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If you are in any doubt as to the course of action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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HOMERITZ

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) **PROPOSED BONUS ISSUE OF UP TO 93,753,102 NEW ORDINARY SHARES IN HOMERITZ CORPORATION BERHAD (“HOMERITZ SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 4 EXISTING HOMERITZ SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”); AND**
- (II) **PROPOSED ISSUE OF UP TO 93,753,102 FREE WARRANTS IN HOMERITZ CORPORATION BERHAD (“WARRANTS C”) ON THE BASIS OF 1 WARRANT C FOR EVERY 4 EXISTING HOMERITZ SHARES HELD ON AN ENTITLEMENT DATE**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

RHB InvestmentBank

RHB Investment Bank Berhad
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“EGM”) of Homeritz Corporation Berhad (“Company”) will be conducted entirely through live streaming from the broadcast venue at No.12, 1st Floor, Jalan Mega, Pusat Perdagangan Mega, Jalan Sakeh, 84000 Muar, Johor, Malaysia using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIH Online website at <https://tjih.online> on Friday, 27 November 2020 at 12:00 noon, or at any adjournment thereof. The Notice of the EGM and the Form of Proxy are enclosed herein. Please refer to Administrative Guide issued to all shareholders of the Company on the conduct of the EGM.

A member entitled to attend and vote remotely at the EGM via the Remote Participation and Voting facilities provided is entitled to appoint a proxy or proxies to attend and vote on his/her behalf.

The Form of Proxy should be completed and lodged at the registered office of the Company at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor, or by electronic lodgement via TIH Online website at <https://tjih.online>, not less than 48 hours before the time set for holding the EGM, as indicated below, or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting remotely at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 25 November 2020 at 12:00 noon

Date and time of the EGM : Friday, 27 November 2020 at 12:00 noon

This Circular is dated 11 November 2020

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Additional Warrants B	:	The additional Warrants B to be issued arising from the adjustment to the number of outstanding Warrants B pursuant to the Proposed Bonus Issue of Shares in accordance with the terms of the deed poll governing the Warrants B
Board	:	Board of Directors of Homeritz
Bonus Shares	:	Up to 93,753,102 new Homeritz Shares to be issued pursuant to the Proposed Bonus Issue of Shares
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to the Shareholders dated 11 November 2020 in relation to the Proposals
Deed Poll	:	The deed poll constituting the Warrants C to be executed by the Company
Directors	:	The directors of Homeritz and shall have the meaning given in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	The Shareholders whose names appear in the Record of Depositors of Homeritz at the close of business on the Entitlement Date
Entitlement Date	:	5:00 p.m. on a date to be determined and announced later by the Board on which the Shareholders must appear in the Record of Depositors of Homeritz in order to be entitled to participate in the Proposals
EPS	:	Earnings per Share
Exercise Price	:	Exercise price of the Warrants C at RM0.75 for every 1 new Homeritz Share. Upon implementation of the Proposed Bonus Issue of Shares, the exercise price of the Warrants C will be adjusted to RM0.60
Homeritz or Company	:	Homeritz Corporation Berhad
Homeritz Group or Group	:	Homeritz and its subsidiaries, collectively
Homeritz Shares or Shares	:	Ordinary shares in Homeritz
LPD	:	12 October 2020, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (CONT'D)

Maximum Scenario	: Assuming all of the outstanding Warrants B are exercised prior to the implementation of the Proposals
Minimum Scenario	: Assuming none of the outstanding Warrants B are exercised prior to the implementation of the Proposals or during the tenure of the Warrants B
NA	: Net assets
Official List	: The list specifying all securities listed on the Main Market of Bursa Securities
Proposals	: The Proposed Bonus Issue of Shares and Proposed Free Warrants Issue, collectively
Proposed Bonus Issue of Shares	: Proposed bonus issue of up to 93,753,102 Bonus Shares on the basis of 1 Bonus Share for every 4 existing Homeritz Shares held on the Entitlement Date
Proposed Free Warrants Issue	: Proposed issue of up to 93,753,102 Warrants C on the basis of 1 Warrant C for every 4 existing Homeritz Shares held on the Entitlement Date
Record of Depositors	: The record of depositors maintained by Bursa Depository under the rules of Bursa Depository
RHB Investment Bank	: RHB Investment Bank Berhad
RM and sen	: Ringgit Malaysia and sen, respectively
Shareholders	: Shareholders of Homeritz
VWAP	: Volume weighted average market price
Warrants B	: 74,987,783 outstanding warrants 2019/2022 as constituted by the deed poll dated 14 June 2019 and expiring on 3 July 2022
Warrants C	: Up to 93,753,102 free warrants in Homeritz to be issued pursuant to the Proposed Free Warrants Issue

DEFINITIONS (CONT'D)

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and/or neuter genders and vice versa. References to persons shall include corporations.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

All references to “**you**” or “**your**” in this Circular are to the Shareholders.

TABLE OF CONTENTS

	PAGE
LETTER TO THE SHAREHOLDERS	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	2
3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS	7
4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS	8
5. EFFECTS OF THE PROPOSALS	11
6. HISTORICAL SHARE PRICES	16
7. APPROVALS REQUIRED	17
8. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	18
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM	19
10. DIRECTORS' STATEMENT AND RECOMMENDATION	19
11. ESTIMATED TIMEFRAME FOR COMPLETION	19
12. EGM	19
13. FURTHER INFORMATION	20
APPENDIX	
I. FURTHER INFORMATION	21
NOTICE OF EGM	ENCLOSED
ADMINISTRATIVE GUIDE	ENCLOSED
FORM OF PROXY	ENCLOSED



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

Registered Office

No. 7 (1st Floor) Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri
84000 Muar
Johor

11 November 2020

Board of Directors

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

To: Shareholders

Dear Sir/Madam,

- (I) PROPOSED BONUS ISSUE OF SHARES; AND**
- (II) PROPOSED FREE WARRANTS ISSUE**

1. INTRODUCTION

On 15 October 2020, RHB Investment Bank announced, on behalf of the Board, that the Company proposes to undertake the Proposals.

On 16 October 2020, RHB Investment Bank announced, on behalf of the Board, that the listing application in relation to the Proposals had been submitted to Bursa Securities.

On 4 November 2020, RHB Investment Bank announced, on behalf of the Board, that Bursa Securities had vide its letter dated 3 November 2020, approved the following:

- (i) the listing and quotation of the Bonus Shares and the Additional Warrants B on the Main Market of Bursa Securities;
- (ii) the admission of the Warrants C to the Official List of Bursa Securities;
- (iii) the listing and quotation of the Warrants C on the Main Market of Bursa Securities; and
- (iv) the listing and quotation of the new Homeritz Shares to be issued pursuant to the exercise of the Additional Warrants B and the Warrants C on the Main Market of Bursa Securities;

subject to the conditions as set out in **Section 7** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Bonus Issue of Shares

2.1.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue of Shares entails the issuance of up to 93,753,102 Bonus Shares on the basis of 1 Bonus Share for every 4 existing Homeritz Shares held by the Entitled Shareholders.

The basis of the Proposed Bonus Issue of Shares of 1 Bonus Share for every 4 existing Homeritz Shares was arrived at after taking into consideration the potential adjustments to the share price of Homeritz Shares arising from the Proposed Bonus Issue of Shares.

As at LPD:

- (i) the issued share capital of Homeritz comprises 300,024,625 Homeritz Shares; and
- (ii) there are 74,987,783 outstanding Warrants B.

For information purposes, based on the market price of Homeritz Shares of RM0.755 as at LPD which was higher than the exercise price of the Warrants B of RM0.54, the outstanding Warrants B are in the money.

The actual number of Bonus Shares to be issued will depend on the number of Homeritz Shares in issue on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient, and in the best interest of the Company and its shareholders.

The Proposed Bonus Issue of Shares will be implemented concurrently with the Proposed Free Warrants Issue. The Proposed Bonus Issue of Shares is not intended to be implemented in stages over a period of time.

For illustrative purposes, based on the 5-day VWAP of Homeritz Shares up to and including 14 October 2020 of RM0.7496, the theoretical ex-bonus share price of Homeritz Shares is RM0.5997. Further, the Board confirms that the share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily VWAP during the past 3-month period up to 16 October 2020 in accordance with Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Securities.

2.1.2 No capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue of Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Homeritz Shares but will not increase the value of share capital of Homeritz.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Homeritz Shares, save and except that the Bonus Shares shall not be entitled to any rights, allotments, dividends and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Bonus Shares.

2.1.4 Listing and quotation of the Bonus Shares

Bursa Securities had, vide its letter dated 3 November 2020, approved the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 7** of this Circular.

2.2 Details of the Proposed Free Warrants Issue

2.2.1 Basis and number of Warrants C to be issued

The Proposed Free Warrants Issue entails an issuance of up to 93,753,102 Warrants C on the basis of 1 Warrant C for every 4 Homeritz Shares held by the Entitled Shareholders. For the avoidance of doubt, the Bonus Shares are not entitled to the Warrants C.

The basis of the Proposed Free Warrants Issue of 1 Warrant C for every 4 existing Homeritz Shares was arrived at after taking into consideration the following:

- (i) the potential dilution to the consolidated EPS of Homeritz Group vis-à-vis the future earnings and prospects of Homeritz Group; and
- (ii) complying with Paragraph 6.50 of the Main Market Listing Requirements of Bursa Securities whereby the number of new Homeritz Shares which will arise from the outstanding Warrants B, Additional Warrants B and Warrants C (collectively, "**Outstanding Warrants**"), when exercised, shall not exceed 50% of the total number of issued Homeritz Shares (excluding treasury shares and before the exercise of Warrants B, Additional Warrants B and Warrants C) at all times.

For information purposes, the conversion of all the Outstanding Warrants in the Company will not exceed 50% of the total number of issued Homeritz Shares (excluding treasury shares and before the exercise of the Outstanding Warrants), as illustrated below:

		<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
<u>No. of Homeritz Shares</u>			
As at LPD		300,024,625	300,024,625
Add: Bonus Shares		75,006,156	93,753,102
After the Proposed Bonus Issue of Shares	(A)	375,030,781	⁽¹⁾468,765,510
<u>Outstanding Warrants</u>			
Warrants B		74,987,783	⁽¹⁾ -
Additional Warrants B		18,746,946	⁽¹⁾ -
Warrants C		75,006,156	93,753,102
Total Outstanding Warrants	(B)	168,740,885	93,753,102
% of Homeritz Shares	(B)/(A)	44.99%	20.00%

Note:

(1) Assuming all the Warrants B are exercised prior to the implementation of the Proposals.

The actual number of Warrants C to be issued will depend on the number of Homeritz Shares in issue on the Entitlement Date.

Fractional entitlements arising from the Proposed Free Warrants Issue, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deems fit and expedient, and in the best interest of the Company and its shareholders.

The Proposed Free Warrants Issue will be implemented in a single tranche.

The Warrants C will be issued in registered form and constituted by the Deed Poll.

2.2.2 Basis of determining the issue price and exercise price of Warrants C

The Warrants C will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants C has been fixed at RM0.75 per Warrant C, based on the 5-day VWAP of Homeritz Shares up to and including 14 October 2020 of RM0.7496. Upon implementation of the Proposed Bonus Issue of Shares, the exercise price of the Warrants C will be adjusted to RM0.60.

The exercise price was determined after taking into consideration the following:

- (i) the historical price movement of Homeritz Shares and the prevailing market conditions;
- (ii) the attractiveness of the exercise price of Warrants C for the Entitled Shareholders who will be receiving the Warrants C to exercise the Warrants C, thereby further increasing their equity participation in the Company; and
- (iii) the future working capital requirements of Homeritz Group.

2.2.3 Ranking of new Homeritz Shares to be issued arising from the exercise of the Warrants C

The new Homeritz Shares arising from the exercise of Warrants C shall, upon allotment and issuance, rank equally in all respects with the then existing Homeritz Shares, save and except that the new Homeritz Shares shall not be entitled to any rights, allotments, dividends and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the new Homeritz Shares arising from the exercise of Warrants C.

2.2.4 Listing and quotation of Warrants C and new Homeritz Shares to be issued arising from the exercise of the Warrants C

Bursa Securities had vide its letter dated 3 November 2020, approved the admission of the Warrants C to the Official List, the listing and quotation of the Warrants C as well as the listing and quotation of the new Homeritz Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 7** of this Circular.

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2.2.5 Indicative salient terms of the Warrants C

The indicative salient terms of the Warrants C are set out as follows:

Terms	Details
Issue size	: Up to 93,753,102 Warrants C.
Form and denomination	: The Warrants C will be issued in registered form and constituted by the Deed Poll.
Tenure	: 3 years commencing from and inclusive of the date of issue of the Warrants C.
Exercise Rights	: Each Warrant C entitles the holders of Warrants C (" Warrant C Holders ") to subscribe for 1 new Homeritz Share at any time during the Exercise Period at the Exercise Price, subject to the adjustments in accordance with the provisions of the Deed Poll.
Exercise Price	: The amount payable in respect of each new Homeritz Share to which a Warrant C Holder is entitled to subscribe for on exercise of the Exercise Rights represented by the Warrants C involving such new Homeritz Shares or such price as adjusted under the provisions of the Deed Poll is as follows: (i) RM0.60, being the adjusted exercise price of the Warrants C upon implementation of the Proposed Bonus Issue of Shares; or (ii) RM0.75, being the exercise price of the Warrants C in the event that the Proposed Bonus Issue of Shares is not implemented.
Exercise Period	: The period commencing on, and inclusive of, the issue date of the Warrants C and ending at 5:00 p.m. in Malaysia on the expiry of the tenure, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day. Any Warrant C not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Mode of exercise	: A Warrant C Holder must (i) complete and sign the exercise notice (which shall be irrevocable) and deliver the duly completed and executed exercise notice to the Company's registrar together with a remittance by way of cashier's order or banker's draft or money order or postal order drawn by a bank or post office operating in Malaysia or by way of interbank transfer to the credit of the account maintained by the Company; or (ii) complete the exercise notice electronically (which shall be irrevocable) to the Company's registrar together with a remittance by way of interbank transfer to the credit of the account maintained by the Company.
Participating rights of the Warrant C Holders	: The Warrant C Holders will not be entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of securities in the Company until and unless the Warrant C Holders exercise their Warrants C into new Homeritz Shares.
Adjustment in the Exercise Price and/or number of Warrants C	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants C in issue may be adjusted by the Board in consultation with an adviser and certified by the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants C, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

Terms	Details
Modifications of rights of the Warrant C Holders	<p>The Company may, from time to time, without the consent or sanction of the Warrant C Holders but in accordance with the Deed Poll, modify the Deed Poll, if such modification made:</p> <ul style="list-style-type: none"> (i) in the opinion of the Company, does not materially prejudice the interests of the Warrant C Holders (which include modifications which relate to administrative matters); or (ii) is made to correct a manifest error; or (iii) to comply with prevailing laws of Malaysia, Rules of Bursa Depository, Securities Industry (Central Depositories) Act 1991 and/or the Main Market Listing Requirements of Bursa Securities. <p>Subject to the above and the approval of any relevant authority, any modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll proposed or agreed to by the Company must be sanctioned by special resolution of the Warrant C Holders, effected by the Deed Poll and expressed to be supplemental and comply with the requirements of the Deed Poll.</p>
Rights of the Warrant C Holders in the event of winding-up, compromise or arrangement	<p>If a resolution is passed for a members' voluntary winding-up of the Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies,</p> <ul style="list-style-type: none"> (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant C Holders, or some persons designated by them for such purposes by a special resolution will be a party, the terms of such winding up, compromise and arrangement shall be binding on all the Warrant C Holders; or (ii) every Warrant C Holders shall be entitled (upon and subject to the conditions) at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants C to the Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights represented by such Warrants C to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the Homeritz Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all exercise rights of the Warrants C shall lapse and cease to be valid for any purpose.
Transferability	<p>The Warrants C will only be transferable in the manner provided in the provisions of the Deed Poll subject always to the provisions of the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.</p>
Board lot	<p>For the purpose of trading on Bursa Securities, a board lot for the Warrants C shall be 100 Warrants C carrying the right to subscribe for 100 new Homeritz Shares or such number of Homeritz Shares as may be varied from time to time by Bursa Securities and/or any relevant authorities.</p>
Listing status	<p>The Warrants C will be listed and quoted on the Main Market of Bursa Securities.</p>
Governing law	<p>The Deed Poll is governed by the laws and regulations of Malaysia.</p>

2.2.6 Utilisation of proceeds

The Proposed Free Warrants Issue will not raise any immediate funds upon its issuance as the Warrants C will be issued at no cost by the Company to the Entitled Shareholders.

The exact quantum of the proceeds that may be raised by Homeritz would depend upon the actual number of Warrants C exercised at the Exercise Price of RM0.60 per Warrant C during the tenure of Warrants C. As such, the actual timeframe for utilisation of the proceeds is not determinable at this juncture.

For illustrative purpose, assuming the full exercise of the Warrants C at the Exercise Price of RM0.60 per Warrant C, the gross proceeds to be raised by the Company are set out below:

	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
No. of new Homeritz Shares to be issued arising from the exercise of the Warrants C	75,006,156	93,753,102
Gross proceeds (RM)	45,003,694	56,251,861

The proceeds arising from the exercise of the Warrants C will be utilised for the future working capital requirements of Homeritz Group which may include day-to-day operations to support its existing business operations, such as trade and other payables (which includes payment for administrative expenses such as staff expenses) and utilities.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

3.1 Proposed Bonus Issue of Shares

The Proposed Bonus Issue of Shares is intended to provide the shareholders of the Company with greater participation in the equity of the Company in terms of the number of shares held and maintaining their percentage equity interest. In addition, the Proposed Bonus Issue of Shares is to reward the shareholders of the Company for their continuous support by enabling them to participate in the equity of the Company without incurring any cost and will possibly be able to encourage trading liquidity of Homeritz Shares on Bursa Securities.

3.2 Proposed Free Warrants Issue

The Proposed Free Warrants Issue is intended to reward the shareholders of the Company by enabling them to participate in additional derivatives of the Company without incurring any costs.

The Warrants C will also provide the shareholders of the Company with an opportunity to increase their equity participation in the Company in terms of the number of Homeritz Shares held at a pre-determined exercise price during the tenure of the Warrants C. Further, the shareholders of the Company will be able to participate in the future prospects and growth of Homeritz Group and/or any potential capital appreciation in the Warrants C and Homeritz Shares as and when the Warrants C are exercised.

The exercise of the Warrants C will also increase the shareholders' funds, thereby strengthening the financial position of the Company and providing the Company with flexibility in terms of the options available to meet any future funding requirements without incurring additional interest expenses from borrowings.

For information purposes, the Company has not undertaken any equity fund raising exercises in the past 12 months prior to the announcement of the Proposals.

4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in 2Q 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; 3Q 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1Q 2020: -2.0%).

Domestic demand declined by 18.7% in 2Q 2020 (1Q 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments. While net exports continued to decline, the contribution of the external sector to the economy improved due mainly to the larger contraction in imports vis-a-vis the previous quarter.

Private investment declined by 26.4% (1Q 2020: -2.3%), due mainly to the COVID-19 containment measures and heightened uncertainty which affected business sentiments and investment intentions. During the quarter, investment was affected by mobility restrictions, which temporarily halted the implementation of projects. Despite the gradual relaxation of the movement control order (“MCO”), firms maintained a cautious approach to capital expenditure amid slower production and disruptions to global value chains. Furthermore, businesses also faced challenges in the delivery and installation of machinery & equipment amid border closures. Public investment also recorded a larger decline of 38.7% (1Q2020: -11.3%). This was due to a contraction in capital spending by both general government and public corporations due mainly to the movement restrictions.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), declined to -2.6% during the quarter (1Q 2020: 0.9%). The lower headline inflation was primarily due to the substantial decline in retail fuel prices (average RON95 petrol price per litre in 2Q 2020: RM 1.37; 1Q 2020: RM 1.96) and the implementation of the tiered electricity tariff rebate beginning the month of April.

Economic activity in Malaysia contracted sharply in the first half of the year (-8.3%) as the measures introduced to contain the pandemic globally and domestically resulted in a concurrent supply and demand shock to the economy. However, growth is expected to have troughed in 2Q 2020. Economic activity has resumed significantly since the economy began to reopen in early May. Monthly indicators such as wholesale and retail trade, industrial production, electricity generation, and gross exports all grew faster in June than in the period between March and May.

The performance of domestic financial markets improved during 2Q 2020, driven by a rebound in investor risk appetite following the quick implementation of large-scale liquidity injections and policy responses by central banks and governments around the world, particularly in advanced economies, to cushion the impact of the COVID-19 pandemic. The unprecedented magnitude of the policy actions by major central banks was sufficient to stabilise market sentiments. Additionally, as countries looked to restart their economies by gradually easing movement restrictions, this also provided further support to investor sentiments.

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The improvement in growth in 2H 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. While there is upside potential to growth, the pace and strength of the recovery remain susceptible to downside risks emanating from domestic and external factors. Growth could potentially be lifted by a larger-than-expected impact from stimulus measures. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth.

In 2H 2020, average headline inflation is expected to remain negative largely due to low retail fuel prices. Stimulus measures to alleviate cost burdens, such as the tiered electricity tariff rebate, would also keep inflation low. However, headline inflation is projected to decline by a smaller magnitude compared to 2Q 2020 as global oil prices continue to recover and economic conditions gradually improve.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, BNM Quarterly Bulletin, Bank Negara Malaysia)

4.2 Overview and outlook of the manufacturing industry in Malaysia

The manufacturing sector contracted by 18.3% (1Q 2020: 1.5%), due largely to the imposition of MCO restrictions as well as weak demand conditions. The extension of the MCO from end-March throughout April curtailed production activity across all industries. Essential sectors and those in the related supply-chain sectors operated at reduced capacity to ensure sufficient social distancing at workplaces, while nonessential sectors such as transport equipment and textile-related industries did not operate. Following the lifting of MCO restrictions in May, manufacturing firms gradually restarted operations, but did so while observing sector-specific health protocols amidst subdued demand conditions externally and domestically. The latter had particularly affected the performance of the primary- and consumer-related clusters. Nevertheless, the impact of weak demand was partially mitigated by a backlog of orders which supported a faster production recovery, observed mainly in the E&E industry.

In the manufacturing sector, wages contracted by 4.0% (1Q 2020: +3.4%). This was mainly due to lower wage growth in the transport equipment and other manufactures sub-sector (-13.3%; 1Q 2020: 1.3%) and the textiles, wearing apparel, leather and footwear sub-sector (-15.3%; 1Q 2020: 2.4%) that were unable to operate during the MCO period.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, BNM Quarterly Bulletin, Bank Negara Malaysia)

4.3 Overview and outlook of the furniture industry in Malaysia

Exports of wooden and rattan furniture for the period of January to June 2020 recorded mixed trends and increase slightly to RM4.1 billion from RM4.0 billion in the previous corresponding period.

The US as a main buyer of wooden furniture increased purchases by 53% to RM2.5 billion from RM1.6 billion in the corresponding period in 2019. In Europe, shipments to Germany decreased by 28% to RM20.4 million, while exports to the Netherlands increased slightly to RM15.9 million from RM15.5 million compared in the previous corresponding period. Exports to Greece also decreased by 29% to RM10.1 million, France 33% to RM21.1 million and Poland 29% to RM13.0 million. Shipments to the UK also decreased by 28% to RM184.9 million for the month. Similarly, purchases by Russia declined by 46% to RM7.1 million from RM13.1 million in the same period last year. Demand from Canada and Australia also decreased by 27% and 24% to RM107.0 million and RM168.0 million respectively.

In East Asia, exports to Japan reduced by 24% to RM218.4 million from RM286.3 million in the same period last year. However, South Korea increased consumption by 8% to RM47.4 million whilst exports to China decreased by 31% to RM64.9 million. Exports to India also decreased by 41% to RM58.7 million from RM99.9 million in the previous corresponding period. In the ASEAN region, exports to the Philippines and Singapore were recorded at RM49.8 million and RM110.2 million respectively. Elsewhere, exports to Saudi Arabia and Qatar also decreased by 28% to RM65.6 million and 56% to RM3.1 million respectively. The UAE also reduced buying by 33% to RM48.4 million followed by Kuwait by 52% to RM12.2 million and Oman by 75% to RM4.8 million respectively.

Rattan furniture shipments for January to June 2020 were recorded at RM939,972 from RM979,884 in the previous corresponding period. Exports to Australia and the USA decreased by 66% and 95% to RM130,492 and RM18,294 respectively whilst Singapore increased buying significantly to RM119,966 from only RM49,328 in the previous corresponding period. Meanwhile Poland, Viet Nam and the Netherland resumed purchases at RM32,591, RM6,851 and RM6,149 respectively. Japan, American Samoa and China didn't make any purchase compared to the previous corresponding period in 2019.

(Source: MASKAYU, Volume 7, July 2020, Malaysia Timber Industry Board)

4.4 Impact of COVID-19 on Homeritz Group

In light of the unprecedented COVID-19 pandemic outbreak globally, the government of Malaysia had on 18 March 2020 imposed the MCO until May 2020 as a containment measure under the Prevention and Control of Infectious Diseases Act 1988 where only businesses listed as essential services were allowed to operate. Homeritz Group's furniture business was categorised under non-essential services where its workforce was prohibited from working upon the implementation of the MCO. However, after obtaining approval from the Malaysian Timber Industry Board during early April 2020, Homeritz Group's workforce were allowed to resume work subject to compliance with standard operating procedures imposed by the government of Malaysia.

During the initial implementation of the MCO, Homeritz Group's production operations were temporarily interrupted resulting in lower production of furniture. Nevertheless, the conditional movement control order from 4 May 2020 to 9 June 2020 and the subsequent recovery movement control order which took effect from 10 June 2020 had allowed Homeritz's workforce to fully resume work and its production operation returned to levels prior to the implementation of the MCO.

Notwithstanding the above, Homeritz Group recorded a higher profit in its unaudited results for the financial year ended 31 August 2020 as compared to the previous financial year ended 31 August 2019. The increase in Homeritz Group's profit was mainly due to the increase in revenue and the lower unit price of certain materials as compared to the previous financial year ended 31 August 2019.

As the COVID-19 pandemic is still on-going, Homeritz will continue to practice safety measures to contain and prevent the spread of COVID-19 to ensure the safety and well-being of its employees as well as to enable production and delivery to continue as usual for its customers. Furthermore, Homeritz Group will take the necessary steps to adapt and address the impact of the ongoing COVID-19 pandemic which may affect Homeritz Group's operations and its financial performance.

However, the extent to which COVID-19 impacts the results of Homeritz Group will depend on the future developments on COVID-19, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions by the Company to contain COVID-19 or treat its impact, among others.

(Source: Management of Homeritz)

4.5 Prospects of Homeritz Group

Homeritz Group is an integrated designer, manufacturer and exporter of a complete range of upholstered home furniture, where it operates in 5 principal geographical areas (i.e. Africa, Middle East, US, Europe and Asia Pacific). As a large proportion of Homeritz Group's revenue are attributable to the export markets, Homeritz Group's operations are sensitive to the impact of COVID-19 on the markets abroad. Therefore, the magnitude of the COVID-19 impact on Homeritz Group would depend on the duration and spread of the COVID-19 outbreak not only in Malaysia but also around the world, especially the export markets of Homeritz Group.

The containment and restriction measures implemented globally has increased the trend of remote working arrangements, where a greater amount of time is spent at home. Consumers are substituting expenses on outdoor entertainment with furniture for the decoration/renovation of their homes. Homeritz Group will leverage on its original design manufacturing ("ODM") segment, where a large proportion of its furniture are designed by its in-house design and development team. The ODM segment will allow Homeritz Group to have greater flexibility in adopting to the latest designs to cater for the growing demand. Furthermore, as an ODM provider, Homeritz Group would have a competitive edge over its peers in view of better profit margins.

Additionally, the impact of the SINO-US trade war, where the US has diverted its orders of furniture from China to South-East Asian Countries, have resulted in a surge in demand for furniture in Malaysia.

In view of the above, Homeritz will continue to remain focused in the core business of design, manufacture, and sale of upholstered home furniture, in view of the growth prospects in the furniture industry.

(Source: Management of Homeritz)

5. EFFECTS OF THE PROPOSALS

5.1 Share capital

The pro forma effects of the Proposals on the share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Homeritz Shares	RM	No. of Homeritz Shares	RM
Share capital as at LPD	300,024,625	60,017,098	300,024,625	60,017,098
To be issued assuming full exercise of Warrants B	-	-	74,987,783	⁽²⁾ 40,493,403
	300,024,625	60,017,098	375,012,408	100,510,501
To be issued pursuant to the Proposed Bonus issue of Shares	75,006,156	-	93,753,102	-
	375,030,781	60,017,098	468,765,510	100,510,501
To be issued assuming full exercise of Warrants C	75,006,156	⁽¹⁾ 45,003,694	93,753,102	⁽¹⁾ 56,251,861
Enlarged share capital	450,036,937	105,020,792	562,518,612	156,762,362

Notes:

(1) Based on the Exercise Price of RM0.60 per Warrant C.

(2) Based on the exercise price of RM0.54 per Warrant B.

5.2 NA per Homeritz Share and gearing

Based on the latest audited consolidated statements of financial position of Homeritz as at 31 August 2019, the pro forma effects of the Proposals on the NA per Share and gearing of Homeritz Group are as follows:

	Minimum Scenario			Maximum Scenario		
	Audited as at 31 August 2019	(I)		(II)		After (I) and assuming full exercise of the Warrants C
		RM	After the Proposed Bonus Issue of Shares	RM	Assuming full exercise of the Warrants B	
Share capital	60,009,713	60,017,098	60,017,098	(3) 105,020,792	100,510,501	156,762,362
Reserves	95,526,406	92,526,170	(2) 92,296,170	92,296,170	(2) 92,296,170	92,296,170
Shareholders' equity/NA	155,536,119	152,543,268	152,313,268	197,316,962	193,036,671	249,058,532
No. of Homeritz Shares in issue	300,010,950	300,024,625	375,030,781	450,036,937	375,012,408	562,518,612
NA per Share (RM)	0.52	0.51	0.41	0.44	0.51	0.44
Total borrowings	-	-	-	-	-	-
Gearing (times)	-	-	-	-	-	-

Notes:

- (1) After taking into consideration of the following:
 - (i) Issuance of 13,675 new Homeritz Shares pursuant to the exercise of Warrants B.
 - (ii) Payment of the final single tier tax exempt dividend of 1 sen per Homeritz Share amounting to RM3.00 million in respect of the financial year ended 31 August 2019 on 9 March 2020.
- (2) After deducting the estimated expenses in relation to the Proposals amounting to RM230,000.
- (3) Based on the Exercise Price of RM0.60 per Warrant C.
- (4) Based on the exercise price of RM0.54 per Warrant B.

5.3 Earnings and EPS

The Proposals are not expected to have a material effect on the earnings of Homeritz Group for the financial year ending 31 August 2021. However, the EPS of Homeritz Group may be diluted as a result of the increase in the number of Homeritz Shares in issue pursuant to the Proposed Bonus Issue of Shares and the issuance of new Homeritz Shares arising from the exercise of the Warrants C.

5.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposals on the substantial shareholder's shareholdings of the Company are as follows:

Minimum Scenario

Substantial shareholders	As at LPD				(I) After the Proposed Bonus Issue of Shares				(II) After (I) and assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chua Fen Fatt	103,859,701	34.62	⁽¹⁾ 65,600,000	21.86	129,824,626	34.62	⁽¹⁾ 82,000,000	21.86	155,789,551	34.62	⁽¹⁾ 98,400,000	21.86
Tee Hwee Ing	65,600,000	21.86	⁽²⁾ 103,859,701	34.62	82,000,000	21.86	⁽²⁾ 129,824,626	34.62	98,400,000	21.86	⁽²⁾ 155,789,551	34.62

Notes:

(1) Deemed interest by virtue of his spouse's Tee Hwee Ing's substantial interest in the Company.

(2) Deemed interest by virtue of her spouse's Chua Fen Fatt's substantial interest in the Company.

Maximum Scenario

Substantial shareholders	As at LPD				(I) Assuming full exercise of the Warrants B				(II) After (I) and after the Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chua Fen Fatt	103,859,701	34.62	(1) 65,600,000	21.86	113,080,726	30.15	(1) 65,600,000	17.49	141,350,907	30.15	(1) 82,000,000	17.49
Tee Hwee Ing	65,600,000	21.86	(2) 103,859,701	34.62	65,600,000	17.49	(2) 113,080,726	30.15	82,000,000	17.49	(2) 141,350,907	30.15

(III) After (II) and assuming full exercise of the Warrants C				
Direct		Indirect		
No. of Shares	%	No. of Shares	%	
Chua Fen Fatt	169,621,089	30.15	(1) 98,400,000	17.49
Tee Hwee Ing	98,400,000	17.49	(2) 169,621,089	30.15

Notes:

(1) Deemed interest by virtue of his spouse's Tee Hwee Ing's substantial interest in the Company.

(2) Deemed interest by virtue of her spouse's Chua Fen Fatt's substantial interest in the Company.

5.5 Convertible securities

As at LPD, save for the outstanding Warrants B, the Company does not have any other existing convertible securities.

The Proposed Bonus Issue of Shares will give rise to adjustments to the exercise price and the number of outstanding Warrants B held by each holder of the Warrants B pursuant to the deed poll governing the Warrants B ("**Adjustments**"). The details on the Adjustments shall be set out in a notice to the holders of Warrants B which will be despatched to all holders of Warrants B in due course.

For illustrative purposes, based on the assumption that the Entitlement Date has been fixed on the LPD, the Adjustments are set out below.

Adjusted exercise price of Warrants B

$$\begin{aligned} \text{Adjusted exercise price of Warrants B} &= \frac{\text{Aggregate number of issued Homeritz Shares on the Entitlement Date}}{\text{Aggregate number of issued Homeritz Shares immediately after the implementation of the Proposed Bonus Issue of Shares}} \times \text{Existing exercise price of Warrants B} \\ &= \frac{300,024,625}{375,030,781} \times \text{RM0.54} \\ &= \text{RM0.43} \end{aligned}$$

Additional Warrants B to be issued

$$\begin{aligned} \text{Adjusted number of Warrants B} &= \frac{\text{Aggregate number of issued Homeritz Shares immediately after the implementation of the Proposed Bonus Issue of Shares}}{\text{Aggregate number of issued Homeritz Shares on the Entitlement Date}} \times \text{Existing number of outstanding Warrants B} \\ &= \frac{375,030,781}{300,024,625} \times 74,987,783 \\ &= 93,734,729 \\ \text{Additional Warrants B} &= 93,734,729 - 74,987,783 = \text{18,746,946} \end{aligned}$$

Pursuant to the deed poll governing the Warrants B, no adjustment is expected to be made to the exercise price and the number of outstanding Warrants B which remain unexercised upon the issue of the Warrants C.

Bursa Securities had vide its letter dated 3 November 2020, approved the admission of the Additional Warrants B to the Official List as well as the listing and quotation of the new Homeritz Shares to be issued arising from the exercise of the Additional Warrants B on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 7** of this Circular.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the Homeritz Shares as traded on Bursa Securities for the past 12 months up to and including the LPD are set out in the table below:

	<u>High</u>	<u>Low</u>
	RM	RM
<u>2019</u>		
November	0.745	0.630
December	0.655	0.635
<u>2020</u>		
January	0.705	0.615
February	0.670	0.600
March	0.630	0.355
April	0.550	0.440
May	0.650	0.500
June	0.580	0.510
July	0.675	0.540
August	0.700	0.570
September	0.825	0.660
October	0.875	0.690

The last transacted market price of the Shares on 14 October 2020
(being the last trading day prior to the announcement of the
Proposals) 0.745

The last transacted price of the Homeritz Shares on 9 November 2020 0.985

(Source: Bloomberg)

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7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the following which was obtained vide its letter dated 3 November 2020:
 - (a) the listing and quotation of the Bonus Shares and the Additional Warrants B on the Main Market of Bursa Securities;
 - (b) the admission of the Warrants C to the Official List of Bursa Securities;
 - (c) the listing and quotation of the Warrants C on the Main Market of Bursa Securities; and
 - (d) the listing and quotation of the new Homeritz Shares to be issued pursuant to the exercise of the Additional Warrants B and the Warrants C on the Main Market of Bursa Securities;

subject to the following conditions:

No.	Conditions	Status of compliance
1.	Homeritz and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
2.	Homeritz and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposals;	To be complied
3.	RHB Investment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
4.	Homeritz is required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements in relation to the Proposed Bonus Issue of Shares;	To be complied
5.	Homeritz to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at an extraordinary general meeting for the Proposals;	To be complied
6.	Payment of outstanding processing fee based on the market value of the Bonus Shares to be listed (based on the adjusted price), if applicable. In this respect, the Company is required to furnish Bursa Securities a cheque drawn to the order of Bursa Securities for the outstanding processing fee together with a copy of the details of the computation of the amount of fees payable;	To be complied
7.	Homeritz to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants C as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied

No.	Conditions	Status of compliance
8.	The Bonus Shares and Additional Warrants B must be listed and quoted simultaneously; and	To be complied
9.	RHB Investment Bank / Homeritz is required to make an "Entitlement" announcement on the adjustments to the Additional Warrants B together with the Bonus Shares pursuant to Paragraph 9.19(1) of the Listing Requirements.	To be complied

- (ii) the Shareholders at the forthcoming EGM; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposals are not inter-conditional upon each other and are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

For the avoidance of doubt, in the event that both the Proposed Bonus Issue of Shares and the Proposed Free Warrants Issue are implemented concurrently, the Entitlement Date for both the Proposed Bonus Issue of Shares and the Proposed Free Warrants Issue will be on the same date.

8. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at LPD, save as disclosed below, there are no other corporate exercises which have been announced but are pending completion:

- (i) On 27 February 2019, Home Newcastle Sdn Bhd and Homeours Sdn Bhd, the wholly-owned subsidiaries of the Company had each respectively entered into 2 separate sale and purchase agreements with Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4 of 1968 (as amended under the Enactment No.5 of 1995) and having its registered address at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor for the acquisition of a total 4 plots of land distinguished as PLO Nos. 31, 32, 33 and 34, all located within an industrial park known as Muar Furniture Park held under Master Title known as H.S. (D) 38459, PTD 13399, H.S. (D) 38460, PTD 13400, Geran 50191, Lot 8531 all situated in Mukim Jalan Bakri, District of Muar, Johor Darul Takzim at a total purchase consideration of RM9,408,960 in respect of which individual documents of title have yet to be issued.

The acquisition of the 4 plots of land is expected to be completed by the 1st quarter of calendar year 2024; and

- (ii) The Proposals (which are the subject matter of this Circular).

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9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and/or Chief Executive of the Company and/or persons connected to them has any interest, direct and/or indirect, in the Proposals, other than their respective entitlements to the Bonus Shares and Warrants C as shareholders of the Company, the rights of which are also available to all other existing shareholders of the Company on a pro-rata basis.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposals, including but not limited to the rationale as well as the effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and the Shareholders.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposals are expected to be completed by the fourth quarter of calendar year 2020.

The tentative timetable for the implementation of the Proposals are as follows:

Tentative timing	Events
End November 2020	<ul style="list-style-type: none">▪ EGM for the Proposals▪ Announcement of the Entitlement Date
Mid December 2020	<ul style="list-style-type: none">▪ Entitlement Date▪ Listing and quotation of the Bonus Shares and the Additional Warrants B⁽¹⁾
End December 2020	<ul style="list-style-type: none">▪ Listing and quotation of the Warrants C▪ Completion of the Proposals

Note:

(1) The Bonus Shares and the Additional Warrants B will be listed 1 market day after the Entitlement Date.

12. EGM

The Company's forthcoming EGM will be conducted entirely through live streaming from the broadcast venue at No.12, 1st Floor, Jalan Mega, Pusat Perdagangan Mega, Jalan Sakeh, 84000 Muar, Johor, Malaysia on Friday, 27 November 2020 at 12:00 noon or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions, with or without any modification, to give effect to the Proposals. Please refer to Administrative Guide issued to all shareholders of the Company on the conduct of the EGM.

If you are unable to attend and vote remotely in person at the forthcoming EGM, you are requested to complete and lodge the enclosed Form of Proxy in accordance with the instructions stated therein at the registered office of the Company at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor, or submitting the Form of Proxy via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time set for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting remotely at the EGM should you subsequently decide to do so.

13. FURTHER INFORMATION

You are advised to refer to **Appendix I** set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
HOMERITZ CORPORATION BERHAD

CHUA FEN FATT
Managing Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular, or other facts the omission of which would make any statement herein false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

RHB Investment Bank, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

As at LPD, RHB Investment Bank is not aware of any conflict of interest that exists or likely to exist in its capacity as the Adviser to the Company for the Proposals.

3. MATERIAL LITIGATION

As at LPD, Homeritz Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against Homeritz Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of Homeritz Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitment**

As at LPD, save as disclosed below, there are no material commitments incurred or known to be incurred which may, upon becoming enforceable, have a material impact on the financial results or position of Homeritz Group:

	RM'000
Additions of property, plant and equipment	6,203

4.2 Contingent liabilities

As at LPD, there are no contingent liabilities incurred or known to be incurred by Homeritz Group which may have a material impact on the financial results or position of Homeritz Group.

FURTHER INFORMATION (CONT'D)

5. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor during normal business hours from Monday to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of Homeritz;
- (ii) the audited consolidated financial statements of Homeritz for the past 2 financial years ended 31 August 2018 and 2019;
- (iii) the unaudited consolidated results of Homeritz for the financial year ended 31 August 2020;
- (iv) the letter of consent and declaration of conflict of interest referred to in **Section 2** above; and
- (v) the draft Deed Poll.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Homeritz Corporation Berhad (“**Homeritz**” or “**Company**”) will be conducted entirely through live streaming from the broadcast venue at No.12, 1st Floor, Jalan Mega, Pusat Perdagangan Mega, Jalan Sakeh, 84000 Muar, Johor, Malaysia (“**Broadcast Venue**”) using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online> on Friday, 27 November 2020 at 12:00 noon or at any adjournment thereof, for the purpose of considering, and if thought fit, passing with or without modification, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 93,753,102 NEW ORDINARY SHARES IN HOMERITZ (“HOMERITZ SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 4 EXISTING HOMERITZ SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

“**THAT** subject to the approval of all relevant authorities or parties, authority be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue up to 93,753,102 Bonus Shares in the share capital of the Company credited to the shareholders whose names appear on the Record of Depositors of the Company as at the close of business at 5:00 p.m. on a day to be determined and announced by the Board (“**Entitled Shareholders**”) on the basis of 1 Bonus Share for every 4 existing Homeritz Shares held by the Entitled Shareholders (“**Proposed Bonus Issue of Shares**”);

THAT subject to the approval of Bursa Malaysia Securities Berhad in respect of the listing and quotation of up to 93,753,102 Bonus Shares pursuant to the Proposed Bonus Issue of Shares, authority be and is hereby given to the Board to authorise any other adjustments as a result of the Proposed Bonus Issue of Shares including adjustments to the number and exercise price of the Warrants B in accordance with the provisions of the deed poll constituting the Warrants B dated 14 June 2019;

THAT fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of the Company and its shareholders;

THAT such Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Homeritz Shares at the date of allotment of the Bonus Shares, save and except that the Bonus Shares shall not be entitled to participate in any rights, allotments, dividends, and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Bonus Shares;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company all necessary documents to give full effect to and for the purpose of completing and/or implementing the Proposed Bonus Issue of Shares with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by the relevant authorities or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company.”

ORDINARY RESOLUTION 2

PROPOSED ISSUE OF UP TO 93,753,102 FREE WARRANTS IN HOMERITZ (“WARRANTS C”) ON THE BASIS OF 1 FREE WARRANT C FOR EVERY 4 EXISTING HOMERITZ SHARES HELD ON THE ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

“**THAT** subject to the approvals of all relevant authorities or parties, authority be and is hereby given to the Board to allot and issue up to 93,753,102 Warrants C, in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants C (“**Deed Poll**”) to the Entitled Shareholders on the basis of 1 Warrant C for every 4 existing Homeritz Shares held by the Entitled Shareholders (“**Proposed Free Warrants Issue**”);

THAT the Board be and is hereby authorised to allot and issue such additional Warrants C as may be required or permitted to be issued as consequences of any adjustments in accordance with the provisions in the Deed Poll (“**Additional Warrants C**”);

THAT the Board be and is hereby authorised to allot and issue such appropriate number of new Homeritz Shares arising from the exercise of the Warrants C by the holders of the Warrants C of their rights in accordance with the provisions of the Deed Poll, including such appropriate number of new Homeritz Shares arising from the exercise of subscription rights represented by the Additional Warrants C;

THAT fractional entitlements arising from the Proposed Free Warrants Issue, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of the Company and its shareholders;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants C as may be required or permitted to be revised as consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit and/or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT the new Homeritz Shares to be issued arising from the exercise of the Warrants C and/or the Additional Warrants C shall, upon allotment and issuance, rank equally in all respects with the then existing Homeritz Shares, save and except that the new Homeritz Shares to be issued arising from the exercise of the Warrants C and/or the Additional Warrants C will not be entitled to participate in any rights, allotments, dividends, and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the new Homeritz Shares arising from the exercise of the Warrants C;

THAT the proceeds raised from the exercise of the Warrants C, if any, be utilised for the purposes set out in the circular to shareholders of the Company dated 11 November 2020 and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (when required) to the approval of the relevant authorities;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company all necessary documents to give full effect to and for the purpose of completing and/or implementing the Proposed Free Warrants Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by the relevant authorities or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company.”

BY ORDER OF THE BOARD

NG MEI WAN

(SSM Practicing Certificate No.: 201908000801) (MIA Member No.: 28862)

TAN HUI KHIM

(SSM Practicing Certificate No.: 201908000859) (License Secretary No.: LS 0009936)

Company Secretaries

Muar, Johor Darul Takzim

11 November 2020

Notes:

- (1) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue of the EGM. Member(s), proxy(ies), attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the EGM*
- (2) *Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd. A member who has appointed a proxy or attorney or authorised representative to participate in this EGM via the RPV must request his/ her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. **Please refer to the procedures set out in the Administrative Guide for the EGM to register, participate and vote remotely via the RPV.***
- (3) *A proxy may but need not be a member of the Company pursuant to Section 334 of the Companies Act 2016.*
- (4) *To be valid, the form of proxy, duly completed must be deposited at the Registered Office of the Company at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim, or electronically lodged with the poll administrator via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time of the EGM. Please refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of the form of proxy.*
- (5) *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/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).*
- (6) *A member shall be entitled to appoint more than 1 proxy to attend and vote at the same EGM. Where a member appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (7) *If the appointer is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.*
- (8) *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.*
- (9) *Only members registered in the Record of Depositors as at 20 November 2020 shall be eligible to attend the EGM or appoint a proxy to attend and vote on his behalf.*



HOMERITZ CORPORATION BERHAD

(Registration No. 200801004508 (805792-X))

(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING OF HOMERITZ CORPORATION BERHAD (“HOMERITZ” OR “COMPANY”) (“EGM”)

Day, Date : Friday, 27 November 2020
Time : 12:00 noon
Broadcast : No.12, 1st Floor, Jalan Mega, Pusat Perdagangan Mega, Jalan Sakeh, 84000 Muar,
Venue : Johor, Malaysia

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, the EGM will be conducted on a **virtual basis through live streaming from the Broadcast Venue and online remote voting**. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, including any amendment that may be made from time to time.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Clause 73 of the Company’s Constitution. Shareholders / proxies / corporate representatives **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the meeting.

In view of the recent evolving COVID-19 cases in Malaysia, we may be required to change the meeting arrangements of the EGM at short notice. As such, shareholders are advised to check the Company’s website or announcements for the latest updates on the status of the EGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its **TIIH Online** website at <https://tiih.online>.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this EGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

As the EGM will be held as a fully virtual meeting, shareholders who are unable to participate in this EGM via RPV may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the form of proxy.

PROCEDURES FOR RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate remotely in the EGM using the RPV are advised to follow the requirements and procedures as indicated below:-

Procedure		Action
BEFORE THE EGM DAY		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online and register as a user under the “e-Services”. Kindly refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified the status of registration via email. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b)	Submit your registration for RPV	<ul style="list-style-type: none"> Registration is open from 11 November 2020 until the day of EGM on Friday, 27 November 2020. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate in the EGM using the RPV. Login with your user ID and password and select the corporate event: “(REGISTRATION) HOMERITZ EGM”. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors dated 20 November 2020, the system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. <p><i>(Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order for you to login to TIIH Online and to participate in the EGM remotely).</i></p>
ON THE DAY OF THE EGM (FRIDAY, 27 NOVEMBER 2020)		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the EGM at any time from 11:30 a.m. i.e. 30 minutes before the commencement of the EGM on Friday, 27 November 2020 at 12:00 noon.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) HOMERITZ EGM” to engage in the proceedings of the EGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavour to respond to questions submitted by you during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 12:00 noon on Friday, 27 November 2020 until a time when the Chairman announces the end of the session. Select the corporate event: “(REMOTE VOTING) HOMERITZ EGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the EGM, the live streaming will end.

Note to users of the RPV facilities:-

1. Should your registration for RPV be approved we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV at the EGM must ensure that the duly executed forms of proxy are deposited in a hard copy form or by electronic means to Tricor no later than **Wednesday, 25 November 2020 at 12:00 noon.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:-

(i) In hard copy form

In the case of an appointment made in hard copy form, the form of proxy must be completed and lodged at the registered office of the Company at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim.

(ii) By electronic means

For individual shareholders, you have the option of submitting the form of proxy electronically via TIIH Online at <https://tiih.online>. Please follow the procedures to submit your form of proxy electronically which are summarised below:-

Procedure		Action
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none">• Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. 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.
(b)	Proceed with submission of form of proxy	<ul style="list-style-type: none">• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.• Select the corporate event: HOMERITZ EGM- “Submission of Proxy Form”.• 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.• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.• Review and confirm your proxy(s) appointment.• Print the form of proxy for your record.

Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be completed and lodged at the registered office of the Company situated at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim not later than **Wednesday, 25 November 2020 at 12:00 noon** to participate via RPV in the EGM. A copy of the power of attorney may be accepted provided that it is certified by notary and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the registered office of the Company situated at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim not later than Wednesday, 25 November 2020 at 12:00 noon to participate via RPV in the EGM. The certificate of appointment should be executed in the following manner:-

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions at any time from 12:00 noon on **Friday, 27 November 2020** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online website at <https://tiih.online>.

Upon completion of the voting session for EGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the EGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Wednesday, 25 November 2020 at 12:00 noon**. The Board will endeavour to answer the questions received at the EGM.

NO RECORDING OR PHOTOGRAPHY

By participating at the EGM, you agree that no part of the EGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

ENQUIRY

If you have any enquiries on the above, please contact the following persons 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
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Contact persons : Ms. Shanti Renganathan / Encik Mohamad Khairudin

FORM OF PROXY



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

*I/We.....
 [Full name in block letters]

*NRIC No./Company No.....of.....
 [Full address]

.....being a *Member/Members of Homeritz Corporation Berhad

("Company"), hereby appoint
 [Full name in block letters]

of.....*and/or
 [Full address]

.....of.....
 [Full name in block letters] [Full address]

.....or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company which will be conducted entirely through live streaming from the broadcast venue at No.12, 1st Floor, Jalan Mega, Pusat Perdagangan Mega, Jalan Sakeh, 84000 Muar, Johor, Malaysia ("**Broadcast Venue**") using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online>, on Friday, 27 November 2020 at 12:00 noon or at any adjournment thereof in the manner as indicated below:

No.	Ordinary Resolutions	For	Against
1	Proposed Bonus Issue of Shares		
2	Proposed Free Warrants Issue		

Please indicate with an "x" or "√" in the space provided above on how you wish your vote to be cast on the resolution specified. If no specific direction as to the voting is given, the proxy will vote or abstain at his/her discretion.

	No of Shares	Percentage
First Named Proxy		
Second Named Proxy		
Total		100%

CDS Account No.	
No. of Shares held	

Signed this day of 2020

.....
 Signature of Member or Common Seal

Notes:

- (1) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue of the EGM. Member(s), proxy(ies), attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the EGM
- (2) Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd. A member who has appointed a proxy or attorney or authorised representative to participate in this EGM via the RPV must request his/ her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. **Please refer to the procedures set out in the Administrative Guide for the EGM to register, participate and vote remotely via the RPV.**
- (3) A proxy may but need not be a member of the Company pursuant to Section 334 of the Companies Act 2016.
- (4) To be valid, the form of proxy, duly completed must be deposited at the Registered Office of the Company at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim, or electronically lodged with the poll administrator via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time of the EGM. Please refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of the form of proxy.
- (5) 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/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).



- (6) *A member shall be entitled to appoint more than 1 proxy to attend and vote at the same EGM. Where a member appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (7) *If the appointer is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.*
- (8) *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.*
- (9) *Only members registered in the Record of Depositors as at 20 November 2020 shall be eligible to attend the EGM or appoint a proxy to attend and vote on his behalf*

Personal data privacy

By submitting the form of proxy, the member or proxy accepts and agrees to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the EGM (including any adjournment thereof).

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AFFIX
STAMP

The Company Secretaries
Homeritz Corporation Berhad
Registration No. 200801004508 (805792-X)

No. 7 (1st Floor)
Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri
84000 Muar, Johor

2nd Fold Here

Fold This Flap For Sealing
