

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED 30 NOVEMBER 2023**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2023 RM'000	Preceding Year Quarter 30/11/2022 RM'000	Current Year To Date 30/11/2023 RM'000	Preceding Year To Date 30/11/2022 RM'000
Revenue	53,760	38,940	53,760	38,940
Operating Expenses	(44,327)	(33,311)	(44,327)	(33,311)
Other Operating Income	2,865	2,779	2,865	2,779
Profit before tax	12,298	8,408	12,298	8,408
Taxation	(3,250)	(2,100)	(3,250)	(2,100)
Profit for the year	9,048	6,308	9,048	6,308
Other comprehensive income / (expenses) for the year	-	-	-	-
Total comprehensive income for the year	9,048	6,308	9,048	6,308
<b>Profit for the year attributable to:</b>				
Owners of the Company	9,048	6,308	9,048	6,308
Non-controlling interests	-	-	-	-
	9,048	6,308	9,048	6,308
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	9,048	6,308	9,048	6,308
Non-controlling interests	-	-	-	-
	9,048	6,308	9,048	6,308
<b>Earnings per ordinary share (sen)</b>				
Basic	1.95	1.36	1.95	1.36
Diluted*	1.95	1.36	1.95	1.36

\* There is no dilutive effect of the potential ordinary shares convertible under warrants issued for quarter ended 30 November 2023 and period ended 30 November 2023 since the exercise price is above the average market value of the Company's shares.

The above condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2023 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)  
AS AT 30 NOVEMBER 2023**

	Unaudited As at 30/11/2023 RM'000	Audited As at 31/08/2023 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	67,281	67,833
Right of use assets	1,813	1,767
Prepaid lease payments	8,980	8,980
Goodwill	478	478
	78,552	79,058
<b>Current Assets</b>		
Inventories	36,469	33,714
Trade and other receivables	20,948	21,025
Derivative assets	28	-
Deposits, bank and cash balances	180,903	170,240
	238,348	224,979
	316,900	304,037
<b>EQUITY AND LIABILITIES</b>		
Share capital	98,021	98,020
Reserves	192,356	183,308
	290,377	281,328
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
<b>Non-Current Liabilities</b>		
Lease liabilities	5	42
Deferred tax liabilities	4,736	4,736
	4,741	4,778
<b>Current Liabilities</b>		
Trade and other payables	17,780	15,962
Lease liabilities	335	248
Tax payable	3,667	1,721
	21,782	17,931
	26,523	22,709
<b>TOTAL LIABILITIES</b>	<b>26,523</b>	<b>22,709</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>316,900</b>	<b>304,037</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)</b>	<b>0.63</b>	<b>0.61</b>

*The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2023 and the accompanying explanatory notes attached to the interim financial statements.*

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED 30 NOVEMBER 2023**

<u>Group</u>	<u>Attributable To Owners Of The Company</u>		
		<u>Distributable</u>	
	<u>Share Capital</u>	<u>Retained Profits</u>	<u>Total Equity</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>3 months ended 30 November 2023</u></b>			
<b>As at 1 September 2023</b>	98,020	183,308	281,328
Total comprehensive income for the financial year	-	9,048	9,048
Exercise of Warrants	1	-	1
<b>As at 30 November 2023</b>	<b>98,021</b>	<b>192,356</b>	<b>290,377</b>
<b><u>3 months ended 30 November 2022</u></b>			
<b>As at 1 September 2022</b>	98,019	161,948	259,967
Total comprehensive income for the financial year	-	6,308	6,308
<b>As at 30 November 2022</b>	<b>98,019</b>	<b>168,256</b>	<b>266,275</b>

*The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2023 and the accompanying explanatory notes attached to the interim financial statements.*

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED 30 NOVEMBER 2023**

	Current Year 3 Months Ended 30/11/2023 RM'000	Preceding Year 3 Months Ended 30/11/2022 RM'000
<b>Cash Flow From Operating Activities</b>		
<b>Profit before tax</b>	12,298	8,408
Adjustment for:		
Depreciation and amortisation	1,518	1,621
Other adjustments	(1,505)	316
Operating profit before changes in working capital	<u>12,311</u>	<u>10,345</u>
<b>Changes in working capital</b>		
Net changes in current assets	(2,641)	6,654
Net changes in current liabilities	2,357	492
<b>Cash From Operations</b>	<u>12,027</u>	<u>17,491</u>
Interest received	1,619	940
Net tax paid	(1,304)	(2,554)
<b>Net Cash From Operating Activities</b>	<u>12,342</u>	<u>15,877</u>
<b>Cash Flows (For) / From Investing Activities</b>		
Net withdrawal of fixed deposit with licensed bank with tenure of more than three months	1,395	(33,368)
Net cash outflow from acquisition property, plant and equipment, right of use asset and prepaid lease	(1,446)	(1,542)
<b>Net Cash (For) / From Investing Activities</b>	<u>(51)</u>	<u>(34,910)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from exercise of warrant	1	-
Interest paid for lease	(5)	(36)
Repayment of lease liabilities	(75)	(63)
Dividend paid to shareholders	-	(4,632)
<b>Net Cash Flows From Financing Activities</b>	<u>(79)</u>	<u>(4,731)</u>
<b>Net Changes In Cash and Cash Equivalents</b>	12,212	(23,764)
<b>Cash and Cash Equivalents at Beginning of the Financial Year</b>	41,468	148,197
<b>Effect of exchange differences</b>	(154)	(1,027)
<b>Cash and Cash Equivalents at End of the Financial Year</b>	<u>53,526</u>	<u>123,406</u>
<b>Cash and Cash Equivalents in the Consolidated Statements of Cash Flows Comprise:</b>		
Deposits, cash and bank balances	180,903	156,774
Less: Fixed deposit with licensed bank with tenure of more than three months	(127,377)	(33,368)
	<u>53,526</u>	<u>123,406</u>

The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 August 2023 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**

---

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board.

The interim financial statements should be read in conjunction with the audited financial statements of Homeritz Corporation Berhad (“Homeriz” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2023.

The audited financial statements of the Group for the year ended 31 August 2023 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 August 2023 except for the adoption of the following new amendments to MFRS:

**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 relevant MFRSs, amendments to MFRSs and IC Interpretations do not have a material impact on the financial statements of the Group.

**2. Auditors’ Report on Preceding Annual Financial Statements**

There was no qualified report issued by the auditors in the financial statements of the Group for the financial year ended 31 August 2023.

**3. Seasonality or Cyclicity of Operations**

There were no material seasonal or cyclical factors affecting the business operations of the Group in the current quarter.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**

---

**4. Unusual Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current financial quarter under review.

**5. Material Changes in Estimates**

There were no material changes in estimates amount that had a material effect for the current financial period under review.

**6. Issuance, Cancellation, Repurchase, Resale or Repayment of Debt and/or Equity Securities**

There were no issuances, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares during the financial period under review except the conversion of Warrants as illustrated as per below table:

Type of Securities	As at 1 September 2023	Allotment	Conversion	Lapsed	As at 30 November 2023
Ordinary shares	463,238,852	675	-	-	463,239,527
Warrants C	82,270,550	-	675	-	82,269,875

**7. Dividend Paid**

There were no dividends paid for the current financial quarter under review.

**8. Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

**9. Material Event Subsequent to the End of the Current Financial Quarter**

There were no materials events subsequent to the current quarter ended 30 November 2023 that have not been reflected in this report.

**10. Changes in the Composition of the Group**

There were no other changes in the composition of the Group during the current quarter under review.

**11. Contingent Liabilities**

There were no material contingent liabilities as at 30 November 2023.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023****12. Fair Value Hierarchy**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 : Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Fair value measurements derive from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 November 2023, the Group's financial instruments carried at fair values are analysed as below:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivatives Asset:				
- Forward foreign currency contracts	-	28	-	28

**13. Capital Commitments**

The material capital commitments of the Group as at 30 November 2023 are as follow:

	RM'000
Additions of Property, Plant & Equipment	5,056

**14. Related Party Transactions**

	Quarter Ended		Year To Date Ended	
	30 Nov 2023 RM'000	30 Nov 2022 RM'000	30 Nov 2023 RM'000	30 Nov 2022 RM'000
Rental and deposit paid to director and a company which related to the director	19	19	19	19

**15. Segment Information**

The Group operates in a single industry in the business of design, manufacture and sale of upholstery furniture products in Malaysia. Accordingly, segmental information by industry and geographical segments has not been presented.

*(The rest of the page is intentionally left blank)*

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023****B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****1. Review of Performance**

The Group's performance for the first quarter ended 30 November 2023 (Q1FY2024) compared with the previous corresponding first quarter ended 30 November 2022 (Q1FY2023) are tabled below:

Description	Q1FY2024 RM'000	Q1FY2023 RM'000	Variance %
Revenue	53,760	38,940	38.06%
Profit before tax (" PBT")	12,298	8,408	46.27%

The Group's revenue and PBT for the Q1FY2024 increased by 38.06% and 46.27% respectively compared with the corresponding period last financial year. The increase in revenue and PBT were mainly attributed to the increase in volume sold and further helped by a stronger USD in the current quarter.

**2. Comparison with Preceding Quarter's Results**

The Group's performance for the current year first quarter ended 30 November 2023 (Q1FY2024) compared to fourth quarter ended 31 August 2023 (Q4FY2023) are tabled below:

Description	Q1FY2024 RM'000	Q4FY2023 RM'000	Variance %
Revenue	53,760	46,018	16.82%
Profit before tax (" PBT")	12,298	10,408	18.16%

The Group's revenue and PBT for the Q1FY2024 increased by 16.82% and 18.16% compared with the preceding quarter Q4FY2023. Higher revenue was mainly attributed to the increase in volume sold.

**3. Current Year Prospects**

The Group is operating in global economic uncertainties as well as facing increases in its production costs and fluctuation in foreign exchange rates.

Given the above scenario, the Group will continue to remain focus in their core business of design, manufacture, and sale of upholstered home furniture which includes upholstered sofas, upholstered dining chairs and upholstered bed frames. The Group are continuing with concerted efforts to develop new products, new design for existing products, derive better cost efficiencies and effective cost management across all functions. The Board believes that the Group's prospects for the financial year ending 31 August 2024 would remain profitable.

**4. Variance on Forecast Profit/Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.



**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023****5. Taxation**

	<b>Current Quarter RM'000</b>	<b>Period To Date RM'000</b>
Income Tax	3,250	3,250
	<b>3,250</b>	<b>3,250</b>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period.

**6. Profit on Sale of Unquoted Investments and/or Properties**

There were no sale of investments and properties for the current quarter and financial period-to-date.

**7. Purchases and Sales of Quoted Securities**

There were no purchase or disposal of quoted securities by the Group during the current financial quarter and current financial period to-date under review.

**8. Status of Corporate Proposals Announced**

On 27 February 2019, the Company had announced that the wholly-owned subsidiaries of the Company, Home Newcastle Sdn. Bhd. and Homeours Sdn. Bhd. (collectively referred to as "Purchasers"), had on the same date each 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 4 plots of land 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 titles have yet to be issued.

Save as disclosed above, there were no corporate proposals announced which remain uncompleted during the quarter under review as at the date of this report.

**9. Group Borrowings and Debt Securities**

There was no outstanding borrowing as at 30 November 2023.

**10. Derivative Financial Instruments**

During the financial period, the Group entered into forward foreign exchange contracts to hedge exposures to currency risk for receivables which are denominated in a currency other than the functional currency of the Group.

The details of the outstanding foreign currency forward contracts agreement as at 30 November 2023 are as follows:

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**

	Notional Amount RM'000	Derivative Financial Asset RM'000
Foreign currency forward contracts: Less than one year	4,662	28

**11. Material Litigation**

Save as disclosed below, there were no material litigations pending as at the date of this report.

**Embrace Industries Sdn. Bhd. vs. Khazanah Realty Sdn. Bhd.**

On 24 September 2021, the wholly-owned subsidiary, Embrace Industries Sdn. Bhd. ("the Plaintiff") its solicitors, Messrs Chee Siah Le Kee & Partners, filed a writ of summons in the Muar High Court against Khazanah Realty Sdn. Bhd. ("the Defendant") in relation to the sale and purchase of two pieces of lands held under PN No. 81402, Lot No. 11722 and PN No. 73632, Lot No. 11723, both in Mukim Parit Bakar, District of Muar, State of Johor (the said lands"). The Plaintiff claiming for a declaration that the Defendant is not entitled to terminate the SPA; an injunction prohibiting the Defendant from selling the lands; specific performance of the SPA; general damages in addition to or in lieu of specific performance, interest and costs.

The Plaintiff has served the writ of summons to the Defendant's solicitors, Messrs Soh Yok Lam & Co on 27 September 2021. The Defendant has filed and served a memorandum of appearance dated 05 October 2021 to the Plaintiff.

The Plaintiff's solicitors had received the statement of defence and counterclaim from the Defendant's solicitors on 5 November 2021.

The Plaintiff's solicitors had filed the amended statement of claim and, reply to defence and defence to counterclaim on 29 November 2021.

The Plaintiff's solicitors have filed an application for summary judgment ("the said application") against the Defendant.

The matter came up for decision of the Plaintiff's application for summary judgment before the learned judge of the Muar High Court on 18 July 2022. The learned judge dismissed the application for summary judgment with costs in the cause.

The Court initially fixed the matter for further case management on 15 January 2024 but subsequently vacated. The date has rescheduled to 04 February 2024 and trial dates are fixed on 11 March 2024 and 12 March 2024.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2023**
**12. Notes to the Statement of Comprehensive Income:**

Profit for the period has been arrived at after (crediting) / charging:

	<b>Current Quarter Ended 30 Nov 2023 RM'000</b>	<b>Current Year To Date 30 Nov 2023 RM'000</b>
Interest income	(1,619)	(1,619)
Depreciation and amortisation	1,518	1,518
Realised foreign exchange (gain)	(1,032)	(1,032)
Unrealised foreign exchange loss	137	137
Fair value (gain) on foreign exchange contracts	(28)	(28)

**13. Dividends**

The Board of Directors do not recommend any dividend for the period under review.

**14. Earnings Per Share**

The basic earnings per share have been calculated by dividing the Company's profit for the current financial quarter and current financial year to-date by the number of ordinary shares in issue during the current financial quarter and current financial year to-date under review.

	<b>Quarter Ended</b>		<b>Year To Date Ended</b>	
	<b>30 Nov 2023</b>	<b>30 Nov 2022</b>	<b>30 Nov 2023</b>	<b>30 Nov 2022</b>
Profit attributable to equity holders of the Company (RM'000)	9,048	6,308	9,048	6,308
Weighted average number of ordinary shares in issue ('000)	463,240	463,238	463,240	463,238
Effect of dilution of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	463,240	463,238	463,240	463,238
Basic earnings per share (sen)	1.95	1.36	1.95	1.36
Diluted earnings per share (sen)*	1.95	1.36	1.95	1.36

\* There is no dilutive effect of the potential ordinary shares convertible under warrants issued for quarter ended 30 November 2023 and period ended 30 November 2023 since the exercise price is above the average market value of the Company's shares.

**15. Authorisation for Issue of Report**

The unaudited interim financial statements were authorised for issue on 22 January 2024 by the Board of Directors.

*(The rest of the page is intentionally left blank)*