount of R&amp;D expenditure in FYE 2021 was RM1,585,176. The Company allocated about 1% of the Company revenue for investment in R&amp;D for FYE 2022.</p>
4)	<p>Other Expenses rose significantly in FYE 2021 by 17.7% to RM21.9 million from RM18.6 million in FYE 2020. (Page 45 of AR2021)</p> <p>What were the reasons for the significant increase?</p>	<p>The increase was mainly attributed to the</p> <ul style="list-style-type: none"> <li>a) Increase in transportation and haulage charges for import and export due to the shipping cost hike.</li> <li>b) One off expenses incurred in relation to the proposal bonus issue of 1 for every 4 existing ordinary share held which was completed on 16 December 2020; and</li> <li>c) Increase in subcontracting work for certain process of furniture making to local subcontractor company due to freeze on foreign worker recruitment for the manufacturing sector during covid-19 pandemic.</li> </ul>

**Corporate Governances Matters**

No.	Question:	Reply:
1)	<p>The Company has not had a Chairman since its listing and this is not in line with Practice 1.2 of the Malaysian Code of Corporate Governance that stipulates that PLCs appoint a Chairman who will instill good corporate governance practices, leadership and ensure the effectiveness of the Board.</p> <p>The Company has stated in its CG Report that it intends to maintain the current board composition until the need for a Chairman arises.</p> <p>Does the Company have any plans of appointing a Chairman, and if yes, by when?</p>	<p>The Company does not have any plan to appoint a chairman yet.</p> <p>The Board 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.</p> <p>Hence, the Board is of the view to maintain the current well-balanced Board composition until such time when the appointment of a chairman of the Company becomes mandatory by Listing Requirement of Bursa Securities and other legal requirements.</p>
2)	<p>The total fee for the internal audit function of the Company during the financial year ended 31 August 2021 was RM12,500. (Page 31 of AR2021)</p> <p>a) Given that the fee is rather small (approximately RM1,041.00 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?</p> <p>b) What are the areas covered by the internal auditors during the financial year ended 31 August 2021?</p>	<p>During FYE 2021, the government had announced and implemented a Gradually Movement Control Order from 13 January 2021 until September 2021 in response to the COVID-19 pandemic. As a result, the internal audit programme had been affected and postponed. As such, the professional fee incurred for the internal audit function in respect of FYE 2021 is small.</p> <p>a) The internal audit adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of individual business units of the Group. Even internal audit only emphasis on the audit in safety and health management of the Company during FYE 2021, the audit had covered areas including Operation Guideline of Covid-19 Precautions which is a very significant area in preventing the spread of Covid 19. During the pandemic of Covid -19, the safety and well-being of the Company's employees and local community are paramount priority towards containing the situation. The Audit and Risk Management Committee has obtained reasonable assurance that the internal audit function has remained effective and advised the Board accordingly.</p>

# APPENDIX

Homeritz Corporation Berhad  
 Company No.: 200801004508 (805792-X)  
 14th AGM to be held on Tuesday, 25 January 2022  
 Reply to MSWG  
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<p>c) How many internal audit reports were issued during the said period?</p>	<p>b) The internal audit covered the area on internal control review of safety and health management focusing on the following areas: -</p> <ul style="list-style-type: none"> <li>• Compliance with Occupational Safety and Health Act 1994 ("OSHA")</li> <li>• Factories and Machinery (Safety, Health and Welfare) Regulations 1970 ("FMR 1970") &amp; Standard Operating Procedure ("SOP")</li> <li>• Management of safety and health process including contractor's performance</li> <li>• Management of emergency procedure including accident and incident review</li> <li>• Personnel safety &amp; health awareness and training</li> </ul>	<p>c) One internal audit report which covered the scope as per abovementioned (item b) was issued during the said period</p>
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