

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

Minutes of the Sixteenth Annual General Meeting ("Meeting") of the Company (or "Homeritz") held at BEI Boutique Hotel, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor Darul Takzim on Monday, 22 January, 2024 at 11.00 a.m.

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

Board of Directors

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

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

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

1. CHAIRMAN OF THE MEETING

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

2. QUORUM

The quorum for the Meeting was confirmed as present.

3. NOTICE OF THE MEETING

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

4. PRELIMINARY OF THE MEETING

- 4.1 The Chairman introduced each and every member of the Board of Directors (or "Board"), the Company Secretaries as well as the External Auditors, Messrs Crowe Malaysia PLT who were present at the Meeting.
- 4.2 Before the Meeting dealt with the business on hand, the Chairman briefed the shareholders and proxies that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed corporation must, among others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, the Company had engaged Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator and MK Advisory Management as the Independent Scrutineer.
- 4.3 There were 2 shareholders holding a total of 312 ordinary shares or less than 1% of the total issued share capital of the Company appointed the Chairman as their proxy.
- 4.4 The Chairman continued to highlight briefly to the Meeting on the Annual Report 2023 and the Audited Financial Statements of the Company for the financial year ended 31 August 2023.
- 4.5 For and on behalf of the Board, the Chairman briefed the Meeting on the enquiries raised by the Minority Shareholders Watch Group ("MSWG") via its letter dated 11 January 2024 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 22 January 2024 had been provided and/or distributed to MSWG.

5. **AGENDA 1
RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND
AUDITORS THEREON**

The Chairman informed that the motion was put for discussion as the provisions of Section 340(1)(a) of the Companies Act 2016 and Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 31 August 2023 together with the Reports of the Directors' and Auditors' thereon be hereby received."

The Chairman opened to the floor for questions pertaining to the Company accounts and prospects. A summary of questions and suggestion raised by the shareholders together with the summarised responses by the Company was annexed hereto and marked as Annexure 3.

6. **AGENDA 2 (ORDINARY RESOLUTION NO. 1)
DIRECTORS' FEES AND ALLOWANCES UP TO RM182,000.00 FOR THE FINANCIAL
YEAR ENDING 31 AUGUST 2024 PAYABLE QUATERLY IN ARREARS AFTER EACH
QUARTER OF COMPLETED SERVICE OF THE DIRECTORS DURING THE SUBJECT
FINANCIAL YEAR**

The Chairman informed that the proposed payment of Directors' fees and allowances of up to RM182,000.00 for the financial year ending 31 August 2024 was to facilitate payment of Directors' fees and allowances on a quarterly basis and/or as and when required. In the event the Directors' fees and allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting for additional fees and allowances to meet the shortfall.

The motion was proposed by Mr Chong Jit Seng, a shareholder and seconded by Encik Mohd Khasan Bin Ahmad, a shareholder.

7. **AGENDA 3 (ORDINARY RESOLUTION NO. 2)
DECLARATION OF A FINAL SINGLE-TIER DIVIDEND OF 1.6 SEN PER ORDINARY
SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

The Chairman informed that this resolution is to approve the declaration of final single-tier dividend of 1.6 sen per ordinary share in respect of the financial year ended 31 August 2023.

The motion was proposed by Ms Ng Sek Eng, a proxy representing 100% shareholding for the shareholder, Mr Quek Wee Seng and seconded by Mr Chong Jit Seng, a shareholder.

8. **AGENDA 4 (ORDINARY RESOLUTION NO. 3)
RE-ELECTION OF MS TEE HWEE ING AS DIRECTOR, RETIRING IN ACCORDANCE
WITH CLAUSE 91 OF THE CONSTITUTION OF THE COMPANY**

The Chairman informed that the next item on the Agenda was related to the re-election of Ms Tee Hwee Ing as Director who was retiring at the Meeting in accordance with Clause 91 of the Constitution of the Company.

The Chairman informed that the retiring Director, Ms Tee Hwee Ing being eligible has offered herself for re-election.

The motion was proposed by Encik Mohd Khasan Bin Ahmad, a shareholder and seconded by Mr So Kai Yang, a proxy representing 100% shareholding for the shareholder, Mr Chua Fen Fatt.

9. **AGENDA 5 (ORDINARY RESOLUTIONS NO. 4, 5 AND 6)
RE-ELECTION OF MR KEE TONG KIAK, PUAN HAMSIAH BINTI KHALID AND MR WONG
WAI HUNG AS DIRECTORS, RETIRING IN ACCORDANCE WITH CLAUSE 99 OF THE
CONSTITUTION OF THE COMPANY**

Ms Tee Hwee Ing informed that the next three items on the Agenda were related to the re-election of Mr Kee Tong Kiak, Puan Hamsiah Binti Khalid and Mr Wong Wai Hung as Directors who were retiring at the Meeting in accordance with Clause 99 of the Constitution of the Company.

9.1 **ORDINARY RESOLUTION NO. 4
RE-ELECTION OF MR KEE TONG KIAK AS DIRECTOR, RETIRING IN ACCORDANCE
WITH CLAUSE 99 OF THE CONSTITUTION OF THE COMPANY**

Ms Tee Hwee Ing informed that the retiring Director, Mr Kee Tong Kiak being eligible has offered himself for re-election.

The motion was proposed by Encik Mohd Khasan Bin Ahmad, a shareholder and seconded by Ms Wong Seah Wei, a proxy representing 100% shareholding for the shareholder, Ms Tee Hwee Ing.

9.2 **ORDINARY RESOLUTION NO. 5
RE-ELECTION OF PUAN HAMSIAH BINTI KHALID AS DIRECTOR, RETIRING IN
ACCORDANCE WITH CLAUSE 99 OF THE CONSTITUTION OF THE COMPANY**

Ms Tee Hwee Ing informed that the retiring Director, Puan Hamsiah Binti Khalid being eligible has offered herself for re-election.

The motion was proposed by Ms Ng Sek Eng, a proxy representing 100% shareholding for the shareholder, Mr Quek Wee Seng and seconded by Mr Chong Jit Seng, a shareholder.

9.3 **ORDINARY RESOLUTION NO. 6
RE-ELECTION OF MR WONG WAI HUNG AS DIRECTOR, RETIRING IN ACCORDANCE
WITH CLAUSE 99 OF THE CONSTITUTION OF THE COMPANY**

Ms Tee Hwee Ing informed that the retiring Director, Mr Wong Wai Hung being eligible has offered himself for re-election.

The motion was proposed by Mr So Kai Yang, a proxy representing 100% shareholding for the shareholder, Mr Chua Fen Fatt and seconded by Mr Chong Jit Seng, a shareholder.

10. **AGENDA 6 (ORDINARY RESOLUTION NO. 7)
RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS AND
AUTHORITY TO THE DIRECTORS TO FIX THEIR REMUNERATION**

The Chairman informed that the retiring Auditors, Messrs Crowe Malaysia PLT had earlier indicated their willingness to continue in office.

Based on the Audit and Risk Management Committee's review of the performance of Messrs Crowe Malaysia PLT and having assessed their independence in the performance of their obligations as External Auditors for the financial year ended 31 August 2023, the Board unanimously recommended their re-appointment for the financial year ending 31 August 2024.

The motion was proposed by Ms Lim Leek Ser, a proxy representing 100% shareholding for the shareholder, Mr Tay Ming Siong and seconded by Mr Chong Jit Seng, a shareholder.

11. **AGENDA 7 (ORDINARY RESOLUTION NO. 8 - SPECIAL BUSINESS)
PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE
SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Chairman informed that pursuant to Sections 75 and 76 of the Companies Act 2016, 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 10% of the total issued share capital of the Company as they may think fit.

By voting in favour of the proposed ordinary resolution 8, the shareholders of the Company shall agree to waive and deemed to have waived their statutory pre-emptive right and thus will allow the Directors to issue new shares to any person under the general mandate without having to offer the new shares to all existing shareholders of the Company prior to issuance of the new shares

The mandate now sought was a renewal from the previous mandate obtained at the last Annual General Meeting held on 17 January 2023 which will expire at the conclusion of this Meeting.

The motion was proposed by Encik Mohd Khasan Bin Ahmad, a shareholder and seconded by Ms Wong Seah Wei, a proxy representing 100% shareholding for the shareholder, Ms Tee Hwee Ing.

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

The Chairman informed that this proposed ordinary resolution, if passed, will empower the Directors of the Company to purchase shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company as they consider would in the best interest of the Company.

Further details on the Share Buy-Back Mandate are provided in the Statement to Shareholders dated 22 December 2023.

The motion was proposed by Ms Ng Sek Eng, a proxy representing 100% shareholding for the shareholder, Mr Quek Wee Seng and seconded by Mr Chong Jit Seng, a shareholder.

13. **OTHER BUSINESS**

The Chairman sought confirmation from the Company Secretary that the Company had not received any notice to transact any other business which had been given in accordance with the Companies Act 2016 and Constitution of the Company.

The Chairman informed that the poll voting would commence soon. The Poll Administrator was invited to brief the Meeting on the procedures for the conduct of poll and time required for counting and validation of votes cast.

14. **ANNOUNCEMENT OF POLL RESULTS**

The Chairman called the Meeting to order and announced the poll results as follows:

14.1 Ordinary resolution 1

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

"RESOLVED THAT the payment of Directors' fees and allowances up to RM182,000.00 for the financial year ending 31 August 2024 payable quarterly in arrears after each quarter of completed service of the Directors during the subject financial year be hereby approved."

14.2 Ordinary resolution 2

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

"RESOLVED THAT the declaration of a Final Single-Tier Dividend of 1.6 sen per ordinary share in respect of the financial year ended 31 August 2023 be hereby approved."

14.3 Ordinary resolution 3

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

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

14.4 Ordinary resolution 4

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

"RESOLVED THAT Mr Kee Tong Kiak retiring in accordance with Clause 99 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

14.5 Ordinary resolution 5

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

"RESOLVED THAT Puan Hamsiah Binti Khalid retiring in accordance with Clause 99 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

14.6 Ordinary resolution 6

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

"RESOLVED THAT Mr Wong Wai Hung retiring in accordance with Clause 99 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

14.7 Ordinary resolution 7

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 7 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."

14.8 Ordinary resolution 8

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

"RESOLVED THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant regulatory authorities (where applicable), the Directors of the Company be hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement(s) or option(s) or offer(s) ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being ("Proposed General Mandate").

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

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

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

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

AND FURTHER RESOLVED THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 9 of the Company's Constitution, approval be hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer New Shares arising from the issuance and allotment of the New Shares pursuant to Sections 75 and 76 of the Companies Act 2016 AND THAT the Directors of the Company are exempted from the obligation to offer such New Shares first to the existing shareholders of the Company."

14.9 Ordinary resolution 9

	No. and Percentage of Shares
For	290,991,837 (100.0000%)
Against	0 (0.0000%)
Total	290,991,837 (100.0000%)
	No. of Shares
Abstained / Spoilt	0

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

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

- (i) the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed 10% of the total issued share 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;

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

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

- (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;

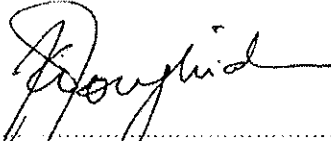
AND FURTHER RESOLVED THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate."

15. **CONCLUSION OF MEETING**

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

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

Confirmed as correct records:


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

Dated this 22 January 2024

Date: 22 JAN 2024

The Head of Corporate Monitoring
MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")
Level 23, Unit 23-2, Menara AIA Sentral,
No. 30, Jalan Sultan Ismail,
50250 Kuala Lumpur.

Attn: Madam Rita Foo

Dear Sir/ Madam,

HOMERITZ CORPORATION BERHAD ("HOMERITZ")
REGISTRATION NO.: 200801004508 (805792-X)
RE: Sixteenth Annual General Meeting ("16th AGM") to be held on Monday, 22 January 2024

We refer to your letter dated 11 January 2024 pertaining to the questions on operational & financial 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 take this opportunity to thank 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)

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

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www.homeritzcorp.com

APPENDIX

HOMERITZ CORPORATION BERHAD
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Operational & Financial Matters

No.	Question:	Reply:																		
1)	<p>As reported, Homeritz recorded a lower revenue of RM162,644,000 in FYE2023 compared to RM243,294,000 in FYE2022. This represents a 33.15% or RM80,650,000 year-on-year decrease, mainly due to the decreased volume sold.</p> <p>In line with the lower revenue in FYE2023, the Group recorded a lower profit before tax of RM33,387,000 in FYE2023 compared to RM53,650,000 in FYE2022. This represents a 37.77% or RM20,263,000 year-on-year decrease.</p> <p>a) What has caused the decrease in volume sold, and how does the Group intend to address this situation moving forward?</p> <p>b) What is the Group's top-line and pre-tax earnings outlook in FYE2024?</p>	<p>a) The revenue of the previous year was exceptionally high as the Group enjoyed a spike in top line production after temporarily stop work during Movement Control Order 3.0 ("MCO 3.0"). Please refer to the table below for the Group's revenue & profit before tax for FYE2019 – 2023. Besides, higher interest rate increases by major central banks, strong inflationary pressures and recession in many countries caused the decrease in volume sold this year.</p> <p>The Group will participate in furniture fair and continue with concerted efforts to develop new products, new design for existing products to address the downturn situation.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: left;">Financial Year End 31 August ("FYE")</th> <th style="text-align: right;">2019 RM'000</th> <th style="text-align: right;">2020 RM'000</th> <th style="text-align: right;">2021 RM'000</th> <th style="text-align: right;">2022 RM'000</th> <th style="text-align: right;">2023 RM'000</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Revenue</td> <td style="text-align: right;">147,709</td> <td style="text-align: right;">155,366</td> <td style="text-align: right;">164,903</td> <td style="text-align: right;">243,294</td> <td style="text-align: right;">167,644</td> </tr> <tr> <td style="text-align: left;">Profit before tax ("PBT")</td> <td style="text-align: right;">27,678</td> <td style="text-align: right;">30,490</td> <td style="text-align: right;">27,709</td> <td style="text-align: right;">53,650</td> <td style="text-align: right;">33,387</td> </tr> </tbody> </table> <p>b) The Group will continue to remain focused in our core business of design, manufacture, and sale of upholstered home furniture. The Board expect the Group will continue to be profitable in the FYE2024.</p>	Financial Year End 31 August ("FYE")	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Revenue	147,709	155,366	164,903	243,294	167,644	Profit before tax ("PBT")	27,678	30,490	27,709	53,650	33,387
Financial Year End 31 August ("FYE")	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000															
Revenue	147,709	155,366	164,903	243,294	167,644															
Profit before tax ("PBT")	27,678	30,490	27,709	53,650	33,387															
2)	<p>The Group's other income has significantly decreased to RM3,307,149 in FYE2023 from RM6,685,742 in FYE2022 (Page 50 of AR2023).</p> <p>a) What are the reasons for the significant decrease in other income?</p>	<p>a) The significant decrease in other income was mainly due to lower foreign exchange gain in FYE2023.</p> <p>b) The fluctuation of foreign exchange rate is depending on the world market which is beyond our control. However, the Group maintain a foreign currency account to facilitate the receipt of revenue collections which are denominated in USD to pay for some of our purchases which are also denominated in USD. Thus, it provides some form of natural hedging against any adverse foreign exchange fluctuations.</p>																		

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	<p>b) Does the Group expect other income to remain at same level in FYE2024? What is the outlook for the other income?</p>	
3	<p>There was a significant increase in the sundry receivables from RM495,656 in FYE2022 to RM1,437,242 in FYE2023 (Page 75 of AR2023).</p> <p>a) Why did the sundry receivables increase significantly? Who are the leading customers or parties forming this category of receivables?</p> <p>b) Is the amount collectable? If so, how much of the amount has been collected, to-date?</p>	<p>a) The sundry receivables mainly consist of interest receivable derived from the fixed deposits placed with licensed bank. The significant increase was due to higher fixed deposit placed with higher interest rate and longer tenure compared to FYE2023.</p> <p>b) Yes, the amount is collectable once the fixed deposit matures.</p>
4	<p>Fluctuations in the price of raw leather hides will significantly affect operating margins. If there are significant increases in the costs of the major raw materials and the Group is unable to pass on such increases in the costs to the customers or the Group is unable to find alternative sources for such raw materials at competitive prices, the Group's financial performance may be adversely affected (Page 6 of AR2023).</p> <p>a) If the price of raw leather hides increases significantly, to what extent can it affect the Group's operating margins and adversely impact the Group's financial performance?</p>	<p>a) Our suppliers regularly keep us abreast on the supply condition and price trend of the raw materials so that we are aware and prepare for the price fluctuation if any. So far, the Group is still able to mitigate the impact of fluctuation in prices of raw materials.</p> <p>b) Our orders are mostly short-term and made to order, therefore so far, we have been able to pass on the costs to customers.</p>

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	<p>b) Can the Group at least partially pass on the costs to the customers or find alternative sources at competitive prices in the next two financial years? How does the Company plan to overcome this raw material issue moving forward if it cannot?</p>	
5	<p>The following are, among others, business strategies to sustain and expand Homeritz's business (Page 2 of AR2023): -</p> <ul style="list-style-type: none"> • Strengthen the Group's R&D capabilities to continue improving existing designs to develop new innovative designs. • Continually upgrade the Group's equipment and machinery to boost efficiency and productivity and enhance product quality. • Continually motivate the Group's staff and personnel to achieve the highest level of commitment and performance. <p>a) What has been achieved and to be achieved to strengthen the Group's R&D capabilities to continue improving existing designs to develop new innovative designs? What R&D initiatives will the Group embark on in the next two financial years, and what is the size of a fund set aside for the R&D initiatives, if any?</p> <p>b) How much does it cost for Homeritz to upgrade its equipment and machinery? What is the total capital expenditure</p>	<p>a) We are an Original Design Manufacturer ("ODM") and we regularly create, design and commercialize new products with new design to the customers. Our ability to remain profitable in the last few years is a testimony that our products can compete in the world market. The Group will continue to improve existing designs to develop new innovative designs, derive better cost efficiencies and effective cost management across all functions. We will allocate about 1% of the Company's revenue for R&D for the next two financial years.</p> <p>b) The Group spent about RM2 million to upgrade the equipment and machinery. We plan for approximately RM2 million annually on capital expenditure requirement for upgrading of equipment and machineries in the next two financial years.</p> <p>c) The Group consistently motivates our staff and personnel by providing training and career development opportunities through yearly appraisal, bonus and employee appreciation (e.g. long service award).</p>

APPENDIX

Homeritz Corporation Berhad
Registration No.: 200801004508 (805792-X)
16th AGM to be held on Monday, 22 January 2024
Reply to MSWG
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		<p>requirement for upgrading equipment and machinery in the next two financial years?</p> <p>c) In terms of continuing to motivate the staff and personnel to achieve the highest level of commitment and performance, how will the Group continue to motivate them to achieve the targets mentioned? Does the Group have any new strategies to implement, e.g., using the combination of monetary and non-monetary factors to foster their motivation? If so, please share this with the shareholders.</p>
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Annexure 3

Shareholder: Chong Jit Seng

	Question	Responses from the Board
1)	The Company has strong cash reserve, what is the Company's strategy to utilize the cash? Would the Company remain in upholstery industry or deploy in other activities?	Due to uncertain market conditions, the cash reserve will be used for working capital and future expansion. Currently, the Company has no plan to be engaged in other activities.
2)	Will the Company outsource its asset management (e.g. to use the excess fund to invest in US stocks)?	The Board will consider Mr Chong Jit Seng's proposal on how to maximize the return from the cash in hand. The Board will, from time to time, assess the needs and identify investment opportunities which may add value and benefits to the shareholders and other stakeholders.
3)	How was the response for the furniture exhibition in Guangzhou, China and Cologne, Germany that the Company participated?	The response for the furniture exhibition in Guangzhou, China was good whereas in Cologne, Germany, it was not up to our expectation.
4)	Can the Company's products compete with China? Will the Company focus to grow in China market?	The Company always strives to do as best as it can in order to compete globally, especially in terms of product quality, product development and our customer service. Currently, the Company will focus on its existing markets and has no plan to grow in China market.
5)	Is volume sold increasing for the last few years?	For the financial year ended 31.08.2023, the volume of goods sold had decreased as compared to the financial year ended 31.08.2022.
6)	Can the Company manufacture car seats?	Currently, the Company has no plan to manufacture car seats because the leather type used for upholstered furniture is different from the leather used for car seats.
7)	What is the Company's strategy in handling fluctuation in the price of the leather?	The fluctuation in price of leather is beyond the Company's control, it follows the market trend. Our suppliers regularly keep us abreast of the supply condition and price trend of the raw materials so that we are aware and prepare for the price fluctuation, if any. So far, since our orders are mostly short-term and made to order, we have been able to pass on the costs to our customers.

Proxy of the Shareholder, Jcbnext Berhad: Kwang Qi Cai

	Question	Responses from the Board
1)	Total labour cost was in the increasing trend over the last two years. How does the Company control its cost?	The increase in labour costs was due to the Company's intention to retain and reward good staff. The Company will continuously review the labour costs from time to time to ensure the efficiency and productivity of its workforce.
2)	Is the production based in Muar still attractive or the Company has any plan to move the production to other place?	At the moment, the Company has no intention to move to other locations.

Shareholder: Chong Cho Teng ("Mr Chong")

	Suggestion	Responses from the Board
1)	Since the Company has a lot of cash, Mr Chong suggested to the Board to buyback the Company's shares for the benefits of shareholders in future.	The Board would consider the suggestion and act in the best interest of the Company and its shareholders.

Proxy of the Shareholder, Low Khim Piow: Low Ah Lek @ Low Kock Keng ("Mr Low")

	Suggestion	Responses from the Board
1)	In view that the Company has high cashflow, Mr Low proposed the Company to increase the dividend paid.	The Board would consider the suggestion and act in the best interest of the Company and its shareholders.