ANNUAL REPORT

HOMERITZ | CORPORATION BERHAD
REGISTRATION NO.: 200801004508 (805792-X)

2023

DESIGNING FOR ENJOYMENT

CONTENTS

CORPORATE STRUCTURE

HOMERITZ

HOMERITZ CORPORATION BERHAD

Registration No.: 200801004508 (805792-X)

- 100% EMBRACE INDUSTRIES SDN BHD ("EISB")
- 100% HOME UPHOLSTERY INDUSTRIES SDN BHD ("HUI")
- 100% U. S. FURNITURE MANUFACTURING SDN BHD ("USF")
- 100% HOME NEWCASTLE SDN BHD ("HNSB")
- 100% HOMEOURS SDN BHD ("HOSB")
- 100% ERITZ SDN BHD ("ERITZ")

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHUA FEN FATT
(Managing Director)

TEE HWEE ING
(Executive Director)

KEE TONG KIAK
(Senior Independent Non-Executive Director)
(Appointed on 15 May 2023)

HAMSIAH BINTI KHALID
(Independent Non-Executive Director)
(Appointed on 15 May 2023)

WONG WAI HUNG
(Independent Non-Executive Director)
(Appointed on 15 December 2023)

DATUK TAY PUAY CHUAN
(Senior Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

MOHD KHASAN BIN AHMAD
(Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

TEO SENG KUANG
(Independent Non-Executive Director)
(Resigned w.e.f 15 December 2023)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Kee Tong Kiak
(Senior Independent Non-Executive Director)
(Appointed on 15 May 2023)

Mohd Khasan Bin Ahmad
(Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

Members
Hamsiah Binti Khalid
(Independent Non-Executive Director)
(Appointed on 15 May 2023)

Wong Wai Hung
(Independent Non-Executive Director)
(Appointed on 15 December 2023)

Datuk Tay Puay Chuan
(Senior Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

Teo Seng Kuang
(Independent Non-Executive Director)
(Resigned w.e.f 15 December 2023)

NOMINATING COMMITTEE

Chairman
Kee Tong Kiak
(Senior Independent Non-Executive Director)
(Appointed on 15 May 2023)

Datuk Tay Puay Chuan
(Senior Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

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Wong Wai Hung
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Mohd Khasan Bin Ahmad
(Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

Teo Seng Kuang
(Independent Non-Executive Director)
(Resigned w.e.f 15 December 2023)

REMUNERATION COMMITTEE

Chairman
Wong Wai Hung
(Independent Non-Executive Director)
(Appointed on 15 December 2023)

Teo Seng Kuang
(Independent Non-Executive Director)
(Resigned w.e.f 15 December 2023)

Members
Kee Tong Kiak
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(Appointed on 15 May 2023)

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(Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

Datuk Tay Puay Chuan
(Senior Independent Non-Executive Director)
(Resigned w.e.f 15 May 2023)

COMPANY SECRETARIES

Ng Mei Wan (MIA 28862)
(SSM Practicing Certificate No.: 201908000801)

Tan Hui Khim (LS 0009936)
(SSM Practicing Certificate No.: 201908000859)

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA)
& AF 1018
Chartered Accountants
No. 8, Jalan Pesta 1/1
Taman Tun Dr. Ismail 1 Jalan Bakri
84000 Muar, Johor Darul Takzim

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone number : 603 2783 9299
Facsimile number : 603 2783 9222
Email : is.enquiry@my.tricorglobal.com

REGISTERED OFFICE

No. 7 (1st Floor), Jalan Pesta 1/1
Taman Tun Dr. Ismail 1 Jalan Bakri
84000 Muar, Johor Darul Takzim
Telephone number : 606 9541 705
Facsimile number : 606 9541 707
Email : lsca-muar@lsca.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 8726 PTD 6023
Batu 8 Kawasan Perindustrian
Bukit Bakri
84200 Muar, Johor Darul Takzim
Telephone number : 606 9865 000
Facsimile number : 606 9860 942
Website : www.homeritzcorp.com
Email : info@homeritzcorp.com

PRINCIPAL BANKERS

AmBank (M) Berhad
HSBC Bank (Malaysia) Berhad

DATE OF LISTING

19 February 2010

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : HOMERIZ
Stock Code : 5160
Sector : Consumer Products

MANAGEMENT DISCUSSION AND ANALYSIS

1) OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Homeritz Corporation Berhad ("Homeritz" or "the Group") is one of the leading upholstered home furniture manufacturers in Malaysia. The Group is principally an integrated Original Design Manufacturer ("ODM") and Original Equipment Manufacturer ("OEM") player that produces a complete range of upholstered home furniture products. As an ODM, we design and manufacture furniture for sale to our customers whereas, as an OEM, we manufacture furniture based on the designs provided to us. The Group's customers are mainly overseas wholesalers and retailers. The Group's primary activity revolves around the design, manufacture and sales of upholstered home furniture which includes the following products: -

- upholstered sofas;
- upholstered dining chairs;
- upholstered bed frames; and
- other home furniture such as cushion seats, sofa beds and tables.

Our products are mainly focused on 'medium to high-end range' of upholstered home furniture and the designs are mostly catered to Western stylishness and preferences which are our focused markets. We have exported our products to more than 40 countries across the world covering Europe, Australasia, North and South America, Asia and Africa.

Presently, the Group's manufacturing plants are all located in Kawasan Perindustrian Bukit Bakri, Muar, Johor. The close vicinity of all plants enables the Company to facilitate administrative control and to have better control over production costs as well as quality of the products, leading to greater efficiency, economic of scale and quicker time-to-market.

The following are business strategies to sustain and expand our business: -

- Strengthen our R&D capabilities to continue improving on existing designs in order to develop new innovative designs.
- Continually upgrade our equipment and machinery to boost efficiency and productivity and to enhance our product quality.
- Diligently seek and test new raw materials to facilitate production of quality products at competitive costs.
- Continue to diversify and introduce new products to clients.
- Adopt more aggressive marketing strategies and to continue to work hand-in-hand with our clients to secure bigger segments of the market.
- Improve production efficiency, hence becoming more competitive in pricing.
- Continually motivate our staffs and personnels to achieve the highest level of commitment and performance.

2) FINANCIAL PERFORMANCE REVIEW

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	**162,644**
Profit before tax ("PBT")	27,678	30,490	27,709	53,650	**33,387**
Profit after tax	22,123	23,575	22,329	40,988	**25,994**
Profit attributable to owners of the Company	22,123	23,575	22,329	40,988	**25,994**
Equity attributable to owners of the Company	155,537	176,119	204,487	259,967	**281,328**
Deposit, bank and cash balance	81,740	77,547	84,125	148,197	**170,240**
Number of ordinary shares in issue ('000)*	375,014	375,026	412,903	463,239	**463,239**
Net assets per share ("NA") (RM)*	0.41	0.47	0.50	0.56	**0.61**

* *The comparative net assets per share and number of share in issue have been restated to reflect the bonus issue of 1 for every 4 existing ordinary share which was completed on 16 December 2020.*

a) Revenue

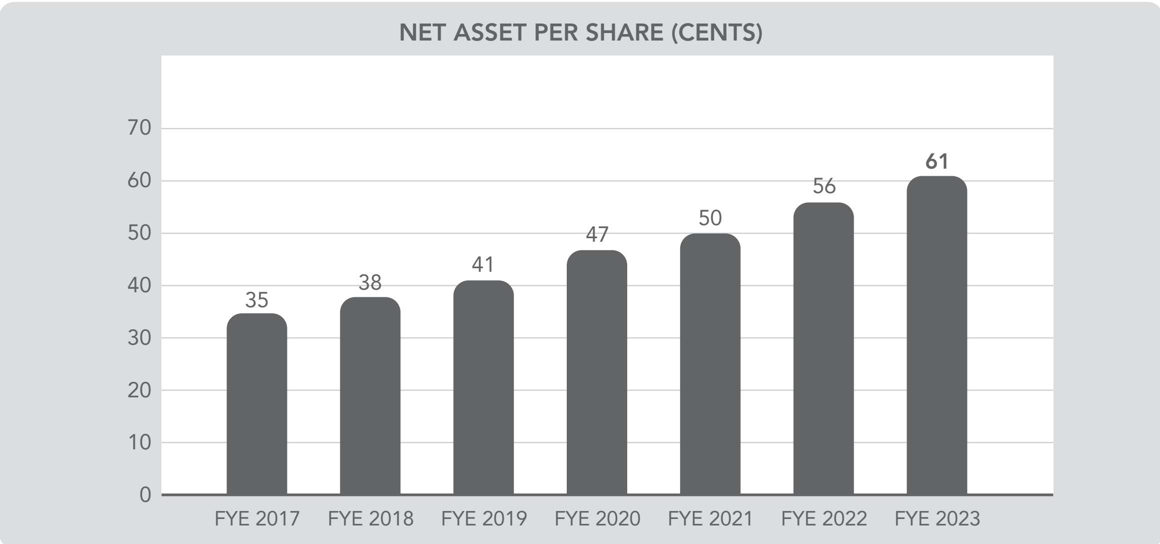
The Group's revenue for FYE 2023 decreased by 33.15% compared with the corresponding period of the last financial year. This was mainly attributed to the decrease in volume sold.

b) Profit before tax

For FYE 2023, the Group's PBT decreased by 37.77% to RM 33.39 million. This was mainly attributed to the decrease in volume sold as a result of decrease of revenue.

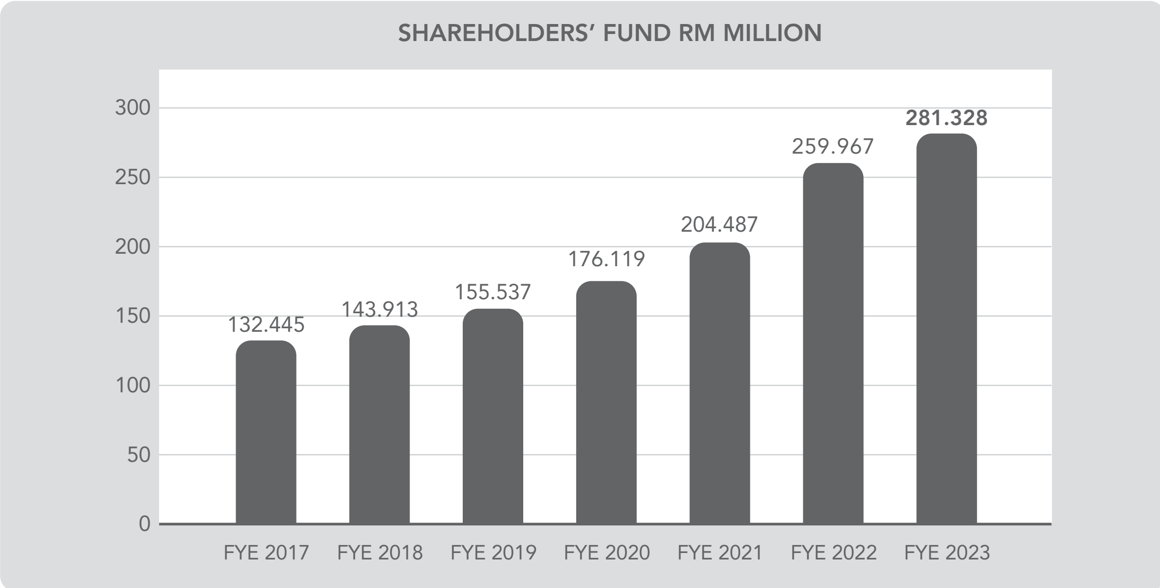
c) Net Asset per Share

The following chart illustrates the Group's Net Asset per Share of the Group since FYE 2017:



d) **Shareholders' fund**

The following chart illustrates the Shareholders' Fund of the Group since FYE 2017:



e) **Financial position and liquidity**

The financial position and liquidity of the Group remained strong in FYE 2023, with average inventory turnover period of about 3 months and average trade receivables and payable turnover period of about 1 month at the end of FYE 2023. The Group is in net cash position with no bank borrowing.

f) **Capital expenditure, infrastructure and resources**

To support the business growth, the Group continually upgrades the infrastructure, equipment and machinery to boost efficiency and productivity and to enhance the product quality. The Group's capital expenditure incurred for FYE 2023 amounted to about RM 4.36 million, of which a substantial amount of about RM 2.33 million was utilised for acquiring new equipment, machinery in new plant and upgrading existing machinery and equipment and remaining for balance payment in construction of a new plant and hostel.

g) **Known trends and events**

Known trends and events that are reasonably likely to have a material effect on the Group's operations, performance, financial condition and liquidity are those disclosed under risk relating to the business as set out on page 5 of this Annual Report.

3) RISKS RELATING TO THE BUSINESS

a) Foreign Currency Exchange Risk

Most of the Group's products are exported to foreign countries, primarily those in Europe, Australasia, North and South America, Asia and Africa while certain raw materials like leather, PU and fabric are sourced from foreign countries such as Italy, India, Vietnam, Korea, Thailand and China.

The Group is exposed to foreign currency exchange risks as approximately 90% and 57% of our revenue and total purchases of raw materials respectively are denominated in USD. Fluctuations in USD exchange rate will have an impact on the prices of imported raw materials as well as export earnings, which will in turn affect the profitability of the Group. The Group's profit margin is generally expected to improve if the USD strengthens against RM which will then increase the profitability. Conversely, the weakening of USD against RM would generally reduce our profitability due to lower profit margin, dependent on the extent and effectiveness of the hedging strategies adopted.

At present, the Group has credit lines for foreign exchange forward contracts with several financial institutions. Should the need arises, the management can readily utilise such forward contracts to hedge the fluctuations in exchange rates between RM and USD, after taking into account the exposure period and the related transaction costs. Further, the Group also 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.

Notwithstanding the above, there is no assurance that any adverse fluctuations in foreign exchange rates would not have a material impact on the Group's financial performance.

b) Labour Market

The furniture industry is a labour-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 we face difficulty in employing local workforce. Hence, the Group is required to comply with the policies imposed by the Government of Malaysia with regards to the employment of these foreign workers. Any future changes to such policies may adversely affect our ability to employ foreign workers. In such event, if the Group is unable to find suitable replacements, the production would be interrupted and consequently, the Group's revenue and profits would be adversely affected as well.

The Group actively liaise with the relevant Government and recruitment agencies for timely renewal of work permits of such foreign workers in adherence to the Government's policies. In addition, the Group endeavours to ensure all the foreign workers operate in a safe and conducive working environment. Measures that the Group has implemented include the enforcement of stringent safety measures to prevent hazards or any untoward events from occurring in the work environment, and provision of access to medical treatment, where necessary.

Competitive remuneration and benefits packages, as well as training and career development opportunities are also extended to the foreign workers. Consequently, all efforts have resulted in the Group being able to enjoy a cordial working relationship with foreign workers.

Nevertheless, 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.

c) **Availability and Fluctuation in Prices of Raw Materials**

Prices of certain raw materials used in the production such as leather, wood and wood frame, foam, PU and fabric may fluctuate rapidly due to intervening factors such as global demand and supply conditions. As such, the prices of raw materials at the point of commitment to the customers may differ from those at the time of actual billing. Raw leather hide is the principal raw material in the Group's upholstered furniture, accounting for almost half of the furniture upholstery cost. As such, the cost of upholstered furniture is exposed to fluctuations in the price of cattle raw hide. The supply of cattle raw hide is principally dependent on the consumption of beef. The cattle industry is also exposed to veterinary health issues like foot and-mouth and mad cow disease, which will have an impact on the slaughter rate of cattle. 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.

d) **Unfavourable Economic, Social and Political Conditions**

Any adverse change in the political, economic and regulatory environment and uncertainties in Malaysia as well as countries that we export to could have unfavourable effect on our financial and business prospects. These include but not limited to the risk of war, terrorist attacks, riots, changes in political leadership, global economic downturn and unfavourable changes in government policies such as changes in the methods of taxation, interest rates, licensing or introduction of new regulations. Whilst we would continue to take effective measures such as prudent financial management and continue seeking new markets, there is no assurance that any change to these factors will not materially and adversely affect our financial position or business in the future.

4) FUTURE PROSPECT AND OUTLOOK OF THE GROUP

In view of the financial performance of the Group in FYE 2023, the Board of Directors is proposing a final single-tier tax exempt dividend of 1.6 cent per ordinary share for shareholders' approval at the forthcoming Annual General Meeting.

Our Group is operating in global economic uncertainties as well as facing increases in their production costs and fluctuation in foreign exchange rates. Moving forward, our Group will continue to remain focused in its core business and to develop new products, new design for existing products, derive better cost efficiencies and effective cost management across all functions.

The Board expects that our Group will continue to be profitable in the financial year ending 2024.

BOARD OF DIRECTORS' PROFILE

CHUA FEN FATT

Managing Director
Aged 52, Male, Malaysian
Tenure of service: 14 years 1 month

Chua Fen Fatt was appointed to the Board on 2 November 2009. He is one of the founders of HUI in 1997 and since then, he has been the driving force in the Group and has been instrumental in the success, growth and development of the Group. He has had more than 36 years of hands-on experience in the furniture industry particularly in the upholstered home furniture. Throughout his working career, he has worked in different levels and capacities and involved in various aspects of the industry, from being a production operator to sample maker and product designer.

Prior to setting up of HUI, he was also involved in the sub-contracting of upholstered home furniture activities and started his own manufacturing business, Home Sofa Industries, in 1996. Over the years, he has accumulated various technical know-how and expertise in the art of manufacturing and designing upholstered home furniture.

As the Managing Director, he provides the Group with its corporate vision and business strategies and is primarily responsible for the overall business, strategic planning, design and development, and the entire operations of the Group.

Currently, he does not hold any directorship in any other public companies.

TEE HWEE ING

Executive Director
Aged 52, Female, Malaysian
Tenure of service: 14 years 1 month

Tee Hwee Ing was appointed to the Board on 2 November 2009. She is the co-founder of HUI together with Chua Fen Fatt in 1997. Prior to joining the Group, she worked with UOB Card Centre (Singapore) and Avenue Securities Sdn. Bhd. in 1990 and 1992 respectively. She has over 26 years of working experience in the upholstered home furniture industry. As the Executive Director, she is primarily responsible for the overall corporate and administrative functions of the Group.

Currently, she is also a director of Taman Seri Orkid Homeowners Berhad.

KEE TONG KIAK

Senior Independent Non-Executive Director
Aged 56, Male, Malaysian
Tenure of service: 7 months

Kee Tong Kiak was appointed to the Board on 15 May 2023. He is also the Chairman of the Audit and Risk Management & Nominating Committees and a member of the Remuneration Committee of the Company. He was admitted to the Malaysian Bar as an advocate and solicitor in March 1993. He began his legal career as a Legal Assistant in Chin & Rakan-Rakan in 1993 where he was involved in general and civil litigation. He left the firm in 1994 and joined Nik Hussain & Partners, Melaka branch as a Legal Assistant, where he continued to focus on general and civil litigation. He became a Partner of Nik Hussain & Partners, Melaka branch in 1998. In September 1998, he and three other partners facilitated a buyout of the firm's Melaka branch. In 1999, the firm was renamed to Chee Siah Le Kee & Partners and he currently remains as one of the firm's partners. He specialises in civil litigation practice.

Currently, he is also a director of H.S.S. Food Berhad.

HAMSIAH BINTI KHALID

Independent Non-Executive Director
Aged 52, Female, Malaysian
Tenure of service: 7 months

Hamsiah Binti Khalid was appointed to the Board on 15 May 2023. She is also a member of the Remuneration, Audit and Risk Management and Nomination Committees of the Company. She obtained a Bachelor degree of Accountancy form University Pertanian Malaysia currently known as University Putra Malaysia. She is a Certified Chartered Accountant from Malaysia Institute of Accountants. She received her Master of Business Administration from Management & Science University. She has a background of more than 23 years working experience in management related position in sectors/industries such as oil and gas, power and environmental. Currently, she is the Group Chief Financial Officer of a private limited company.

Currently, she does not hold any directorship in any other public companies.

WONG WAI HUNG

Independent Non-Executive Director
Aged 56, Male, Malaysian
Appointed on 15 December 2023

Wong Wai Hung was appointed to the Board on 15 December 2023. He is also the Chairman of the Remuneration Committee and a member of the Audit and Risk Management and Nominating Committees of the Company. He graduated from Tunku Abdul Rahman College with Diploma in Commerce (Management Accounting). He is a Chartered Accountant, an Associate Member of The Chartered Institute of Management Accountants (CIMA) and the Malaysian Institute of Accountants. He also obtained his Master of Business Administration in Electronic Commerce from Charles Stuart University, Australia. Mr. Wong has accumulated over 25 years of working experience in the key management, operation, corporate finance for Construction, Manufacturing and Engineering industries.

Currently, he is also executive director of Seremban Engineering Berhad.

Notes to Directors' Profile:

a) Tee Hwee Ing is the spouse of Chua Fen Fatt. Save as disclosed, none of the directors has any family relationship with any director of the Company.
b) All directors do not have conflict of interest with the Company and have not been convicted for any offences within the past 5 years other than for traffic offences, if any.
c) Please refer to the analysis of shareholdings of this Annual Report for details of the directors' shareholdings in the Company.
d) The details of number of Board meetings attended by directors during the financial year are set out in page 21 of this Annual Report.

SUSTAINABILITY STATEMENT

The Board of Directors of Homeritz Corporation Berhad ("Company" or Homeritz") ("The Board") is pleased to present our Sustainability Statement ("Statement") for the financial year ended 31 August 2023 ("FYE 2023") of the Company. Sustainability has always been an integral part of the business of the Company and its subsidiary companies ("the Group").

This Statement has been prepared in accordance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

Our sustainability efforts represent our commitment towards maximising opportunities and efficiency to continuously operate as a profitable entity and to create long term values to all stakeholders after taking into consideration the aspects of economic, environment and social ("EES").

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group has an Executive Risk Management Committee ("ERMC"), which is chaired by the Group Managing Director and comprises senior management of the Group, to provide oversight and added impetus to the risk management process. With the advent of sustainability reporting, the ERMC takes on the additional 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. The ERMC report to the Audit and Risk Management Committee ("ARMC") on the sustainability developments on an annual basis.

Sustainability Governance Structure

MATERIALITY ASSESSMENT PROCESS

The ERMC conducts a materiality review every year to identify the MSM that are important and relevant to the Group and its stakeholders. The result would assist the Group to manage the MSM. The Group's materiality assessment comprises the following steps:

Objective & Scope

This statement covers information on all of the Group's entities in Malaysia from 1 September 2022 to 31 August 2023 focused on the business of design, manufacture and sale of furniture products, unless stated otherwise.

Identification

The process initiated with sustainability issues relevant to the Group and its stakeholders. Discussion and meeting hold within the top management and middle management in generating the list of MSM.

Stakeholder Engagement

Our interaction involves different stakeholder groups and this kind of engagement will enable us to identify, prioritise and address material matters and will be adopted in our business strategies. The business and functional units are empowered to interact with their respective stakeholders on their chosen platforms. All issues raised by stakeholders are brought to the attention of the Management Committee or Management Meetings by the respective business and functional units. Ongoing engagements where applicable are carried out on a regular basis as they are integral to our business development, relationships with stakeholders and commitment to sustainability.

Our key stakeholders are outlines on the below table, along with the types of engagement and key topics of interest that we seek to address:

Stakeholders	Sustainable Topics	Type of Engagement	Frequency
INVESTORS AND SHAREHOLDERS	Business performance, timely disclosure of information and corporate governance	Corporate Website	On-going
		Annual General Meeting	Annually
		Annual Report	Annually
		Quarterly result	Quarterly
		Bursa announcement	As required
CUSTOMERS	Product design, product quality, timely delivery of finished goods	Customer visits	On-going
		Collaboration on product development	On-going
		Compliance audit	On-going
EMPLOYEES	Safe working environment, career development and training, performance and reward	Meetings	On-going
		Training programmes	On-going
		Appraisals	Annually
SUPPLIER	Supplier performance, quality of supply	Correspondence	On-going
		Supplier selection	On-going
		Supplier evaluation	Annually
GOVERNMENT AND REGULATOR	Compliance with laws & regulations	Correspondence	On-going
		Audits/inspection	On-going
		Regulatory compliance training programmes	As required

Prioritisation & Board Approval

The ERMC will conduct a materiality review internally to identify MSM which will impact the Group and importance to stakeholders in influencing business decisions. The MSM list will be tabled to the Board by ARMC for the Board approval.

Review

Approved MSM list will continue to be re-assessed in subsequent reporting periods to ensure that the reported MSM remain relevant and materials.

MATERIAL SUSTAINABILITY MATTERS

The Group has identified the following material sustainability matters and taken the relevant measures in managing the material sustainability matters: -

ECONOMIC

Foreign Currency Exchange Rate

As an exporter, exchange rate fluctuations are factors that directly affect our sales demand and revenue, which affect our financial health and business outlook.

Most of the Group's products are exported to foreign countries, primarily those in Europe, Australasia, North and South America, Asia and Africa while certain raw materials are sourced from foreign countries such as India, Italy, Vietnam, Korea, Thailand and China.

At present, we have credit lines for foreign exchange forward contracts with several financial institutions. Should the need arise, our management can readily utilise such forward contracts to hedge the fluctuations in exchange rates between RM and USD, after taking into account the exposure period and the related transaction costs. Further, we also 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.

Customers & Products

Demand for the furniture which we design and sell is significantly dependent on consumer preferences and spending trends. These are influenced by external factors including, amongst others, the state of the economy, the income level of consumers and the markets' demographic profiles. These changes may have significant impact on the sales of our home furniture products and the marketing strategies which we employ. A weak global economic condition in general would lead to poor market sentiments, resulting in lower consumer spending. This may in turn lead to a lower demand for our brand of furniture, which would adversely affect our profitability.

Our Group's prospects, financial position and profitability may be materially and adversely affected in the event that we are unable to respond promptly to the changing requirements of our customers or if we make any inaccurate response to the changing consumer preferences. However, to minimise the risk, we have established effective marketing strategies to maintain and increase our customer base, to capture a bigger market share and increase our revenue.

Participation in the local and international trade fairs is very important to us as it provide a platform for us to create awareness of our products in the international markets. Besides the annual Malaysian International Furniture Fair which we have taken part since 2001, we have also participated in other international furniture fairs held in Europe and China. Such participation would also enable us to collate relevant market information and trends, and further provide us opportunity to meet potential customers. Additionally, participation in these trade fairs enables us to further keep abreast of the latest market trends in our key target segment.

ENVIRONMENTAL

Emission of Dust and Waste Management

The quality of the materials we use will contribute to the quality of our products. In the selection of our materials, we adhere to our Quality policy. Our procurement team, with the oversight of respective head of department, invests time and effort in the material selection process based on quality and cost.

Generally, the upholstered furniture manufacturing industry does not have any major environmental issues or concerns because there are no emissions of noxious gases or production of toxic fluids or industrial wastes. Our manufacturing wastes of upholstery materials cuttings are relatively minor, and we easily eliminate such waste in a hygienic and orderly manner.

The Group has invested in, and installed, a dedusting system in its manufacturing facilities, where the wood dust is collected and disposed of from time to time in compliance with regulatory requirement. The Group has not been fined nor penalized by environmental regulatory authorities for the financial year under review.

SOCIAL

The Company has always believed that the way to build a great and enduring company is to strike a balance between profitability and fulfilling its social responsibilities. In today's inter-connected world, no business can operate as an entity unto itself. Companies are also measured in terms of their standing in the eyes of the community. Throughout the financial year 2023, the Company continued to make progress to operate responsibly and with care to meet the changing expectations of society.

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. The freedoms enshrined in this include freedom from forced and child labour, adherence to minimum wages and fair compensation and provision of reasonable working hours per stipulated by Labour Law.

Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

We obtained the Perakuan Penginapan which is required by the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) from 2022 to 2025.

Training & Talent Management

Our Group believes that human capital development is very important to ensure that we have the right and relevant skill set and knowledge in ensuring business sustainability and growth. As such, we have conducted trainings with emphasis on quality for the staff to improve further their quality of work and workplace.

Diversity of Workforce

Diversity refers to the different in workforce by gender and age. This measure is considered across the Board, from the directors to the management and the rest of the workforce.

The following charts depict composition of the Group's human capital as at 31 August 2023.

Employee by Gender	FYE 2021	FYE 2022	FYE 2023
MALE	90%	88%	87%
FEMALE	10%	12%	13%
TOTAL	**100%**	**100%**	**100%**

Employee by Age Group	FYE 2021	FYE 2022	FYE 2023
< 30 YEARS OLD	48.8%	39.9%	39.9%
30 – 50 YEARS OLD	49.5%	56.3%	57.0%
> 50 YEARS OLD	1.7%	3.8%	3.1%
TOTAL	**100.0 %**	**100.0%**	**100.0%**

Occupational Safety and Health

A safe and healthy workplace is our priority.

Our Group has set up a Work Safety Committee to develop policies and maintain a safe and healthy workplace for all employees, contractors and visitors. Conducting fire drill trainings, meetings, periodic inspections on firefighting equipment and prevention programme are carried out to continuously alert the employees on the importance of the safety and hygiene conditions of the workplace.

Our reported injury cases from FYE 2021 to FYE 2023 are:

Reported Injury	FYE 2021	FYE 2022	FYE 2023
NUMBER OF CASES	0	1	6

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Homeritz Corporation Berhad ("Company" or "Homeritz") acknowledges the importance of practising good corporate governance practices under the leadership of the Board of Directors ("Board"), as guided by the Malaysian Code on Corporate Governance ("MCCG") within the Company and the subsidiaries ("the Group"). It is being applied as a fundamental part of discharging the directors' responsibilities to protect and to enhance shareholders' value.

The Board of Directors of Homeritz presents this statement to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Company under the leadership of the Board during the financial year 31 August ("FYE") 2023. This statement takes guidance from the key CG principles as set out in the MCCG. The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report 2023 ("CG Report 2023") which is available on the Company website at http://www.homeritzcorp.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board's Leadership on Objectives and Goals

1.1 Company's strategic aims, values and standards

The Board is responsible for formulating the strategic plans, and establishing visions and goals for delivery of long-term values, and ensures effective leadership through oversight on management and continuously monitoring, overseeing and evaluating the Group's strategies, policies and performance so as to protect and to enhance shareholders' and other stakeholders' value.

There is a division of functions between the Board and the Management. The Board is focused on the Group's overall governance by ensuring the implementation of strategic plans and objectives are in line with its vision and missions; and that accountability to the Group and stakeholders is monitored effectively. The Board does not actively manage but rather oversees the overall management of the Group which is delegated to the Managing Director who is responsible for the day-to-day management of the business and operations of the Group. He is supported by the Executive Director and the Senior Management Team.

To ensure the effective discharge of its function and responsibilities, the Board also delegates some of the Board's authorities and discretion to the properly constituted Board Committees, namely the Audit and Risk Management Committee ("ARMC"), 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. Besides that, the Chairman of the relevant Board Committees also reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Board may also delegate specific functions to ad hoc committees as and when required. The powers delegated to these committees are set out in the Terms of Reference of each of the Committees as approved by the Board.

The Board meets quarterly and at such time as it deems necessary to fulfil its responsibilities. The Board is kept informed of key strategic initiatives, significant operational issues and the Group's performance through the comprehensive status report tabled and deliberated in the meetings. Various Key Performance Indicators ("KPIs") are set and monitored from time to time.

The Independent Non-Executive Directors provide objective and independent judgement to the decision making of the Board which provides an effective check and balance to the Board's decision-making process.

1.2 The Chairman

The Board is of the opinion that the current Board size is optimum and well-managed under the leadership of the Board as a whole. 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 wholly responsible for matters pertaining to the overall conduct of the Group and is committed to good corporate governance practices.

1.3 Separation of positions of the Chairman and Group Chief Executive Officer ("CEO")

Given the size of the Group is relatively small, the Group does not have an independent Chairman and a CEO. The Group is of the view 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 interests of all shareholders and stakeholders and to preserve a balance of authority, power and accountability. The Managing Director leads the senior management of the Company in the day-to-day management and running of the Group as well as the implementation of the Board's decisions and policies. Mr. Kee Tong Kiak as the Senior Independent Non-Executive Director, facilitates communication with shareholders and stakeholders in order to address and deal appropriately with any concerns raised.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) professionally qualified Company Secretaries. Both Company Secretaries have the requisite credentials and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("the Act"). The Company Secretaries play an important advisory role and is a source of information and advice to the Board and its committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

1.5 Meeting Materials

The Board is 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 during meetings. 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 additional information and insights on the relevant agenda tabled at Board Meetings. Upon conclusion of the meetings, the minutes are circulated in a timely manner to all board members.

The Directors have the right to fully access of the advice and services of Company Secretaries and all information pertaining to the Group for the purpose of discharging their duties. The Board may, when necessary, obtain independent professional advice and information on specific matters, in the furtherance of their duties, at the cost of the Company.

The Company Secretaries attend and ensure that the deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board is guided by the Board Charter which sets out the roles, functions, authority, responsibilities, membership, key matters reserved for the Board, relationships with management and other matters. The Board reviews the Board Charter from time to time and updates the Board Charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities to ensure its effectiveness. The Board Charter is made available at the Company's website at http://www.homeritzcorp.com.

3. Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct and Ethics

The Board is committed in maintaining a corporate culture which engenders ethical conduct. A Code of Conduct and Ethics is formalised and incorporated in the Board Charter with the aim to cultivate good corporate conduct that permeates throughout the Group through transparency, accountability and integrity.

The Code describes what the Group must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

The Code of Conduct is made available for reference at the Company's website at http://www.homeritzcorp.com.

3.2 Whistleblowing Policy and Procedure

The Board has established the Whistleblowing Policy and Procedure and is committed to maintain the highest possible standard of professionalism, ethics and legal conduct in the Group's business activities. The Company's Whistleblowing Policy and Procedure provides a mechanism for its Board members, all levels of employees, contractors, suppliers, bankers, customers and business associates to report suspected or instances of wrong doing in the conduct of its business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate way.

The Whistleblowing Policy and Procedure is available on the Company's website at http://www.homeritzcorp.com.

3.3 Anti-Bribery and Corruption Policy

The Group acknowledges the importance in conducting business in an ethical and honest manner, and is committed to implement and enforce systems that ensure bribery is prevented.

Following the implementation of the corporate liability provision involving commercial organisations under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which was enforced on 1 June 2020, the Group adopted the Anti-Bribery and Corruption Policy ("ABC Policy") which elaborates and provides guidance to whom the policy applies on and how to address improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The ABC Policy is available on the Company's website at http://www.homeritzcorp.com.

3.4 Directors' Fit and Proper Policy

The Board had adopted the Directors' Fit and Proper Policy. The Policy served as guidance to the Nominating Committee ("NC") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election. This Policy is to ensure that Directors must possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The fit and proper criteria will be applicable at the time of appointment as a director and on a continuing basis as all directors of the Company and/or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.

The Directors' Fit and Proper Policy is available on the Company's website at http://www.homeritzcorp.com.

4. Sustainability measure to support the Company's long-term strategy and success

4.1 Strategic Management of Material Sustainability Matters

Our sustainability efforts represent our commitment towards maximising opportunities and efficiency to continuously operate as a profitable entity and to create long term values to all stakeholders after taking into consideration the aspects of economic, environment and social ("EES"). The Group has an Executive Risk Management Committee ("ERMC"), which is chaired 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.

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.

Please refer to the Sustainability Statement for the relevant measures in managing the material sustainability matters.

4.2 Delivery of Sustainability Consideration to Stakeholder

The Board had engaged with the stakeholders proactively such as Shareholders, Customers, Employees, Suppliers, Government and Regulator accordingly, to ensure that the Board meet the stakeholders' expectation and satisfaction for the Company's sustainability growth.

The Company had also disclosed the sustainability measures and forms of engagement with the stakeholder in the Sustainability Statement which also formed part of the Annual Report 2023 to the stakeholders.

PART II – BOARD COMPOSITION

5. Board's Objectivity

5.1 Composition of the Board

The Board currently has five (5) members, comprising two (2) Executive Directors, one (1) Senior Independent Non-Executive Director and two (2) Independent Non-Executive Directors. This Board composition complies with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to have at least one third (1/3) of Independent Directors in the Board.

Notwithstanding that the Board does not have an Independent Chairman, the existing Independent Non-Executive Directors have accounted for more than fifty percent (50%) of the Board composition. Further, the Board is of the opinion that the strong representation of high calibre Independent Non-Executive Directors which forms the majority of the Board, provides the necessary check and balance required.

The current Board composition is in line with the MCCG best practice that requires at least half of the Board to comprise of independent directors.

5.2 Re-election of Director

In accordance with the Constitution of the Company, all directors shall retire from office once in every three (3) years but shall be eligible for re-election and one-third (1/3) of the directors shall retire from office and be eligible for re-election at each Annual General Meeting ("AGM").

Newly appointed directors during the financial year shall hold office until the next following AGM and shall then be eligible for re-election. This requirement has been adhered to by the Board members in AGM.

The Nominating Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election.

5.3 Tenure of Independent Directors

As as the date of this Statement, none of the Independent Non-Executive Director has reached nine (9) years of service since their appointment as Director. Their tenure of service is set out in the Board of Directors' Profile of this Annual Report.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

5.4 Policy on Independent Director's Tenure

The Board is of the view that the independence of Directors is assessed based on their independent judgement, courage to confront management for clarification and raise any issue of concern, to weigh the management proposals rationally and objectively. The independence has not been compromised though they may be on the Board for more than nine (9) years.

The Board Charter has reviewed and adopted the MCCG to justify and seek shareholders' approval annually through a two-tier voting process in the event the Board desires to retain a director who has served in the capacity for more than nine (9) years as an Independent Director.

5.5 Diverse Board and Senior Management

The Nominating Committee is responsible for reviewing and assessing the mix of skills, expertise, composition, size, experience and effectiveness of the Board, its Committees and senior management.

This process ensures that the Board membership accurately reflects the long-term strategic direction and needs of the Company while it determines the skills matrix needed to support the strategic direction and needs of the Company.

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.

Appointment of Board and Key Senior Management are based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. Please refer to the Board of Directors' Profile and Profile of Key Senior Management on pages 7 to 8 and 38 respectively for further information.

5.6 Gender Diversity Policy

The Board acknowledges the importance of gender diversity in the Board and senior management and the recommendation of the MCCG 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.

The Board currently has 40% female representation on the Board, which meets the gender equality principles as set out in the MCCG.

5.7 New Candidates for Board Appointment

The Nominating Committee is responsible for identifying, assessing and recommending suitable candidates for Board membership and also for evaluating the performance of the Directors on an on-going basis. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company while it determines the skills matrix needed to support the strategic direction and needs of the Company.

The process for the appointment of a new director is summarised as follows: -

1.) A candidate is identified through recommendation of existing Directors, senior management staff, other consultants and/or independent sources;

2.) In evaluating the suitability of candidates to the Board, the Nominating Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;

3.) The Nominating Committee will make recommendation to the Board if the proposed candidate is found to be suitable. This includes recommendation for appointment as a member of the various Board committees, where necessary; and

4.) The final decision as to who shall be appointed as Director remains the responsibility of the full Board after considering the recommendation of the Nominating Committee.

5.8 Nominating Committee

The Nominating Committee has three (3) members comprising exclusively Non-Executive Directors, all of whom are Independent Directors. The Nominating Committee meets at least once in a year with additional meetings to be convened, if necessary. During the financial year under review, the Nominating Committee had met twice and full attendance by the members was recorded.

Directors	Number of Meetings Attended
Chairman	
Mr Kee Tong Kiak *Senior Independent Non-Executive Director* *(Appointed on 15 May 2023)*	0/0
Datuk Tay Puay Chuan *Senior Independent Non-Executive Director* *(Resigned w.e.f 15 May 2023)*	2/2
Members	
Puan Hamsiah Binti Khalid *Independent Non-Executive Director* *(Appointed on 15 May 2023)*	0/0
Mr Wong Wai Hung *Independent Non-Executive Director* *(Appointed on 15 December 2023)*	N/A
Encik Mohd Khasan Bin Ahmad *Independent Non-Executive Director* *(Resigned w.e.f 15 May 2023)*	2/2
Mr Teo Seng Kuang *Independent Non-Executive Director* *(Resigned w.e.f 15 December 2023)*	2/2

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, as well as the performance of each Director and each ARMC Member.

The Terms of Reference ("ToR") of the Nominating Committee is available on the Company's website at http://www.homeritzcorp.com.

6. Overall Board Effectiveness

6.1 Annual Evaluation and Directors Training

The Board, together with the Nominating Committee, determines the size and composition of the Board that facilitates the decision making process of the Company. The Board comprises of directors with a broad and relevant range of skills, diversity, expertise and experience.

The Nominating Committee conducted its annual evaluation on the effectiveness of the Board, its Committees and the contribution of each Director.

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.

These assessments and comments by all Directors were summarised and discussed at the Nominating Committee meeting which were then reported to the Board at the Board meeting held thereafter. This will allow the Directors to know their standing and the Board to take appropriate remedial actions when necessary.

There were no major concerns from the results of the annual assessment. The Nominating Committee is satisfied that the size of the Board is optimum and there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.

Based on the annual board assessment and evaluation, the Nominating Committee has recommended the re-election of Ms Tee Hwee Ing, Mr Kee Tong Kiak, Puan Hamsiah Binti Khalid and Mr Wong Wai Hung as directors at the forthcoming 16th AGM. The Board (saved for the interested directors) is satisfied that these four (4) directors have continued to contribute to the Board effectiveness and have discharged their fiduciary duties and responsibilities as directors in accordance with their respective ToR.

The Directors are aware of the time commitment expected from each of them to attend to the matters of the Group generally, including attendance at Board, Board Committee and other types of meetings. The Directors would notify the Company prior to accepting any new directorship in a public listed company ("PLC"). None of our Directors hold more than five (5) directorships in PLC. The Board is satisfied that the present directorships in external organizations held by the Directors do not give rise to any conflict of interests nor impair their ability to discharge their responsibilities to the Group.

The Board has committed to meet at least four (4) times a year, usually before the announcement of quarterly results to Bursa Securities, with additional meetings convened when necessary.

During the FYE 2023, five (5) Board Meetings were held and the attendance is as follows: -

Directors	Number of Meetings Attended
Mr Chua Fen Fatt	5/5
Ms Tee Hwee Ing	5/5
Mr Kee Tong Kiak *(Appointed on 15 May 2023)*	1/1
Puan Hamsiah Binti Khalid *(Appointed on 15 May 2023)*	1/1
Mr Wong Wai Hung *(Appointed on 15 December 2023)*	N/A
Encik Mohd Khasan Bin Ahmad *(Resigned w.e.f 15 May 2023)*	4/4
Datuk Tay Puay Chuan *(Resigned w.e.f 15 May 2023)*	4/4
Mr Teo Seng Kuang *(Resigned w.e.f 15 December 2023)*	5/5

The Board acknowledges that continuous education is vital in keeping them abreast with developments in the market place, new statutory and regulatory requirements updates, as well as enhancing professionalism and knowledge in enabling them to discharge their roles in an effective manner.

During the financial year under review, all the Directors have attended the seminars and training programmes as follows:

Directors	Training Programme Attended
Mr Chua Fen Fatt	Soonfor Furniture ERP Information Upgrade
Ms Tee Hwee Ing	Soonfor Furniture ERP Information Upgrade
Mr Kee Tong Kiak *(Appointed on 15 May 2023)*	Mandatory Accreditation Programme (MAP) Case Study-Based MFRS Webinar: Reporting Financial Instruments MFRS 9 Financial Instruments (together with MFRS 132 and MFRS 7) Sections 11, 12 and 22, MPERS
Puan Hamsiah Binti Khalid *(Appointed on 15 May 2023)*	MIA International Accountants Conference 2023 - Future Fit Profession: Charting A Better Tomorrow
Mr Wong Wai Hung *(Appointed on 15 December 2023)*	Not applicable
Encik Mohd Khasan Bin Ahmad *(Resigned w.e.f 15 May 2023)*	Conversation with Audit Committees – Session 1
Datuk Tay Puay Chuan *(Resigned w.e.f 15 May 2023)*	Awareness & Importance of ESG To The Corporate Sectors
Mr Teo Seng Kuang *(Resigned w.e.f 15 December 2023)*	Case Study-Based MFRS Webinar: Reporting Financial Instruments MFRS 9 Financial Instruments (together with MFRS 132 and MFRS 7) Sections 11, 12 and 22, MPERS Case Study-Based MFRS Webinar: MFRS/IFRS Technical Update 2023

PART III – REMUNERATION

7. Level and Composition of Remuneration

7.1 Remuneration Policy

The Company aims to set remuneration at levels which are sufficient to attract and to retain Directors and senior management needed to run the business successfully taking into consideration all relevant factors including the function, workload and responsibilities involved. The remuneration policy and procedures are available on the Company's website at http://www.homeritzcorp.com.

For Executive Director and senior management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, they receive a fixed Director's fee, meeting and travelling allowance for attending meetings of the Board and its Committees. Other allowance may also be paid for performance of specific job assignment.

7.2 Remuneration Committee

The Remuneration Committee has three (3) members of whom all are Independent Non-Executive Directors.

Directors	Number of Meetings Attended
Chairman	
Mr Wong Wai Hung *Independent Non-Executive Director* *(Appointed on 15 December 2023)*	N/A
Mr Teo Seng Kuang *Independent Non-Executive Director* *(Resigned w.e.f 15 December 2023)*	1/1
Members	
Mr Kee Tong Kiak *Senior Independent Non-Executive Director* *(Appointed on 15 May 2023)*	1/1
Puan Hamsiah Binti Khalid *Independent Non-Executive Director* *(Appointed on 15 May 2023)*	1/1
Encik Mohd Khasan Bin Ahmad *Independent Non-Executive Director* *(Resigned w.e.f 15 May 2023)*	0/0
Datuk Tay Puay Chuan *Senior Independent Non-Executive Director* *(Resigned w.e.f 15 May 2023)*	0/0

The Remuneration Committee is guided by its Terms of Reference, which is available on the Company's website, http://www.homeritzcorp.com. The Remuneration Committee is responsible for setting and reviewing policies and procedures on matters relating to the remuneration of the Board and Senior Management.

The Remuneration Committee makes recommendation to the Board on all elements of remuneration and terms of employment of Executive Directors and Senior Management. 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. The Directors' fees and allowances are subject to the approval of the shareholders of the Company at the AGM.

The current remuneration payable to Non-Executive Directors comprises Directors' fees and meeting allowance, based on the number of meetings they attended for a year.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Members met once in the FYE 2023 and full attendance by the members was recorded.

8. Remuneration for Directors and Senior Management

8.1 Directors' Remuneration

The details of the remuneration received and receivable by the Directors of the Company and the Group for FYE 2023 are as follows: -

Company

Directors	Salaries and Bonus (RM)	EPF, SOCSO, and EIS Contribution (RM)	Director Fee (RM)	Meeting Allowance (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors						
Chua Fen Fatt	-	-	-	3,500	-	3,500
Tee Hwee Ing	-	-	-	3,500	-	3,500
Total	**-**	**-**	**-**	**7,000**	**-**	**7,000**
Non-Executive Directors						
Kee Tong Kiak *(Appointed on 15 May 2023)*	-	-	15,750	700	-	16,450
Hamsiah Binti Khalid *(Appointed on 15 May 2023)*	-	-	12,250	700	-	12,950
Wong Wai Hung *(Appointed on 15 December 2023)*	N/A	N/A	N/A	N/A	N/A	N/A
Mohd Khasan Bin Ahmad *(Resigned w.e.f 15 May 2023)*	-	-	47,901	2,800	-	50,701
Datuk Tay Puay Chuan *(Resigned w.e.f 15 May 2023)*	-	-	32,584	2,800	-	35,384
Teo Seng Kuang *(Resigned w.e.f 15 December 2023)*	-	-	46,000	3,500	-	49,500
Total	**-**	**-**	**154,485**	**10,500**	**-**	**164,985**

Group

Directors	Salaries and Bonus (RM)	EPF, SOCSO, and EIS Contribution (RM)	Director Fee (RM)	Meeting Allowance (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors						
Chua Fen Fatt	1,700,000	324,159	-	3,500	28,000	2,055,659
Tee Hwee Ing	1,700,000	324,158	-	3,500	1,083	2,028,741
Total	**3,400,000**	**648,317**	**-**	**7,000**	**29,083**	**4,084,400**
Non-Executive Directors						
Kee Tong Kiak *(Appointed on 15 May 2023)*	-	-	15,750	700	-	16,450
Hamsiah Binti Khalid *(Appointed on 15 May 2023)*	-	-	12,250	700	-	12,950
Wong Wai Hung *(Appointed on 15 December 2023)*	N/A	N/A	N/A	N/A	N/A	N/A
Mohd Khasan Bin Ahmad *(Resigned w.e.f 15 May 2023)*	-	-	47,901	2,800	-	50,701
Datuk Tay Puay Chuan *(Resigned w.e.f 15 May 2023)*	-	-	32,584	2,800	-	35,384
Teo Seng Kuang *(Resigned w.e.f 15 December 2023)*	-	-	46,000	3,500	-	49,500
Total	**-**	**-**	**154,485**	**10,500**	**-**	**164,985**

Aggregate Directors' Remuneration

Categories of Remuneration	Group		Company	
	Executive Directors (RM)	Non-Executive Directors (RM)	Executive Directors (RM)	Non-Executive Directors (RM)
Salaries and bonus	3,400,000	-	-	-
EPF, SOCSO, and EIS Contribution	648,317	-	-	-
Director Fee	-	154,485	-	154,485
Meeting Allowance	7,000	10,500	7,000	10,500
Benefits-in-kind	29,083	-	-	-
	4,084,400	**164,985**	**7,000**	**164,985**

Total remuneration of Directors in respect of the FYE 2023, in bands of RM50,000 is tabulated below:

	Number of Directors		
	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	4	4
RM 50,001 - RM 100,000	-	1	1
RM100,001 - RM150,000	-	-	-
RM150,001 - RM200,000	-	-	-
RM200,001 - RM250,000	-	-	-
RM250,001 - RM300,000	-	-	-
RM300,001 - RM350,000	-	-	-
RM350,001 - RM400,000	-	-	-
RM400,001 - RM450,000	-	-	-
RM450,001 - RM500,000	-	-	-
RM500,001 - RM550,000	-	-	-
RM550,001 - RM600,000	-	-	-
RM600,001 - RM650,000	-	-	-
RM650,001 - RM700,000	-	-	-
RM700,001 - RM750,000	-	-	-
RM750,001 - RM800,000	-	-	-
RM800,001 and above	2	-	2

8.2 Senior Management's Remuneration

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.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

9. Effective and Independent ARMC

The ARMC of the Company presently comprises of all three (3) members as Independent Non-Executive Directors. The Chairman of the ARMC namely Mr Kee Tong Kiak is distinct from the Chairman of the Board.

The members of the ARMC have a mix of commercial, banking, financial skills, management and accounting experience. Arrangements will be made by the Company for the members of the Committee to attend seminars to continue to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The ARMC is tasked to assist the Board in overseeing the Group's financial reporting processes and reviewing the financial statements to ensure that the financial statements are properly drawn up in accordance to the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards by the Malaysian Accounting Standards Board ("MASB") with the objective to give a true and fair view of the state of affairs of the Group.

The Board, through the ARMC, establishes a formal and transparent arrangement with the external auditors of the Company in seeking professional advice and in ensuring compliance with the relevant Malaysian Financial Reporting Standards issued by MASB.

The ARMC communicated directly and independently with the auditors without the presence of the Executive Directors at least twice a year during each financial year to discuss the audit findings and/or any issues detected during the course of audit work.

The ARMC is delegated with the task of assessing the suitability, competence, objectivity and independence of Messrs. Crowe Malaysia PLT as the External Auditor of the Company, taking into consideration the level of non-audit services rendered by Crowe Malaysia PLT to the Company during the financial year under review. The ARMC also seeks written assurance and declaration from the External Auditor, confirming that they are, and have been, independent throughout the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. Based on the recommendation of ARMC on the re-appointment of External Auditor, the Board would then seek shareholders' approval at the AGM.

Further details of the roles and responsibilities of the ARMC, including the activities undertaken during the year under review, are set out in the ARMC on pages 31 to 33 of this Annual Report.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Risk Management and Internal Control Framework

10.1 Effective Risk Management and Internal Control Framework

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.

The Board recognises the Company's level of risk tolerance and actively identify, assess and monitor significant business risks on an ongoing basis to safeguard shareholders' investments and Company's assets. Appropriate internal control systems are put in place as measures to manage and mitigate the impact of the key risk within cost levels appropriate to the significance of the risks.

The Group has an out-sourcing arrangement with an independent internal audit service provider ("Internal Auditor") in relation to its internal audit function to examine and evaluate the adequacy and effectiveness of the Group's internal control systems. The Internal Auditor reports directly to the ARMC during the quarterly ARMC meetings. Further details of the Group's internal audit function are set out in the Statement on Risk Management and Internal Control section of this Annual Report.

10.2 Features, Adequacy and Effectiveness of Risk Management and Internal Control Framework

The Board has adopted a systematic approach to oversee the actual performance and provides guidance to the Management on measures to improve the business performance and minimise risk impacts. The Group has an adequate and effective risk management framework, and a sound internal control system in place. 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.

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 Group's interest and that of its stakeholders. 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 this Annual Report.

11. Effective Governance, Risk Management and Internal Control

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 ARMC 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. The ARMC is satisfied that the Internal Auditor had maintained a high degree of independence and professionalism in carrying out their duties.

Besides, the ARMC has reviewed the adequacy of resource requirements and competencies of the audit staff as well as the annual audit plan and their audit works. The ARMC has obtained reasonable assurance that the internal audit function has advised the Board accordingly and remained effective. 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.

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 this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – ENGAGEMENT WITH STAKEHOLDERS

12. Continuous Communication between Company and Stakeholders

The Board acknowledges the importance of an effective communication channel between the Board, shareholders and general public, and at the same time, fully compliance with the Bursa Securities' disclosure framework to provide investors and the public with complete and accurate information on a timely basis. Hence, the Board has established Corporate Disclosure Policy to promote timely and high quality disclosure of material information to the public.

The Board is also mindful that information that is expected to be material must be handled with caution and announced immediately. The annual reports, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Board will continue to assess and improve on the reporting and disclosure. The Company further ensures that shareholders are kept fully informed through information provided on the Bursa Securities' and Company's websites at http://www.bursamalaysia.com and http://www.homeritzcorp.com respectively and it is accessible by public.

PART II – CONDUCT OF GENERAL MEETINGS

13. Encourage Shareholders' Participation at General Meetings

The Board values the participation of shareholders at general meetings and recognises their contributions as valuable feedback for the conduct of the Group's businesses. Notice of AGM and Annual Reports are sent to shareholders at least twenty-eight (28) days prior to the meeting.

This would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney together with the Notice of AGM, which provides information to shareholders with regard to, among others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also qualification of proxy.

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 16th AGM. The proceedings of the 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 Question & Answer ("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.

Under Paragraph 8.29A(1) of the Listing Requirements, a PLC must, among others, ensure that any resolution set out in the notice of any general meeting, is voted by poll. For this purpose, the share registrar will be appointed as the Poll Administrator and an independent scrutineer will be appointed to validate the votes cast at the 16th AGM. All shareholders or proxies will be briefed on the voting procedures prior to the poll voting by the Share Registrar.

The outcome of the 16th AGM will be announced to Bursa Securities on the same meeting day.

This Corporate Governance Overview Statement was approved at the meeting of the Board on 15 December 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for the services rendered to the Group by the External Auditors for the financial year under review are as per table below:

	Company (RM)	Subsidiaries (RM)
Audit fees	28,000	92,000
Non-audit fees	5,000	-
	33,000	**92,000**

3. MATERIAL CONTRACTS

During the financial year under review, there were no material contracts entered into by the Company and its subsidiaries involving Directors' and / or substantial Shareholders' interests.

4. RECURRENT RELATED PARTY TRANSACTIONS

Details of the recurrent related party transactions undertaken by the Group during the financial year are disclosed in Note 30 of the Financial Statements herein.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Independent Non-Executive Directors. The current composition meets the requirement of paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Should there be a vacancy in the ARMC resulting in the non-compliance of paragraphs 15.09(1) and 15.10 of the Listing Requirements, the Company must fill up the vacancy within three (3) months thereof.

The ARMC reviews and updates its Term of Reference ("ToR") from time to time as to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives. The salient features of the ToR can be viewed on the Company's website at http://www.homeritzcorp.com.

SUMMARY OF ACTIVITIES

A total of five (5) ARMC meetings were held for the financial year ended 31 August ("FYE") 2023. The details of attendance of each ARMC member are as follows:

Members	Attendance
Chairman	
Mr Kee Tong Kiak *Senior Independent Non-Executive Director* *(Appointed on 15 May 2023)*	1/1
Encik Mohd Khasan Bin Ahmad *Independent Non-Executive Director* *(Resigned w.e.f 15 May 2023)*	4/4
Members	
Puan Hamsiah Binti Khalid *Independent Non-Executive Director* *(Appointed on 15 May 2023)*	1/1
Mr Wong Wai Hung *Independent Non-Executive Director* *(Appointed on 15 December 2023)*	N/A
Datuk Tay Puay Chuan *Senior Independent Non-Executive Director* *(Resigned w.e.f 15 May 2023)*	4/4
Mr Teo Seng Kuang *Independent Non-Executive Director* *(Resigned w.e.f 15 December 2023)*	5/5

The main activities undertaken by the Committee during the financial year under review included the following:

a) Ensuring Financial Statements Comply with Applicable Accounting Standards and Other Legal Requirement

- reviewed the unaudited quarterly financial results, audited financial statements and annual report of the Group and the Company and ensured of amongst others, that it complies with applicable Malaysian Financial Reporting Standards prior to making recommendations for the Board's approval and subsequent announcements;
- reviewed any changes in the implementation of major accounting policies and practices, major judgmental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with Listing Requirements of Bursa Malaysia Securities Berhad and other legal requirements; and
- monitored the integrity of the financial statements of the Company and assessed whether the financial report represents a true and fair view of the Company's performance and ensured compliance with the regulatory requirements.

b) Related Party Transactions

- reviewed the potential related party transaction and any conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

c) External Audit

- reviewed and evaluated factors relating to the independence of the External Auditors. The ARMC worked closely with the External Auditors in establishing procedures in assessing the suitability and independence of the External Auditors, in confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants;
- considered and recommended to the Board of Directors the re-appointment of Crowe Malaysia PLT as the External Auditors and payments of fees including fees paid for non-audit services during the financial year;
- reviewed with the External Auditors the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by Malaysian Accounting Standards Board;
- reviewed with the External Auditors the audit review memorandum covering the results of the audited financial statements and audit report in particular, accounting issues and significant audit adjustments arising from the external audit; and
- conducted private meetings with the external auditors without the presence of Executive Directors or employees of the Group.

d) Internal Audit

- considered and recommended to the Board of Directors the appointment of the Internal Auditors and payments of fees;
- reviewed the adequacy of the scope, function, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- reviewed the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
- reviewed the performance and competency of the Internal Auditors;
- reviewed internal audit reports, recommendations and Management's responses and assessed on the actual and potential impact of any failure or weakness of the internal controls in place. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the Internal Auditors were discussed together with the Management Team in a separate forum; and
- reviewed implementation of the recommendations made by the Internal Auditors through follow-up internal audit reports to the ARMC.

e) Whistleblowing and Fraud

- reviewed the whistle-blowing policy for adoption to the Board; and
- cultivated the awareness of the employees and ensured the whistleblower could report directly to the ARMC on any possible wrongdoings or fraud detected.

f) Risk Management

- reviewed the principal risks which may affect the Group directly or indirectly, and if deemed necessary, recommend additional course (s) of action to mitigate such risks;
- reviewed on the adequacy and effectiveness of the enterprise risk management framework;
- reviewed the material sustainability matters of the Group and recommended the same to the Board for approval; and
- reviewed the Statement of Risk Management and Internal Control and the Sustainability Statement of Annual Report.

g) Overseeing the Governance Practices in the Group

- reviewed the application of Corporate Governance principles and the extent of the Group's compliance with the recommendations set out under the new Malaysian Code of Corporate Governance;
- reviewed the Corporate Governance Overview Statement, Corporate Governance and ARMC Report to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval;
- reviewed the minutes of meeting of the ARMC;
- reviewed and recommended to the Board for approval the Anti-Bribery and Corruption Policy and revision thereto; and
- reviewed the revised Term of Reference of the ARMC.

INTERNAL AUDIT FUNCTION

The Board acknowledges that it is responsible for maintaining sound systems of internal control which provide reasonable assessment of effective operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The Group has engaged an external independent consultant ("Internal Auditors" or "IA") to carry out the internal audit function to assist the ARMC in maintaining sound systems of internal control. The internal audits were undertaken to provide independent assessment on the accuracy, efficiency and effectiveness of the Group's internal control systems. The IA report directly to the ARMC. The IA present and discuss Internal Audit Plan with the ARMC and present the result of reviews directly to the ARMC which includes significant internal audit findings, recommendations for improvements, Management's response and proposed action plans.

During the FYE 2023, the external independent consultant has conducted review on internal control of the selected subsidiaries focusing on the following areas: -

- Procurement, planning replenishment monitoring;
- Sourcing strategy for key material;
- Pre - qualification of supplier / vendors and selection procedures;
- Ordering, processing to receiving for key materials;
- Vendor management;
- Manpower planning;
- Recruitment and selection process;
- Training and development programme; and
- Staff performance evaluation

An overview of the Group's approach in maintaining sound systems of internal control is set out in the Statement on Risk Management and Internal Control on pages 34 to 37 of this Annual Report.

The professional fee incurred for the internal audit function for the financial year 2023 was RM 25,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements (“Listing Requirements“) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 August 2023.

BOARD RESPONSIBILITY

The Board acknowledges that it is responsible for ensuring that a sound system of risk management and internal control is maintained and that it has reviewed the effectiveness of these systems to safeguard shareholders’ interest and the Group’s assets.

During the financial year under review, the Board is of the view that the Company’s overall risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management framework and practices adopted by the Group and have received the same assurance from both the Managing Director and Accountant of the Company.

Notwithstanding the above, in view of limitations that are inherent in any systems of risk management and internal control, such systems are designed to manage, rather than eliminate the risks of failure to achieve business objectives of the Group and can only provide reasonable rather than absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board recognises that the effective risk management will provide an essential contribution towards the achievement of the Group’s strategic and operational objectives and goals.

Risk management forms an integral part of the Group’s decision making and routine management, and is incorporated within the strategic and operational planning processes at all levels across the Group.

In order to achieve a sound system of risk management and internal control, the Board and management ensure that the risk management and control framework is embedded into the culture, processes and structures of the Group.

The Group has an Enterprise Risk Management Committee, which is headed by the Managing Director and comprises Senior Management, to provide oversight and added impetus to the risk management process for the Group as a whole.

The steps on the management of risks identified in the risk register are outlined below:

a) Identifying the risks to achieve strategic and operational objectives;

b) Determining and assessing the existing controls in place;

c) Assessing the impact and likelihood of the risk after taking into account the existing controls to derive the residual risk; and

d) Determining further control improvements to mitigate the risk and indicate what will be the impact on residual risk when they are fully implemented.

The Heads of Departments are required to undertake risk assessments against their business plan, strategies and other significant activities and to maintain risk registers that reflect an appropriate risk profile. The risk registers are used as one of the business tools to highlight the risk exposures and risk mitigation. The risk registers are updated as and when there are changes to business environment or regulatory guidelines. Policies, procedures, guidelines and templates are being developed to assist in ensuring an awareness of what is an acceptable level of risk and that risks and opportunities are managed consistently and effectively across the Group. Periodic operational/management meetings are held to ensure that the risks identified are monitored and related internal controls are communicated to the management.

The Board affirms that there is on-going process for identifying, evaluating and managing the significant risks faced by major companies in the Group. The results of this process, including risk mitigating measures taken by Management to address key risks identified are periodically reviewed by the Board.

INTERNAL CONTROL SYSTEM

Internal Audit Function

The Board recognises that effective monitoring on a continuous basis is a vital component of effective sound internal control systems. The Group has an out-sourcing arrangement with an independent internal audit service provider in relation to its internal audit function to examine and evaluate the adequacy and effectiveness of the Group's internal control systems of the business units. 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. These plans are updated and approved by the Audit and Risk Management Committee ("ARMC") regularly.

The Group has outsourced its internal audit function which carried out audits in accordance with the internal audit plan approved by the ARMC. The result of their reviews is reported directly to the ARMC which includes significant internal audit findings, recommendations for improvements, Management's response and proposed action plans. Follow-up reviews of the implementation of action plans are carried out to ensure that the matters highlighted in the internal audit reports have been adequately addressed. Based on the internal audit reviews conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report. The internal audit appraises and contributes towards improving the Group's risk management and internal control systems, and reports to the ARMC on a regular basis. The professional fee incurred for the internal audit function in respect of 31 August ("FYE") 2023 was RM 25,000.

The other features of the Group's systems of internal control include the following:

a) **Control Environment**

i. **Policies and Procedures**

The defined policies and procedures are in place and undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow.

ii. **Organisational Structure and Authorisation Procedures**

The Group maintains a formal organisational structure with clearly defined lines of reporting to Board Committees and Senior Management which includes roles and responsibilities, authority limits, review and approval procedures, etc.

iii. **Whistleblowing Policy and Procedure**

The Group has a whistleblowing policy and procedure to provide a platform for staff or any external party to report any breach or suspected breach of any laws or regulations and the Group's policies and procedures, in a safe and confidential manner.

iv. **Key Financial Performance Indicator**

Key financial performance indicators act as a tool for measuring and tracking progress is essential for the Company's performance.

v. **Human Resource Management Policy**

Appointment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Training and development is provided for selected staff to further enhance their skills and capabilities. In addition, a formal employee appraisal to evaluate and measure employees' performance and their competency is performed at least once a year.

vi. **Succession Planning**

Identify and groom middle management at all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package and providing training and career development opportunities for employees in all key functions of the Group's operations.

b) Information and Communication

i. Pertinent information to meet the Group's business objectives is communicated through established reporting lines across the Group. This is to ensure that matters that require the Board's and Senior Management's attention are highlighted for review, deliberation and resolution on a timely basis.

ii. Periodic management meetings are held to provide a forum where management undertakes overall responsibility for periodic reviews to identify, discuss and resolve key operational issues, to further improve its effectiveness.

c) Review and Monitoring Process

i. Periodic management meetings are held to provide a forum where management undertakes overall responsibility for periodic reviews to identify, discuss and resolve key operational issues, to further improve its effectiveness. In addition, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues, as and when necessary.

ii. The Board monitors the Group's performance by reviewing its quarterly financial results, annual report, audited financial statements, Group's risk profile and internal control issues identified by the External Auditors, Internal Auditors and the management and examines the announcement to Bursa Securities. These are reviewed by the ARMC before they are tabled to the Board for approval.

iii. The ARMC also monitors the implementation of the recommendations proposed by the External Auditors and Internal Auditors.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system. AAPG 3 does not require the External Auditors to, and they did not, consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

CONCLUSION

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 ARMC.

The Board is of the view that the risk management and internal control systems are satisfactory with no significant internal control deficiencies or weaknesses that would result in material losses or contingencies to warrant disclosure in the Group's Annual Report for the financial year under review.

This Statement was approved at the meeting of the Board on 15 December 2023.

PROFILES OF KEY SENIOR MANAGEMENT

CHUA FEN FATT
Managing Director

Chua Fen Fatt is one of the founders of HUI in 1997 and since then, he has been the driving force in the Group and has been instrumental in the success, growth and development of the Group.

TEE HWEE ING
Executive Director

Tee Hwee Ing is the co-founder of HUI together with Chua Fen Fatt in 1997. As the Executive Director, she is primarily responsible for the overall corporate and administrative functions of the Group.

All the key members of senior management are also members of the Board. Their profiles are set out on page 7.

STATEMENT ON DIRECTORS' RESPONSIBILITIES
IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements for each financial year. They are responsible for ensuring that these financial statements give a true and fair view of the state of affairs of the Group and of the Company and the results and cash flows of the Group and of the Company for the financial year ended. The financial statements are prepared on a going concern basis, in accordance with applicable approved accounting standards and comply with the provisions of the Companies Act 2016. It is the duty of the Directors to review the appropriateness of the basis before adopting the financial statements and present them before the Annual General Meeting together with their Report and the Auditors' Report thereon.

The Directors are responsible for ensuring that proper accounting and other records are kept to sufficiently explain the transactions recorded. In preparing the financial statements, the Directors are required to exercise judgement to make certain estimates that are reasonable, prudent and relevant to be incorporated in the financial statements. The Directors are also responsible for safeguarding the assets of the Group and hence to take reasonable steps to prevent and detect fraud and other irregularities.

This above statement is approved at the meeting of the Board on 15 December 2023.

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 August 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of its subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after tax for the financial year	25,993,869	5,656,131

DIVIDENDS

Dividends paid or declared by the Company since 31 August 2022 are as follows:-

A final dividend of 1.00 sen per ordinary share amounting to RM 4,632,389 in respect of the financial year ended 31 August 2022 was approved by the shareholders at the Annual General Meeting held on 17 January 2023 and paid on 10 March 2023. The payment was made to the shareholders whose name appeared in the Company's Record of Depositors on 14 February 2023.

At the forthcoming Annual General Meeting, a final dividend of 1.60 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 August 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM 98,019,606 to RM 98,019,936 by way of an issuance of 550 new ordinary shares from the exercise of Warrants C at an exercise price of RM 0.60 per warrant as disclosed in Note 15 to the financial statements which amounted to RM 330.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the Warrants.

WARRANTS

Warrants C 2020/2023

As at 31 August 2023, the summary of the movements of Warrants is as follows:-

		Number of Warrants			
Issue Date	Expiry Date	At 01.09.2022	Exercised	Lapsed	At 31.08.2023
17.12.2020	16.12.2023	82,271,100	(550)	-	82,270,550

The ordinary shares issued from the exercise of Warrants shall rank equally in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividend, right, allotment and/or other distribution declared, made or paid prior to the relevant date of allotment and issuance of the new shares arising from the exercise of Warrants. Further details on the Warrants are detailed in Note 15 to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Chua Fen Fatt	
Tee Hwee Ing	
Mohd Khasan Bin Ahmad	*(Resigned on 15 May 2023)*
Datuk Tay Puay Chuan	*(Resigned on 15 May 2023)*
Teo Seng Kuang	*(Resigned on 15 December 2023)*
Kee Tong Kiak	*(Appointed on 15 May 2023)*
Hamsiah Binti Khalid	*(Appointed on 15 May 2023)*
Wong Wai Hung	*(Appointed on 15 December 2023)*

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares			
	Balance At 01.09.2022	Transferred	Sold	Balance At 31.08.2023
Chua Fen Fatt				
- Direct	141,824,626	10,191,255	-	152,015,881
- Indirect [(1)]	93,526,281	-	-	93,526,281
Tee Hwee Ing				
- Direct	93,526,281	-	-	93,526,281
- Indirect [(1)]	141,824,626	10,191,255	-	152,015,881
Teo Seng Kuang	53,906	-	-	53,906

Warrants C 2020/2023

	Number of Warrants C			
	Balance At 01.09.2022	Entitled	Transferred	Balance At 31.08.2023
Chua Fen Fatt				
- Direct	25,964,925	-	-	25,964,925
- Indirect [(1)]	5,256	-	-	5,256
Tee Hwee Ing				
- Direct	5,256	-	-	5,256
- Indirect [(1)]	25,964,925	-	-	25,964,925
Teo Seng Kuang	8,625	-	-	8,625

Notes:

[(1)] *Deemed interest by virtue of his/her spouse's interests in the Company.*

By virtue of their shareholdings in the Company, Chua Fen Fatt and Tee Hwee Ing are deemed to have an interest in the shares in all of its subsidiaries during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	Group RM	Company RM
Executive directors of the Company		
Short-term employee benefits:		
- salaries, bonuses and other benefits	3,409,317	7,000
- defined contribution benefits	646,000	-
	4,055,317	7,000
Estimated monetary value of benefits-in-kind	29,083	-
Non-executive directors of the Company		
Short-term employee benefits:		
- other benefits	10,500	10,500
- fees	154,485	154,485
	164,985	164,985

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage if issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Audit fees	120,000	28,000
Non-audit fees	5,000	5,000
	125,000	33,000

Signed in accordance with a resolution of the directors dated 15 December 2023.

Chua Fen Fatt

Tee Hwee Ing

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Chua Fen Fatt and Tee Hwee Ing, being two of the directors of Homeritz Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 49 to 99 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 August 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 15 December 2023

Chua Fen Fatt

Tee Hwee Ing

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Chua Fen Fatt, being the director primarily responsible for the financial management of Homeritz Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 99 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by }
the abovementioned Chua Fen Fatt at }
Muar in the State of Johor Darul Takzim }
on this 15 December 2023. }

Chua Fen Fatt

Before me
Lim Pei Ling (No. J238)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HOMERITZ CORPORATION BERHAD
(INCORPORATED IN MALAYSIA) REGISTRATION NO.: 200801004508 (805792-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Homeritz Corporation Berhad, which comprise the statements of financial position as at 31 August 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 99.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Carrying Value of Inventories Refer to Note 11 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group held inventories with carrying amount of RM 33,714,419 as at 31 August 2023. The carrying value of inventories is stated at the lower of cost and net realisable value. According to the Group's inventory write-down policy, the Group determines the amount of write-down for slow moving or obsolete inventories based upon the age of the slow moving inventories.	Our procedures included, among others:- • Compared the net realisable value to the cost of inventories at the end of the reporting period to assess the reasonableness of inventories write-down. • Performed test on the inventory ageing report to ensure inventories were grouped into the appropriate age bracket. • Reviewed the consistency of inventories write-down by checking such write-down against the corresponding age profile of inventories according to the group policy.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT	**Goh Siow Yen**
201906000005 (LLP0018817-LCA) & AF 1018	03557/03/2025 J
Chartered Accountants	Chartered Accountant

Muar, Johor Darul Takzim
Date : 15 December 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 AUGUST 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	67,832,931	69,408,962	-	-
Investment in subsidiaries	6	-	-	53,259,202	53,259,202
Right-of-use assets	7	1,766,458	2,082,472	-	-
Prepaid lease payments	8	8,980,344	7,569,784	-	-
Amount owing by subsidiaries	9	-	-	9,535,143	8,104,935
Goodwill	10	478,506	478,506	-	-
		79,058,239	79,539,724	62,794,345	61,364,137
CURRENT ASSETS					
Inventories	11	33,714,419	32,298,518	-	-
Trade receivables	12	12,163,861	15,177,674	-	-
Other receivables, deposits and prepayments	13	8,860,499	9,042,974	269,900	159,319
Fixed deposits with licensed banks	14	138,771,790	110,407,262	38,291,250	43,387,661
Cash and bank balances		31,468,411	37,789,484	663,079	663,746
		224,978,980	204,715,912	39,224,229	44,210,726
TOTAL ASSETS		304,037,219	284,255,636	102,018,574	105,574,863
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	98,019,936	98,019,606	98,019,936	98,019,606
Retained profits		183,308,427	161,946,947	3,738,727	2,714,985
TOTAL EQUITY		281,328,363	259,966,553	101,758,663	100,734,591
NON-CURRENT LIABILITIES					
Lease liabilities	16	41,725	289,991	-	-
Deferred tax liabilities	17	4,736,000	4,736,000	-	-
		4,777,725	5,025,991	-	-
CURRENT LIABILITIES					
Trade payables	18	5,931,658	4,380,825	-	-
Other payables and accruals	19	10,029,845	7,889,039	182,487	194,065
Dividend payable	20	-	4,632,383	-	4,632,383
Current tax liabilities		1,721,360	1,914,760	77,424	13,824
Lease liabilities	16	248,268	294,226	-	-
Derivative liabilities	21	-	151,859	-	-
		17,931,131	19,263,092	259,911	4,840,272
TOTAL LIABILITIES		22,708,856	24,289,083	259,911	4,840,272
TOTAL EQUITY AND LIABILITIES		304,037,219	284,255,636	102,018,574	105,574,863

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
REVENUE	22	162,643,736	243,294,453	5,000,000	8,000,000
OTHER INCOME		3,307,149	6,685,742	-	-
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		49,233	(2,394,993)	-	-
RAW MATERIALS USED		(73,961,832)	(126,086,142)	-	-
DEPRECIATION		(6,236,566)	(6,766,617)	-	-
STAFF COSTS	24	(35,751,992)	(35,672,548)	(171,985)	(178,500)
FINANCE COSTS		(23,773)	(31,907)	-	-
OTHER EXPENSES		(21,658,551)	(27,069,307)	(234,566)	(247,507)
RESULTS FROM OPERATING ACTIVITIES		28,367,404	51,958,681	4,593,449	7,573,993
INTEREST INCOME		5,019,803	1,690,555	1,387,779	513,878
PROFIT BEFORE TAX	25	33,387,207	53,649,236	5,981,228	8,087,871
INCOME TAX EXPENSE	26	(7,393,338)	(12,661,732)	(325,097)	(124,224)
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		25,993,869	40,987,504	5,656,131	7,963,647
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		25,993,869	40,987,504	5,656,131	7,963,647
EARNINGS PER ORDINARY SHARE (SEN)	27				
- Basic		5.61	9.61		
- Diluted		5.61	9.61		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Group	Note	Share capital RM	Retained profits RM	Total equity RM
Balance at 1 September 2021		76,375,428	128,111,545	204,486,973
Profit after tax and total comprehensive income for the financial year		-	40,987,504	40,987,504
Contributions by and distributions to owners of the Company:				
- Dividends	28	-	(7,152,102)	(7,152,102)
- Issuance of new shares upon warrants exercised		21,644,178	-	21,644,178
Balance at 31 August 2022 / 1 September 2022		98,019,606	161,946,947	259,966,553
Profit after tax and total comprehensive income for the financial year		-	25,993,869	25,993,869
Contributions by and distributions to owners of the Company:				
- Dividends	28	-	(4,632,389)	(4,632,389)
- Issuance of new shares upon warrants exercised		330	-	330
Balance at 31 August 2023		98,019,936	183,308,427	281,328,363

Company	Note	Share capital RM	Retained profits RM	Total equity RM
Balance at 1 September 2021		76,375,428	1,903,440	78,278,868
Profit after tax and total comprehensive income for the financial year		-	7,963,647	7,963,647
Contributions by and distributions to owners of the Company:				
- Dividends	28	-	(7,152,102)	(7,152,102)
- Issuance of new shares upon warrants exercised		21,644,178	-	21,644,178
Balance at 31 August 2022 / 1 September 2022		98,019,606	2,714,985	100,734,591
Profit after tax and total comprehensive income for the financial year		-	5,656,131	5,656,131
Contributions by and distributions to owners of the Company:				
- Dividends	28	-	(4,632,389)	(4,632,389)
- Issuance of new shares upon warrants exercised		330	-	330
Balance at 31 August 2023		98,019,936	3,738,727	101,758,663

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		33,387,207	53,649,236	5,981,228	8,087,871
Adjustments for:-					
Depreciation of right-of-use assets		316,014	280,602	-	-
Depreciation of property, plant and equipment		5,920,552	6,486,015	-	-
Dividend income		-	-	(5,000,000)	(8,000,000)
Gain on disposal of property, plant and equipment		-	(146,392)	-	-
Fair value (gain)/loss on derivative		(151,859)	151,859	-	-
Property, plant and equipment written off		12,757	2,880	-	-
Interest expense on lease liabilities		23,773	31,907	-	-
Interest income		(5,019,803)	(1,690,555)	(1,387,779)	(513,878)
Unrealised gain on foreign exchange		(317,222)	(258,414)	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		34,171,419	58,507,138	(406,551)	(426,007)
Inventories		(1,415,901)	27,944,285	-	-
Trade and other receivables, deposits and prepayments		3,462,559	(15,533,834)	(110,581)	(109,092)
Trade and other payables and accruals		3,018,062	(12,169,713)	(11,578)	25,202
CASH FROM/(FOR) OPERATIONS		39,236,139	58,747,876	(528,710)	(509,897)
Dividend received		-	-	5,000,000	8,000,000
Interest received		5,019,803	1,690,555	1,387,779	513,878
Tax paid		(7,586,738)	(8,447,302)	(261,497)	(87,300)
NET CASH FROM OPERATING ACTIVITIES		36,669,204	51,991,129	5,597,572	7,916,681
BALANCE CARRIED FORWARD		36,669,204	51,991,129	5,597,572	7,916,681

The annexed notes form an integral part of these financial statements.

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		36,669,204	51,991,129	5,597,572	7,916,681
CASH FLOWS FOR INVESTING ACTIVITIES					
Additions to prepaid lease payments		(1,410,560)	-	-	-
Advance to subsidiaries		-	-	(1,430,208)	(18,142)
(Additions)/Withdrawal of fixed deposits with tenure of more than 3 months		(128,771,790)	5,127,440	(38,291,250)	-
Proceeds from disposal of property, plant and equipment		-	238,287	-	-
Purchase of property, plant and equipment	29(a)	(3,814,103)	(7,133,933)	-	-
NET CASH FOR INVESTING ACTIVITIES		(133,996,453)	(1,768,206)	(39,721,458)	(18,142)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend paid		(9,264,772)	(2,519,719)	(9,264,772)	(2,519,719)
Interest paid		(23,773)	(31,907)	-	-
Repayment of lease liabilities	29(b)	(294,224)	(247,594)	-	-
Proceeds from issuance of new shares upon warrants exercised		330	21,644,178	330	21,644,178
NET CASH (FOR)/ FROM FINANCING ACTIVITIES		(9,582,439)	18,844,958	(9,264,442)	19,124,459
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(106,909,688)	69,067,881	(43,388,328)	27,022,998
EFFECT OF EXCHANGE DIFFERENCES		181,353	131,078	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		148,196,746	78,997,787	44,051,407	17,028,409
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29(d)	41,468,411	148,196,746	663,079	44,051,407

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 7 (1st Floor), Jalan Pesta 1/1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar Johor Darul Takzim
Principal place of business	:	Lot 8726, PTD 6023 Batu 8 Kawasan Perindustrian Bukit Bakri 84200 Muar Johor Darul Takzim

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15 December 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of its subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard and/or interpretation (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretation (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)			Effective Date
MFRS 17 Insurance Contracts			1 January 2023
Amendments to MFRS 10 and MFRS 128	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16	:	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts			1 January 2023
Amendment to MFRS 17	:	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	:	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	:	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	:	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	:	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108	:	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	:	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112	:	International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121	:	Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical accounting estimates and judgements

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(b) Impairment of property, plant and equipment

The Company determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

(c) Impairment of goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 10 to the financial statements.

(d) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of trade receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 12 to the financial statements.

(f) Impairment of amount owing by subsidiaries

The loss allowances for amount owing by subsidiaries are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of these financial assets at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of amounts owing by subsidiaries as at the reporting date are disclosed in Note 9 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(g) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the Group as at the reporting date are current tax liabilities of RM 1,721,360 (2022: RM 1,914,760). The carrying amount of the Company as at the reporting date are current tax liabilities of RM 77,424 (2022: RM 13,824).

(h) Discount rates used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical judgements made in applying accounting policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred included the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(c) Loss of control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

4.4 Functional and foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.5 Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair values through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt instruments

(i) Amortised cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair value through profit or loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Equity instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(d) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 Investment in subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Property, plant and equipment (cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purposes are:-

Factory buildings	2%
Factory equipment, plant and machinery	12.5 - 20%
Showroom, renovation, office equipment, furniture and fittings	10 - 20%
Motor vehicles	10 - 20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the assets, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 Impairment

(a) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (cont'd)

(a) Impairment of financial assets (cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortization method, useful life and residual value are reviewed and adjusted if appropriate, at the end of each reporting period.

4.10 Leases

Prepayments for the acquisition of leasehold land prior to the issuance of title i.e. the commencement of lease are capitalised as prepaid lease upon payments. Such amount shall be reclassified as right-of-use assets upon the commencement of lease.

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Leases (cont'd)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Company or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined based on specific identification and first-in, first-out method, where appropriate, and comprises the purchase price, production or conversion cost and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.13 Employee benefits

(a) Short-term benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Income taxes

(a) Current tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred tax

Deferred tax is recognised using the liability method for all temporary difference other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.15 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.17 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2 : Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 : Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

4.18 Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Revenue from contracts with customers (cont'd)

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Sale of furniture and furniture parts

Revenue from sale of furniture and furniture parts is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.19 Revenue from other sources and other operating income

(a) Dividend income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Government grant

Government grant that compensates the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for.

(d) Rental income

Rental income is accounted for on a straight-line method over the lease term.

5. PROPERTY, PLANT AND EQUIPMENT

Group - 2023	Freehold land RM	Factory buildings RM	Factory equipment, plant and machinery RM	Showroom, renovation, office equipment, furniture and fittings RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At cost							
At 1 September 2022	17,540,348	37,332,218	43,431,223	4,597,735	7,135,418	2,419,505	112,456,447
Additions	-	126,111	1,109,260	1,149,853	75,000	1,897,054	4,357,278
Write-off	-	-	(1,501,534)	(43,990)	-	-	(1,545,524)
At 31 August 2023	17,540,348	37,458,329	43,038,949	5,703,598	7,210,418	4,316,559	115,268,201
Less: Accumulated depreciation							
At 1 September 2022	-	5,733,739	31,013,144	2,918,960	3,305,834	-	42,971,677
Charge for the financial year	-	669,066	4,128,196	464,961	658,329	-	5,920,552
Write-off	-	-	(1,501,106)	(31,661)	-	-	(1,532,767)
At 31 August 2023	-	6,402,805	33,640,234	3,352,260	3,964,163	-	47,359,462
Less: Impairment losses							
At 1 September 2022 / 31 August 2023	75,808	-	-	-	-	-	75,808
Carrying amount							
At 31 August 2023	17,464,540	31,055,524	9,398,715	2,351,338	3,246,255	4,316,559	67,832,931

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group - 2022	Freehold land RM	Factory buildings RM	Factory equipment, plant and machinery RM	Showroom, renovation, office equipment, furniture and fittings RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At cost							
At 1 September 2021	17,540,348	36,173,573	42,080,663	4,349,997	6,214,175	88,074	106,446,830
Additions	-	1,158,645	1,832,502	259,310	1,322,207	2,331,431	6,904,095
Disposals	-	-	(475,142)	-	(400,964)	-	(876,106)
Write-off	-	-	(6,800)	(11,572)	-	-	(18,372)
At 31 August 2022	17,540,348	37,332,218	43,431,223	4,597,735	7,135,418	2,419,505	112,456,447
Less: Accumulated depreciation							
At 1 September 2021	-	5,089,681	26,616,602	2,563,650	3,015,432	-	37,285,365
Charge for the financial year	-	644,058	4,795,776	364,003	682,178	-	6,486,015
Disposals	-	-	(392,435)	-	(391,776)	-	(784,211)
Write-off	-	-	(6,799)	(8,693)	-	-	(15,492)
At 31 August 2022	-	5,733,739	31,013,144	2,918,960	3,305,834	-	42,971,677
Less: Impairment losses							
At 1 September 2021 / 31 August 2022	75,808	-	-	-	-	-	75,808
Carrying amount							
At 31 August 2022	17,464,540	31,598,479	12,418,079	1,678,775	3,829,584	2,419,505	69,408,962

There is no property, plant and equipment in the Company throughout the current and previous financial years.

6. INVESTMENT IN SUBSIDIARIES

	Company 2023 RM	Company 2022 RM
Unquoted shares, at cost	53,259,202	53,259,202

The details of the subsidiaries (all of which are incorporated in Malaysia) are as follows:-

Name of subsidiaries	Principal activities	Percentage of issued share capital held by parent 2023	2022
Home Upholstery Industries Sdn. Bhd.	Design, manufacture and sale of upholstery furniture products.	100%	100%
U.S. Furniture Manufacturing Sdn. Bhd.	Property investment holding.	100%	100%
Embrace Industries Sdn. Bhd.	Design, manufacturing and sale of furniture and furniture parts.	100%	100%
Homeours Sdn. Bhd.	Property investment holding.	100%	100%
Home Newcastle Sdn. Bhd.	Property investment holding.	100%	100%
Eritz Sdn. Bhd.	Dormant.	100%	100%

7. RIGHT-OF-USE ASSETS

Group	At 01.09.2022 RM	Depreciation charges RM	At 31.08.2023 RM
2023			
Carrying amount			
Leasehold land	1,510,795	(20,887)	1,489,908
Hostel	503,909	(232,571)	271,338
Shophouse	67,768	(62,556)	5,212
	2,082,472	(316,014)	1,766,458

7. RIGHT-OF-USE ASSETS (CONT'D)

Group	At 01.09.2021 RM	Additions RM	Depreciation charges RM	At 31.08.2022 RM
2022				
Carrying amount				
Leasehold land	1,531,683	-	(20,888)	1,510,795
Factory	8,562	-	(8,562)	-
Hostel	-	697,718	(193,809)	503,909
Shophouse	-	125,111	(57,343)	67,768
	1,540,245	822,829	(280,602)	2,082,472

The Group leases a piece of leasehold land, factory, hostel and shophouse of which the leasing activities are summarised below:-

(i) Leasehold land — The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease is for a period of 99 years with no renewal or purchase option included in the agreement. The lease do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(ii) Factory — The Group has leased a factory that runs 2 years with an option to renew the lease after that date.

(iii) Hostel — The Group has leased 4 hostels that runs 2 to 3 (2022: 2 to 3) years, with an option to renew the lease after that date.

(iv) Shophouse — The Group has leased a shophouse that runs 1 (2022:1) year, with an option to renew the lease after that date.

8. PREPAID LEASE PAYMENTS

	Group	
	2023 RM	2022 RM
Leasehold land under development		
At 1 September	7,569,784	7,569,784
Additions	1,410,560	-
At 31 August	8,980,344	7,569,784

These represents progress claims paid for 4 pieces of leasehold land.

9. AMOUNT OWING BY SUBSIDIARIES

This represents non-trade balances which are unsecured, interest free advances, repayable in the financial year ended 2024 and are to be settled in cash.

10. GOODWILL

	Group 2023 RM	2022 RM
At cost		
At 1 September/ 31 August	478,506	478,506

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to the cash-generating unit ("CGU") for impairment testing on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. The goodwill was allocated to design, manufacturing and sale of furniture and furniture parts, which comprises a CGU namely Embrace Industries Sdn. Bhd.. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU based on the following assumptions:-

- Cash flows are projected based on the management's five-year business plan.
- Discount rates used for cash flows discounting purpose are the pre-tax discount rate which reflects specific risks relating to the relevant operating segments. The discount rate applied for cash flow projection is 9.60% (2022: 11.40%).
- Annual growth rate of 5.30% (2022: 5.60%) for the CGU is determined based on the management's estimate of the industry trends and past performances of the CGU.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

11. INVENTORIES

	Group 2023 RM	2022 RM
Raw materials	28,768,636	27,149,067
Work-in-progress	2,747,705	2,828,128
Finished goods	1,893,418	1,763,761
Consumable tools	304,660	557,562
	33,714,419	32,298,518
Recognised in profit or loss:-		
Inventories recognised as cost of sales	73,912,599	128,481,135

12. TRADE RECEIVABLES

The Group's normal trade terms range from cash against documents to 150 days credit (2022: cash against documents to 150 days credit) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits	3,471,764	3,467,164	2,000	2,000
Deposits paid to suppliers	597,498	667,794	-	-
Prepayments	3,353,995	4,412,360	-	-
Sundry receivables	1,437,242	495,656	267,900	157,319
	8,860,499	9,042,974	269,900	159,319

Included in deposits is an amount of RM 2,858,822 (2022: RM 2,858,822) for the purchase of leasehold lands (Note 34).

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bear effective interest rates at 2.35% - 4.10% (2022: 2.35% - 2.78%) per annum and 2.40% - 4.05% (2022: 2.40% - 2.78%) per annum respectively. The fixed deposits have maturity periods of 3 - 6 months (2022: 3 months) and 3 - 6 months (2022: 3 months) for the Group and the Company respectively.

15. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up				
Ordinary shares				
At 1 September	463,238,302	98,019,606	412,903,004	76,375,428
Issuance of new shares pursuant to:				
- Warrant exercised	550	330	50,335,298	21,644,178
At 31 August	463,238,852	98,019,936	463,238,302	98,019,606

15. SHARE CAPITAL (CONT'D)

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM 98,019,606 to RM 98,019,936 by way of an issuance of 550 new ordinary shares pursuant from the exercise of Warrant C at an exercise price of RM 0.60 per warrant which amounted to RM 330.

(c) In the previous financial year, the issued and fully paid-up share capital of the Company was increased from RM 76,375,428 to RM 98,019,606 by way of issuance of 50,335,298 new ordinary shares pursuant from the exercise of Warrant B at an exercise price of RM 0.43 per warrant which amounted to RM 21,644,178.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

Warrants C 2020/2023

A total 82,274,350 bonus warrants were issued by the Company on 17 December 2020 on the basis of one (1) warrant for every four (4) existing ordinary shares held. Each warrant entitles the holder the right to subscribed for one (1) new ordinary share of the Company at an exercise price of RM 0.60. The warrants will expire on 16 December 2023.

The salient terms of the above warrants 2020/2023 ("Warrant C") are as follows:-

(a) The Warrants C are constituted by a Deed Poll executed on 1 December 2020.

(b) The Warrants C are traded separately.

(c) The Warrants C can be exercised any time during the tenure of 3 years commencing from the date of issue on 17 December 2020. Warrants C not exercised during the aforesaid period will lapse and cease to be valid.

(d) Each Warrant C entitles the registered holder to subscribe for one new ordinary share in the Company.

(e) Subject to the provisions in the Deed Poll, the Exercise Price and the number of Warrants C held by each warrant holder shall from time to time be adjusted by the Company in consultation with the approved adviser and certified by the auditors appointed by the Company.

(f) Subject to the provisions in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in general meeting.

16. LEASE LIABILITIES

	Group	
	2023 RM	2022 RM
At 1 September	584,217	8,982
Addition	-	822,829
Interest expense recognised in profit or loss	23,773	31,907
Repayment of principal	(294,224)	(247,594)
Repayment of interest expense	(23,773)	(31,907)
At 31 August	289,993	584,217
Analysed by:-		
Current liabilities	248,268	294,226
Non-current liabilities	41,725	289,991
	289,993	584,217

17. DEFERRED TAX LIABILITIES

	Group	
	2023 RM	2022 RM
At 1 September	(4,736,000)	(2,136,000)
Recognised in profit or loss (Note 26)	-	(2,600,000)
At 31 August	(4,736,000)	(4,736,000)

The component and movement of deferred tax liabilities of the Group during the financial year are as follows:-

	Excess of capital allowances over depreciation RM	Unutilised tax incentive RM	Other temporary differences RM	Total RM
At 1 September 2021	(3,428,000)	1,200,000	92,000	(2,136,000)
Recognised in profit or loss (Note 26)	(1,254,000)	(1,200,000)	(146,000)	(2,600,000)
At 31 August 2022/1 September 2022	(4,682,000)	-	(54,000)	(4,736,000)
Recognised in profit or loss (Note 26)	7,000	-	(7,000)	-
At 31 August 2023	(4,675,000)	-	(61,000)	(4,736,000)

18. TRADE PAYABLES

The normal trade terms granted to the Group range from cash against documents to 120 days credit (2022: cash against documents to 120 days credit) from the date of invoices.

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Accruals	2,637,738	2,077,554	182,485	183,500
Deposit from customers	5,431,200	4,924,941	-	-
Sales tax payable	50,988	62,799	-	-
Sundry payables	1,909,919	823,745	2	10,565
	10,029,845	7,889,039	182,487	194,065

Included in sundry payables of the Group is an amount of RM 571,819 (2022: RM 118,635) payable for the purchase of property, plant and equipment (Note 29(a)).

20. DIVIDEND PAYABLE

	Group and Company	
	2023 RM	2022 RM
In respect of the financial year ended 31 August 2022		
First interim dividend of 1.00 sen per ordinary share	-	4,632,383

21. DERIVATIVE LIABILITIES

	Group	
2022	Contract/ Notional amount RM	Derivative liabilities RM
Foreign forward currency contracts	8,782,940	151,859

The Group does not apply hedge accounting.

The Group uses foreign forward currency contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair values changes exposures. Such derivatives do not qualify for hedge accounting. The settlement dates on foreign forward currency contracts is NIL (2022: 1 to 5 months) after the end of the reporting period.

22. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue recognised at point in time				
Sales of furniture and furniture parts	162,643,736	243,294,453	-	-
Dividend income	-	-	5,000,000	8,000,000
	162,643,736	243,294,453	5,000,000	8,000,000

The sales of furniture and furniture parts are further disaggregated according to geographical region in Note 31(a) to the financial statements.

23. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive directors of the Company				
Short-term employee benefits				
- salaries, bonuses and other benefits	3,409,317	2,048,847	7,000	7,000
- defined contribution benefits	646,000	387,600	-	-
Total directors' remuneration	4,055,317	2,436,447	7,000	7,000
Non-executive directors of the Company				
Short-term employee benefits:				
- other benefits	10,500	10,500	10,500	10,500
- fees	154,485	161,000	154,485	161,000
	164,985	171,500	164,985	171,500
	4,220,302	2,607,947	171,985	178,500

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM 29,083 (2022: RM 33,600).

24. STAFF COSTS

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Executive directors' remuneration (Note 23)	4,055,317	2,436,447	7,000	7,000
Other staff costs				
Salaries and other emoluments	25,489,483	27,027,145	154,485	161,000
Defined contribution benefits	1,001,132	889,765	-	-
Other staff related expenses	5,206,060	5,319,191	10,500	10,500
	31,696,675	33,236,101	164,985	171,500
Total staff costs	35,751,992	35,672,548	171,985	178,500

25. PROFIT BEFORE TAX

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Profit before tax is arrived at after charging:-				
Auditors' remuneration				
- current	120,000	82,500	28,000	22,500
- underprovision in the previous financial year	7,000	-	2,500	-
- other services	5,000	3,800	5,000	3,800
Depreciation of property, plant and equipment	5,920,552	6,486,015	-	-
Depreciation of right-of-use assets	316,014	280,602	-	-
Interest expense on lease liabilities	23,773	31,907	-	-
Fair value loss on derivatives measured at fair value through profit or loss	-	151,859	-	-
Property, plant and equipment written off	12,757	2,880	-	-
Research and development expenditure	2,285,423	2,061,337	-	-
Short-term lease expenses	8,000	42,000	-	-
And (crediting):				
Fair value gain on derivatives measured at fair value through profit or loss	(151,859)	-	-	-
Gain on disposal of property, plant and equipment	-	(146,392)	-	-
Government grant	(43,039)	(60,616)	-	-
Interest income	(5,019,803)	(1,690,555)	(1,387,779)	(513,878)
Gain on foreign exchange:				
- realised	(1,777,413)	(5,693,840)	-	-
- unrealised	(317,222)	(258,414)	-	-
Rental income	(258,000)	(258,000)	-	-

26. INCOME TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense	7,830,000	10,325,000	330,000	125,000
Overprovision in the previous financial year	(436,662)	(263,268)	(4,903)	(776)
	7,393,338	10,061,732	325,097	124,224
Deferred tax (Note 17):				
- Origination of temporary differences	-	2,500,000	-	-
- Underprovision in the previous financial year	-	100,000	-	-
	-	2,600,000	-	-
	7,393,338	12,661,732	325,097	124,224

A reconciliation of income tax expense applicable to the profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	33,387,207	53,649,236	5,981,228	8,087,871
Tax at statutory income tax rate of 24%	8,013,000	12,880,000	1,435,000	1,941,000
Tax effect of non-taxable income	(537,000)	(590,000)	(1,200,000)	(1,920,000)
Tax effect of non-deductible expenses	354,000	535,000	95,000	104,000
(Over)/Underprovision in the previous financial year				
- current tax	(436,662)	(263,268)	(4,903)	(776)
- deferred tax	-	100,000	-	-
	7,393,338	12,661,732	325,097	124,224

27. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit after tax attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
Profit after tax attributable to owners of the Company (RM)	25,993,869	40,987,504
Weighted average number of ordinary shares in issue (unit)	463,238,646	426,488,984
Basic earnings per ordinary share (sen)	5.61	9.61

(b) Diluted earnings per ordinary share

	Group	
	2023	2022
Profit after tax attributable to owners of the Company for diluted earnings per ordinary share computation (RM)	25,993,869	40,987,504
Weighted average number of ordinary shares for diluted earnings per ordinary share computation (unit)	463,238,646	426,488,984
Diluted earnings per ordinary share (sen)	5.61	9.61

The effects of potential ordinary shares arising from the conversion of warrants were anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per ordinary share. As a result, the diluted earnings per ordinary share is the same as basic earnings per ordinary share.

28. DIVIDENDS

	Group and Company	
	2023 RM	2022 RM
In respect of the financial year ended 31 August 2021		
Final dividend of 0.60 sen per ordinary share	-	2,519,719
In respect of the financial year ended 31 August 2022		
First interim dividend of 1.00 sen per ordinary share	-	4,632,383
Final dividend of 1.00 sen per ordinary share	4,632,389	-
	4,632,389	7,152,102

At the forthcoming Annual General Meeting, a final dividend of 1.60 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 August 2024.

29. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets are as follows:-

	Group 2023 RM	Group 2022 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 5)	4,357,278	6,904,095
Less: Unpaid balance included in sundry payables (Note 19)	(571,819)	(118,635)
Add: Cash paid in respect of acquisitions in the previous financial year	28,644	348,473
	3,814,103	7,133,933
Right-of-use assets		
Cost of right-of-use assets acquired (Note 7)	-	822,829
Less: Addition of new lease liabilities (Note (b) below)	-	(822,829)
	-	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

Group 2023	Lease liabilities RM	Total RM
At 1 September	584,217	584,217
Changes in financing cash flows		
Repayment of principal	(294,224)	(294,224)
Repayment of interest	(23,773)	(23,773)
	(317,997)	(317,997)
Non-cash changes		
Interest expense recognised in profit or loss	23,773	23,773
	23,773	23,773
At 31 August	289,993	289,993

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-(cont'd)

Group 2022	Lease liabilities RM	Total RM
At 1 September	8,982	8,982
Changes in financing cash flows		
Repayment of principal	(247,594)	(247,594)
Repayment of interest	(31,907)	(31,907)
	(279,501)	(279,501)
Non-cash changes		
Acquisition of new lease	822,829	822,829
Interest expense recognised in profit or loss	31,907	31,907
	854,736	854,736
At 31 August	584,217	584,217

(c) The total cash outflows for leases as a lessee are as follows:-

	Group 2023 RM	 2022 RM
Payment of short-term lease	8,000	42,000
Interest paid on lease liabilities	23,773	31,907
Payment of lease liabilities	294,224	247,594
	325,997	321,501

(d) The cash and cash equivalents comprise the following:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	31,468,411	37,789,484	663,079	663,746
Fixed deposits with licensed banks	138,771,790	110,407,262	38,291,250	43,387,661
	170,240,201	148,196,746	38,954,329	44,051,407
Less: Fixed deposits with tenure of more than 3 months	(128,771,790)	-	(38,291,250)	-
	41,468,411	148,196,746	663,079	44,051,407

30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Subsidiaries				
Dividend received	-	-	5,000,000	8,000,000
Company in which person(s) connected to director has substantial financial interests				
Repayment of lease liabilities	63,901	55,734	-	-
Interest expense on lease liabilities	2,099	4,766	-	-
Company in which director has substantial financial interest				
Professional fee expenses	21,393	-	-	-
Director				
Short-term lease expenses	8,000	-	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Compensation of key management personnel

Key management personnel include the Group and the Company's executive and non-executive directors and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Details on the compensation for these key management personnel are disclosed in Note 23 to the financial statements.

31. OPERATING SEGMENTS

The Group operates principally within the business of design, manufacture and sale of furniture and furniture parts in Malaysia. Accordingly, information by business segments on the Group's operations as required by MFRS 8 is not presented.

(a) Geographical information

In presenting information on the basis of geographical segments, segmental information on non-current assets is not presented, as all assets are located in Malaysia. Segmental revenue is presented based on the geographical location of customers.

	Group	
	2023 RM	2022 RM
Africa and Middle East	1,079,801	1,421,228
Americas and European Countries	63,145,916	133,794,476
Asia and Asia Pacific (excluding Malaysia)	82,755,978	96,895,121
Malaysia	15,662,041	11,183,628
	162,643,736	243,294,453

(b) Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

32. CAPITAL COMMITMENTS

	Group	
	2023 RM	2022 RM
Purchase of property, plant and equipment	4,818,000	6,517,000
Additions to prepaid lease	470,000	1,881,000
	5,288,000	8,398,000

33. FINANCIAL INSTRUMENTS

The Group's activities are exposed to variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

33.1 Financial risk management policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currencies giving rise to this risk are primarily Euro and United States Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into foreign forward currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on carrying amounts of the financial instruments at the end of reporting period is summarised below:-

Foreign currency exposure

Group	Euro RM	United States Dollar RM	Ringgit Malaysia RM	Others RM	Total RM
2023					
Financial Assets					
Trade receivables	-	9,389,073	2,774,788	-	12,163,861
Cash and bank balances	45,598	7,530,054	23,886,980	5,779	31,468,411
	45,598	16,919,127	26,661,768	5,779	43,632,272
Financial Liabilities					
Trade payables	-	638,946	5,292,712	-	5,931,658
Other payables and accruals	-	85,826	4,461,369	462	4,547,657
	-	724,772	9,754,081	462	10,479,315
Net financial assets	45,598	16,194,355	16,907,687	5,317	33,152,957
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(16,907,687)	-	(16,907,687)
Currency Exposure	45,598	16,194,355	-	5,317	16,245,270

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(a) **Market risk (cont'd)**

(i) **Foreign currency risk (cont'd)**

Foreign currency exposure (cont'd)

Group	Euro RM	United States Dollar RM	Ringgit Malaysia RM	Others RM	Total RM
2022					
Financial Assets					
Trade receivables	-	13,079,557	2,098,117	-	15,177,674
Cash and bank balances	45,322	16,370,574	21,353,829	19,759	37,789,484
	45,322	29,450,131	23,451,946	19,759	52,967,158
Financial Liabilities					
Trade payables	-	266,115	4,114,710	-	4,380,825
Other payables and accruals	-	94,546	2,803,329	3,424	2,901,299
	-	360,661	6,918,039	3,424	7,282,124
Net financial assets	45,322	29,089,470	16,533,907	16,335	45,685,034
Less : Net financial assets denominated in the respective entities' functional currencies	-	-	(16,533,907)	-	(16,533,907)
Currency Exposure	45,322	29,089,470	-	16,335	29,151,127

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	Group	
	2023 RM	2022 RM
Effects on profit after tax		
EUR/RM		
- strengthened by 5%	1,733	1,722
- weakened by 5%	(1,733)	(1,722)
USD/RM		
- strengthened by 5%	615,385	1,105,400
- weakened by 5%	(615,385)	(1,105,400)

There is no impact on the Group's equity.

(ii) Interest rate risk

The Group does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity price risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from advances to subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) (2022: two (2)) trade receivables, the balances of each is equal to or more than 10% of total balances constituting approximately 36% (2022: 33%) of its trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:-

	Group	
	2023	2022
	RM	RM
Africa and Middle East	2,934	73,010
Americas and European Countries	3,349,823	5,541,347
Asia and Asia Pacific (excluding Malaysia)	6,036,316	7,465,200
Malaysia	2,774,788	2,098,117
	12,163,861	15,177,674

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectations of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial assest have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as default of past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due.

Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the overnight policy rate as the key macroeconomic of the forward-looking information for certain subsidiary. However, the historical loss rate for remaining subsidiary were not adjusted as they have not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for impairment losses

Group	Gross amount RM	Individual impairment RM	Collective impairment RM	Carrying amount RM
2023				
Current (not past due)	12,099,234	-	-	12,099,234
1 to 30 days past due	58,753	-	-	58,753
61 to 90 days past due	755	-	-	755
More than 90 days past due	5,119	-	-	5,119
	12,163,861	-	-	12,163,861

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (Cont'd)

(b) Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

Trade receivables (cont'd)

Allowance for impairment losses (cont'd)

Group	Gross amount RM	Individual impairment RM	Collective impairment RM	Carrying amount RM
2022				
Current (not past due)	14,826,089	-	-	14,826,089
1 to 30 days past due	328,015	-	-	328,015
31 to 60 days past due	23,032	-	-	23,032
More than 90 days past due	538	-	-	538
	15,177,674	-	-	15,177,674

Other receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Allowance for impairment losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed deposits with licensed banks, cash and bank balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount owing by subsidiaries (non-trade balances)

The Company applied the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, assumptions and techniques used for estimating impairment losses

The Company measures the expected credit losses on individual basis, which aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiaries' financial position deteriorates significantly.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

Amount owing by subsidiaries (non-trade balances) (cont'd)

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiaries does not have sufficient highly liquid resources when the amount owing are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured on either 12-month expected credit losses or lifetime expected credit losses by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for impairment losses

Company	Gross amount RM	12-months loss allowance RM	Lifetime loss allowance RM	Carrying amount RM
2023				
Low credit risk	9,535,143	-	-	9,535,143
2022				
Low credit risk	8,104,935	-	-	8,104,935

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:-

Group	Contractual annual interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM
2023					
Non-derivative financial liabilities					
Trade payables	-	5,931,658	5,931,658	5,931,658	-
Other payables and accruals	-	4,547,657	4,547,657	4,547,657	-
Lease liabilities	3.50 - 5.70	289,993	299,500	257,500	42,000
		10,769,308	10,778,815	10,736,815	42,000
2022					
Non-derivative financial liabilities					
Trade payables	-	4,380,825	4,380,825	4,380,825	-
Other payables and accruals	-	2,901,299	2,901,299	2,901,299	-
Lease liabilities	4.78 - 5.70	584,217	617,500	318,000	299,500
Dividend payable	-	4,632,383	4,632,383	4,632,383	-
Derivative financial liabilities					
Foreign forward currency contract	-	151,859	-	-	-
- Gross payment	-	-	8,934,799	-	-
- Gross receipt	-	-	(8,782,940)	-	-
		12,650,583	12,683,866	12,232,507	299,500

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management policies (cont'd)

(c) Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
2023			
Non-derivative financial liabilities			
Other payables and accruals	182,487	182,487	182,487
2022			
Non-derivative financial liabilities			
Other payables and accruals	194,065	194,065	194,065
Dividend payable	4,632,383	4,632,383	4,632,383
	4,826,448	4,826,448	4,826,448

33.2 Capital risk management

The Group defines capital as the total equity and debt of the Group. The objective of the Group's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors and maintains a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory, if any.

There was no change in the Group's approach to capital management during the financial year.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Classification of financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets				
Amortised cost				
Trade receivables	12,163,861	15,177,674	-	-
Other receivables	1,437,242	495,656	267,900	157,319
Amount owing by subsidiaries	-	-	9,535,143	8,104,935
Fixed deposits with licensed banks	138,771,790	110,407,262	38,291,250	43,387,661
Cash and bank balances	31,468,411	37,789,484	663,079	663,746
	183,841,304	163,870,076	48,757,372	52,313,661
Financial liabilities				
Fair value through profit or loss				
Derivative liabilities	-	151,859	-	-
Amortised cost				
Trade payables	5,931,658	4,380,825	-	-
Other payables and accruals	4,547,657	2,901,299	182,487	194,065
Lease liabilities	289,993	584,217	-	-
Dividend payable	-	4,632,383	-	4,632,383
	10,769,308	12,498,724	182,487	4,826,448

33.4 Gains or losses arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets				
Amortised cost				
Net gains recognised in profit or loss	5,467,427	2,138,931	1,387,779	513,878
Financial liabilities				
Fair value through profit or loss				
Net gain/(loss) recognised in profit or loss	151,859	(151,859)	-	-
Amortised cost				
Net loss recognised in profit or loss	(154,175)	(40,502)	-	-

33. FINANCIAL INSTRUMENTS (CONT'D)

33.5 Fair value information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

Group 2022	Fair value of financial instruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
Financial liabilities					
Derivative liabilities	-	151,859	-	151,859	151,859

(a) The fair values of foreign forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).

(b) There were no transfers between level 1 and level 2 during the financial year.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 February 2021, a subsidiary of the Company, Embrace Industries Sdn. Bhd. ("EISB"), entered into a sale and purchase agreement with Khazanah Realty Sdn. Bhd. ("the Vendor") for the acquisition of two leasehold lands which located at PN 81402 Lot No. 11722 and PN 73632 Lot No. 11723, both of Mukim of Parit Bakar, District of Muar, State of Johor ("the said property") for a total purchase consideration of RM 5,717,643 and EISB has paid deposit of 50% amounting to RM 2,858,822.

Upon signing of this agreement, the following conditions precedent are to be fulfilled within three months from the date of this agreement with an extension of two months:-

(i) To obtain approval to construct the public infrastructure, factory building, planning permission and building plan;

(ii) To obtain certification from the licensed Architect that the construction of the public infrastructure for Lot 11723 has been commenced; and

(iii) To obtain consent of the State Authority to transfer Lot 11722 from the Vendor to the Company.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

However, the Vendor has breached the undertaking and failed or refused to assist EISB in applying to the authorities concerned for the approval to construct the public infrastructure, factory building, planning permission and the approval of building plan for the said property. Furthermore, the Vendor applied for the consent of the State Authority after 4 months from the agreement. Thus, EISB alleged the Vendor had waived the conditions precedent and time is at large. EISB had filed a writ of summons in the High Court on 24 September 2021 for claiming a declaration that the Vendor is not entitled to terminate the agreement.

On 5 November 2021, the Vendor's solicitors had filed a Statement of Defence and Counterclaim. EISB had then filed an amended Statement of Claim and a Reply to Defence and Defence to Counterclaim on 29 November 2021. EISB had then filed an application for summary judgment before the learned judge of the Muar High Court on 18 July 2022. The matter is now fixed for further case management on 15 January 2024 and trial dated fixed on 11 March 2024 and 12 March 2024.

EISB does not expect any losses to arise by reason of the commencement of this civil proceedings other than legal cost and time in initiating the claim.

As of the reporting date, the transaction is pending completion.

LIST OF PROPERTIES
AT 31 AUGUST 2023

Registered Owner	Location	Description and existing use	Tenure/ Expiry of Lease	Age of Buildings (Years)	Category of Land Use/ Land Area/ Built Up Area	Net book Value as at 31.08.2023 RM	Date of valuation/ acquisition
USF	Lot No. 8726, PN 9634, Mukim of Jalan Bakri, District of Muar, State of Johor	A plot of industrial land erected with a block of single-storey factory building together with a three-storey office annexe, an extended first floor factory and lean to sheds, showroom and other ancillary structures.*	Leasehold for a term of 99 years/ Expiring on 29 December 2094	23	Industrial/ 9,030 sq. m./ 9,051 sq. m.	3,542,934	15.01.2008
HUI	Lot PTD No. 9495, HSD 31616, Mukim of Jalan Bakri, District of Muar, State of Johor	A plot of industrial land erected with a block of single-storey factory building and a guard house.	Freehold	16	Industrial/ 7,262 sq. m./ 4,391 sq. m.	2,414,557	15.01.2008
HUI	HS(D) 35993, Lot PTD 11373, in the Mukim of Jalan Bakri, District of Muar, State of Johor	Two (2) adjoining plots of industrial land erected with a block of single-storey factory building together with a double-storey office annexe, a production office and other ancillary structures.	Freehold	16	Industrial/ 24,282 sq. m./ 17,217 sq. m.	8,984,090	15.01.2008
HUI	HS(D) 33704 and HS(D) 33703, Lots PTD 10628 and 10629, both in the Mukim of Jalan Bakri, District of Muar, State of Johor	Two (2) adjoining plots of industrial land erected with two blocks of single-storey factory building together with a double-storey office annexe, and other ancillary structures.	Freehold	13	Industrial/ 15,544 sq. m./ 9,290 sq. m.	5,224,328	10.09.2007

LIST OF PROPERTIES
AT 31 AUGUST 2023 (CONT'D)

Registered Owner	Location	Description and existing use	Tenure/ Expiry of Lease	Age of Buildings (Years)	Category of Land Use/ Land Area/ Built Up Area	Net book Value as at 31.08.2023 RM	Date of valuation/ acquisition
HUI	HS(D) 33687, Lot PTD 10634 in the Mukim of Jalan Bakri, District of Muar, State of Johor	A plot of industrial land with a block of single-storey factory building.	Freehold	6	Industrial/ 7,851 sq. m./ 5,116 sq. m.	3,653,394	18.11.2010
HUI	HS(D) 38792, Lot PTD 13725 in the Mukim of Jalan Bakri, District of Muar, State of Johor	A plot of agriculture land.	Freehold	N/A	Agriculture / 0.4053 hectares/ N/A	1,158,797	20.03.2018
EISB	Lot No. 8721, PN 9639, Mukim of Jalan Bakri, District of Muar, State of Johor	A plot of industrial land erected with a block of single-storey factory building together with a double-storey office annexe, and other ancillary structures.	Leasehold for a term of 99 years/ Expiring on 29 December 2094	23	Industrial/ 4,076 sq. m./ 2,338 sq. m.	1,310,941	16.01.2009
EISB	HS(D) 40781 PTD 17074 (Previously known as GRN 85821 Lot 4941), Mukim of Jalan Bakri, District of Muar, State of Johor	A plot of industrial land with 4 blocks of factory together with a four-storey of hostel annexe and other ancillary structures.	Freehold	3	Industrial/ 38,641 sq.m. / 24,065 sq.m.	23,832,230	07.09.2015
HNSB	PLO 31 and PLO 32, Muar Furniture Park**	Two (2) adjoining plots of industrial land.	Leasehold/ N/A	N/A	Industrial/ 6 acres/ N/A	4,490,172	27.02.2019
HOSB	PLO 33 and PLO 34, Muar Furniture Park**	Two (2) adjoining plots of industrial land.	Leasehold/ N/A	N/A	Industrial/ 6 acres/ N/A	4,490,172	27.02.2019

Note:

* HUI owns the factory building which was built on Lot 8726.

** Land held under Master title of HS(D) 38459, PTD 13399 and HS(D) 38460, PTD 13400, Geran 50191, Lot 8531 situated in Mukim Jalan Bakri, District of Muar, State of Johor which titles have yet to be issued. The lands are under development and not ready to use and included in the prepaid lease payment.

ANALYSIS OF SHAREHOLDINGS
AT 29 NOVEMBER 2023

Issued and Fully Paid Up Share Capital	: RM 98,020,340.68
Class of Shares	: Ordinary shares
No. of shares in issue	: 463,239,527
Voting Right	: One vote per ordinary share at any shareholders' meeting
Number of Shareholders	: 5,923

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of issued share capital
1-99	503	8.492	24,546	0.005
100-1,000	555	9.370	258,290	0.057
1,001-10,000	2,667	45.029	13,512,535	2.917
10,001-100,000	1,934	32.652	57,530,174	12.419
100,001-23,161,975*	262	4.423	146,371,820	31.597
23,161,976 and above**	2	0.034	245,542,162	53.005
Total	**5,923**	**100.000**	**463,239,527**	**100.000**

Notes:
* Less than 5% of issued shares.
** 5% and above of issued shares.

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS (Holding 5% or more of the share capital)

	No. of shares held			
Name of Shareholders	Direct	%	Indirect	%
Chua Fen Fatt	152,015,881	32.815	93,526,281[(1)]	20.189
Tee Hwee Ing	93,526,281	20.189	152,015,881[(1)]	32.815

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

	No. of shares held			
Name of Directors	Direct	%	Indirect	%
Chua Fen Fatt	152,015,881	32.815	93,526,281[(1)]	20.189
Tee Hwee Ing	93,526,281	20.189	152,015,881[(1)]	32.815
Teo Seng Kuang	53,906	0.011	-	-

Note:
[(1)] Deemed interest by virtue of his/her spouse's substantial interest of the Company.

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AT 29 NOVEMBER 2023 (AS PER THE RECORD OF DEPOSITORS)

No.	Name of Shareholders	No. of shares held	% of issued share
1	CHUA FEN FATT	152,015,881	32.815
2	TEE HWEE ING	93,526,281	20.189
3	CHUA FEN LEE	14,463,776	3.122
4	TEE HUI CHEIN	12,745,875	2.751
5	LEONG YOK MOY	4,881,850	1.053
6	YAYASAN GURU TUN HUSSEIN ONN	4,419,125	0.953
7	KINGSLEY LIM FUNG WANG	3,800,000	0.820
8	QUEK WEE SENG	3,746,250	0.808
9	OOI SAY EE	3,700,000	0.798
10	YAYASAN GURU TUN HUSSEIN ONN	3,060,625	0.660
11	ELEBEST ENGINEERING SDN BHD	3,000,000	0.647
12	YAYASAN GURU TUN HUSSEIN ONN	2,697,000	0.582
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG (E-IMO/JSI)*	2,150,000	0.464
14	SULTAN IDRIS SHAH	2,083,750	0.449
15	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI*	2,078,593	0.448
16	NG AH BAH @ NG SEE KAI	2,031,500	0.438
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG MARY (E-JAH)*	1,954,100	0.421
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAWARIA SDN BHD*	1,707,300	0.368
19	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	1,640,000	0.354
20	QUEK WEE SENG	1,496,000	0.322
21	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LAI CHIE KING*	1,343,750	0.290
22	TAN AIK CHOON	1,233,100	0.266
23	CHAN HOONG MUN	1,169,200	0.252
24	KHOR CHAI MOI	1,111,312	0.239
25	PUA YU HENG	1,079,625	0.233
26	CIMB GROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS BANK LTD (SFS)*	1,066,900	0.230
27	CHONG KONG HOE	1,061,800	0.229
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GOALKEY SYSTEM SDN BHD (MY14 61)*	1,002,000	0.216
29	IFAST NOMINEES (TEMPATAN) SDN BHD *PERMANENT MUTUAL HOLDINGS SDN BHD*	1,000,000	0.215
30	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG CHAW KOK*	987,600	0.213

ANALYSIS OF WARRANTS C HOLDINGS
AT 29 NOVEMBER 2023

Number of Warrant Issued	: 82,274,350
Number of Warrant Exercised	: 4,475
Number of Warrant Unexercised	: 82,269,875
Exercise Price Per Warrant	: RM0.60
Number of holders	: 3,582

DISTRIBUTION OF WARRANT C HOLDINGS

Size of holdings	No. of Warrants Holders	% of Warrants Holders	No. of Warrants	% of Warrants
1-99	894	24.958	40,142	0.049
100-1,000	1,146	31.993	575,705	0.700
1,001-10,000	1,236	34.506	3,774,581	4.588
10,001-100,000	243	6.784	8,571,910	10.419
100,001-4,113,492*	61	1.703	24,642,612	29.953
4,113,493 and above**	2	0.056	44,664,925	54.291
Total	**3,582**	**100.000**	**82,269,875**	**100.000**

Notes:
* Less than 5% of issued warrants.
** 5% and above of issued warrants.

DIRECTORS' INTEREST ACCORDING TO THE REGISTER OF DIRECTORS' WARRANT HOLDINGS

	No. of Warrant held			
Name of Directors	Direct	%	Indirect	%
Chua Fen Fatt	25,964,925	31.560	5,256[(1)]	0.006
Tee Hwee Ing	5,256	0.006	25,964,925[(1)]	31.560
Teo Seng Kuang	8,625	0.010	-	-

Note:
(1) Deemed interest by virtue of his/her spouse's substantial interest of the Company

ANALYSIS OF WARRANTS C HOLDINGS AT 29 NOVEMBER 2023 (CONT'D)

LIST OF TOP THIRTY (30) LARGEST WARRANTS C HOLDERS AT 29 NOVEMBER 2023 (AS PER THE RECORD OF DEPOSITORS)

No.	Name of Holders	No. of warrants	% of warrants issued
1	CHUA FEN FATT	25,964,925	31.560
2	TEE HUI CHEIN	18,700,000	22.730
3	MOHD NOR KHAIRUL FADLILLAH BIN SIDEK	3,100,000	3.768
4	CHUA FEN LEE	2,054,275	2.496
5	YEO KOK HWEE	1,320,000	1.604
6	YAP TIEN SEE	1,000,000	1.215
7	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHEANG WAI KETT (MM1156)*	827,200	1.005
8	GAN SOON POH	777,100	0.944
9	CHUA YEE TING	700,000	0.850
10	MOHD FARID BIN MOHD RAMLY	611,100	0.742
11	CHOO GHEE HIN	600,000	0.729
12	KUAN CHEE BOON	600,000	0.729
13	TAN BEE ONG @ TAN BEE HOON	600,000	0.729
14	QUEK WEE SENG	549,250	0.667
15	ONG KOK HEONG	532,700	0.647
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD *RAHIMI BIN AB WAHAB*	530,950	0.645
17	MUHAMMAD ASHRAF BIN ESA	530,000	0.644
18	LEE BEE GEOK	509,000	0.618
19	KHAIRUL SYAZMAN BIN MANSOR	500,000	0.607
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD *TAN KANG PAN*	450,000	0.546
21	WONG KING CHARD	450,000	0.546
22	LOW KA AIK	400,000	0.486
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG MARY (E-JAH)*	400,000	0.486
24	SITI NORSHAFIKA BINTI RAZALI	400,000	0.486
25	OOI SAY EE	325,000	0.395
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR DEVAN A/L DINASAN*	324,900	0.394
27	KEVIN TAN	265,500	0.322
28	MOHD NORHUSAIRI BIN MAT HUSSIN	239,700	0.291
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD *LIM HOCK CHAI*	237,400	0.288
30	SHAHRUL NIZAM BIN MAT SAHAR	233,000	0.283

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF HOMERITZ CORPORATION BERHAD ("THE COMPANY") WILL BE 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. FOR THE TRANSACTION OF THE FOLLOWING BUSINESSES:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2023 together with the Reports of the Directors and the Auditors thereon.

2. To approve 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. *(Ordinary Resolution 1)*

3. To declare a final single-tier dividend of 1.6 sen per ordinary share in respect of the financial year ended 31 August 2023. *(Ordinary Resolution 2)*

4. To re-elect Ms Tee Hwee Ing, the Director who retire in accordance with Clause 91 of the Company's Constitution. *(Ordinary Resolution 3)*

5. To re-elect the following Directors who retire in accordance with Clause 99 of the Company's Constitution:-

   Mr Kee Tong Kiak *(Ordinary Resolution 4)*

   Puan Hamsiah Binti Khalid *(Ordinary Resolution 5)*

   Mr Wong Wai Hung *(Ordinary Resolution 6)*

6. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. *(Ordinary Resolution 7)*

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modification as ordinary resolutions:-

7. **Proposed renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** *(Ordinary Resolution 8)*

   "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 twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being ("Proposed General Mandate").

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.

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 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 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."

8. **Proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital** *(Ordinary Resolution 9)*

"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 ten percent (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;

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 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."

9. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Sixteenth Annual General Meeting, the proposed final single-tier dividend of 1.6 sen per ordinary share in respect of the financial year ended 31 August 2023, will be paid on 08 March 2024 to depositors registered in the Record of Depositors of the Company at the close of business on 16 February 2024.

A depositor shall qualify for entitlement only in respect of:-

a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 16 February 2024 in respect of ordinary transfers; or

b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Sixteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 66 of the Company's Constitution and Section 34 (1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 15 January 2024. Only a depositor whose name appears on the Record of Depositors as at 15 January 2024 shall be entitled to attend the said meeting or appoint proxy/proxies to attend and/or vote on his behalf.

BY ORDER OF THE BOARD

NG MEI WAN
(SSM Practicing Certificate No.: 201908000801) (MIA 28862)
TAN HUI KHIM
(SSM Practicing Certificate No.: 201908000859) (LS 0009936)
Company Secretaries

Muar, Johor Darul Takzim
22 December 2023

Notes:-

1. *Only depositors whose names appear in the Record of Depositors as at 15 January 2024 shall be regarded as members and be entitled to attend, participate, speak and vote at the Sixteenth Annual General Meeting.*

2. *A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.*

3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*

5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.*

6. *In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).*

7. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at https://tiih.online not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Sixteenth Annual General Meeting to vote by way of poll. For electronic lodgement please refer to the Administrative Guide of Sixteenth Annual General Meeting.*

EXPLANATORY NOTES TO THE AGENDA:-

8. *Item 1 of the Agenda*
   Audited Financial Statements

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.

9. *Item 2 of the Agenda - Ordinary Resolution 1*
   Approval of Directors' fees and allowances for the financial year ending 31 August 2024.

   Directors' fees and allowances approved for the financial year ended 31 August 2023 was RM200,000.00. The Directors' fees and allowances proposed for the financial year ending 31 August 2024 are calculated based on the number of scheduled Board and Committee Meetings for financial year ending 31 August 2024 and assuming that all the Non-Executive Directors will hold office until the end of the subject financial year.

   This resolution is to facilitate payment of Directors' fees and allowances on a quarterly basis 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.

10. *Item 7 of the Agenda - Ordinary Resolution 8*
    Proposed renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

    (a) The proposed Ordinary Resolution 8, if passed, will grant a mandate ("General Mandate") empowering the Directors of the Company, from the date of the Sixteenth Annual General Meeting 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 up to an amount not exceeding ten percent (10%) of the total number of issued shares capital of the Company. This authority, unless revoked or varied at a general meeting shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.

    (b) The General Mandate is a renewal of the previous mandate obtained at the last Annual General Meeting held on 17 January 2023 which will expire at the conclusion of the forthcoming Annual General Meeting.

    (c) As at the date of this Notice, the Company did not issue any new ordinary shares based on the previous mandate obtained at the last Annual General Meeting.

    (d) The General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding current and/or future investment project(s), working capital and/or acquisitions.

    (e) By voting in favour 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.

11. *Item 8 of the Agenda - Ordinary Resolution 9*
    Proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital

    The proposed Ordinary Resolution 9, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten percent (10%) of the total issued share capital of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.

    Further details are set out in the Statement to Shareholders dated 22 December 2023.

12. ***Annual Report***

    The Annual Report for the financial year ended 31 August 2023 is now available at the Company's corporate website, www.homeritzcorp.com. Printed copy of the Annual Report shall be provided to the shareholders upon request soonest possible from the date of receipt of the request.

    Shareholders who wish to receive the printed Annual Report may request at https://tiih.online by select "Request for Annual Report" under the "Investor Services" or contacting Tricor Investor & Issuing House Services Sdn. Bhd. [197101000970 (11324-H)] at 03-27839299 or email your request to is.enquiry@my.tricorglobal.com.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Details of Individuals Standing for Election as Directors

   No individual is seeking election as a Director at the Sixteenth Annual General Meeting of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

   Please refer to item 10 – Explanatory Notes to the Agenda for Ordinary Resolution 8 on Proposed renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

ADMINISTRATIVE GUIDE
FOR THE SIXTEENTH ANNUAL GENERAL MEETING ("16TH AGM") OF HOMERITZ CORPORATION BERHAD

Date	:	**Monday, 22 January 2024**
Time	:	**11.00 a.m.**
Venue of Meeting	:	**BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor Darul Takzim**

1. CORPORATE MEMBERS

a. Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") on or before the Annual General Meeting.

b. Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor not later than **Saturday, 20 January 2024** at **11.00 a.m.** to attend and vote at the 16th AGM.

2. GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

a. Only a depositor whose name appears on the ROD as at **15 January 2024** shall be entitled to attend, participate, speak and vote at the 16th AGM or appoint proxies to attend and/or vote on his/her behalf.

3. PROXY

The appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the 16th AGM or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid:-

a. In hard copy form

In case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

b. By electronic means

You may also submit the Form of Proxy electronically via TIIH Online website at https;//tiih.online not later than Saturday, 20 January 2024 at 11.00 a.m.. Please do read and follow the procedures below to submit Form of Proxy electronically.

4. ELECTRONIC LODGEMENT OF FORM OF PROXY

The procedures to lodge your Form of Proxy electronically via Tricor's **TIIH Online** website are summarised below:

<table>
<tr><th colspan="2">Procedure</th><th>Action</th></tr>
<tr><td colspan="3">1. Steps for Individual Members</td></tr>
<tr><td>(a)</td><td>Register as a User with TIIH Online</td><td>• Please access the website at https://tiih.online. Register as a user under the "e-Services". Select the "Sign Up" button and followed by "Create Account by Individual Holder". Please refer to the tutorial guide posted on the homepage for assistance.
• If you are already a user with TIIH Online, you are not required to register again.</td></tr>
<tr><td>(b)</td><td>Proceed with submission of Form of Proxy</td><td>• After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.
• Select the corporate event: "HOMERITZ CORPORATION BERHAD 16TH AGM - SUBMISSION OF FORM OF PROXY".
• Read and agree to the terms and conditions and confirm the Declaration.
• Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.
• Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.
• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.
• Review and confirm your proxy(s) appointment.
• Print Form of Proxy for your record.</td></tr>
<tr><td colspan="3">2. Steps for Corporation or Institutional Members</td></tr>
<tr><td>(a)</td><td>Register as a User with TIIH Online</td><td>• Access TIIH Online website at https://tiih.online.
• Under e-Services, the authorised or nominated representative of the corporation or institutional member selects the "Sign Up" button and followed by "Create Account by Representative of Corporate Holder".
• Complete the registration form and upload the required documents.
• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.
• Proceed to activate your account with the temporary password given in the email and re-set your own password.

(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</td></tr>
<tr><td>(b)</td><td>Proceed with submission of Form of Proxy</td><td>• Login to TIIH Online website at https://tiih.online.
• Select the corporate event: "HOMERITZ CORPORATION BERHAD 16TH AGM - SUBMISSION OF FORM OF PROXY".
• Read and agree to the terms and conditions and confirm the Declaration.
• Proceed to download the file format for "Submission of Form of Proxy" in accordance with the Guidance Note set therein.
• Prepare the file for the appointment of proxies by inserting the required data.
• Proceed to upload the duly completed proxy appointment file.
• Select "Submit" to complete your submission.
• Print the confirmation report of your submission for your record.</td></tr>
</table>

5. POLL VOTING

a. The Voting at the 16th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll and MK Advisory Management as Scrutineers to verify the poll results.

b. During the 16th AGM, the Chairman will invite the Poll Administrator to brief on the Voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.

c. Upon completion of the voting session for the 16th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

6. ANNUAL REPORT 2023

a. The Company's Annual Report 2023 is available at the Company's website at www.homeritzcorp.com.

b. Should you require a printed copy of the Annual Report 2023, please request at our Share Registrar's website at https://tiih.online by selecting "Request for Annual Report/Circular" under the "Investor Services" or kindly contact Tricor. Nevertheless, we hope that you would consider the environment before you decide to request for the printed copy.

7. REGISTRATION

a. The registration will commence at 10.00 a.m. on Monday, 22 January 2024 and will remain open until the conclusion of the 16th AGM or such time as may be determined by the Chairman of the meeting.

b. Please present your original National Registration Identity Card ("NRIC") or passport (for non-Malaysian) to the registration staff for verification.

c. Upon verification, you are required to write your name, mobile contact and sign the attendance list placed on the registration table. You will be given a voting slip for voting purposes.

d. No person will be allowed to register on behalf of another person even with the original NRIC or passport of the other person.

8. RECORDING OR PHOTOGRAPHY

a. Strictly **NO** unauthorised recording or photography of the 16th AGM proceedings is allowed.

9. ENQUIRY

a. If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Contact Person	:	Ms Nur Shafikah (+603-2783 9293 / nur.shafikah@my.tricorglobal.com) Mr Ashvinder Singh (+603-2783 7962 / ashvinder.singh@my.tricorglobal.com)
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com

HOMERITZ

HOMERITZ CORPORATION BERHAD
Registration No.: 200801004508 (805792-X)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No of shares held	

I/We, ... NRIC/Registration No. ....
(full name in capital letters)

of..
(full address and telephone no.)

being a member/members of **HOMERITZ CORPORATION BERHAD**, hereby appoint ....

.... NRIC / Passport No ....
(full name in capital letters)

of ....
(full address and telephone no.)

and/or (delete as appropriate) .... NRIC / Passport No ....
(full name in capital letters)

of ....
(full address and telephone no.)

or failing him/her*, the CHAIRMAN OF THIS MEETING as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company will be 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. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below :-

No.	Ordinary Resolution	For	Against
1	Approval of Directors' Fees and allowances for the financial year ending 31 August 2024		
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		
3	Re-election of Ms Tee Hwee Ing as Director		
4	Re-election of Mr Kee Tong Kiak as Director		
5	Re-election of Puan Hamsiah Binti Khalid as Director		
6	Re-election of Mr Wong Wai Hung as Director		
7	Re-appointment of Messrs Crowe Malaysia PLT as Auditors		
8	Renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
9	Renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital		

[Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit]

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

Proxy	No. of Shares	Percentage
1		
2		
Total		100%

Dated this .... day of ....

....
Signature of Shareholder or Common Seal

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 15 January 2024 shall be regarded as members and be entitled to attend, participate, speak and vote at the Sixteenth Annual General Meeting.*
2. *A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.*
3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.*
6. *In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).*

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Affix Stamp

The Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

Registration No.: 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

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7. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at https://tiih.online not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Sixteenth Annual General Meeting to vote by way of poll. For electronic lodgement please refer to the Administrative Guide of Sixteenth Annual General Meeting.*

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the Sixteenth Annual General Meeting and any adjournment thereof.

HOMERITZ CORPORATION BERHAD
Registration No.: 200801004508 (805792-X)

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