

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED 31 AUGUST 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/08/2024 RM'000	Preceding Year Quarter 31/08/2023 RM'000	Current Year To Date 31/08/2024 RM'000	Preceding Year To Date 31/08/2023 RM'000
Revenue	56,511	46,018	229,721	162,644
Operating Expenses	(48,934)	(37,970)	(194,835)	(137,584)
Other Operating Income	1,582	2,360	10,043	8,327
Profit before tax	9,159	10,408	44,929	33,387
Taxation	(2,381)	(2,500)	(10,777)	(7,394)
Profit for the year	6,778	7,908	34,152	25,993
Other comprehensive income / (expenses) for the year	-	-	-	-
Total comprehensive income for the year	6,778	7,908	34,152	25,993
Profit for the year attributable to:				
Owners of the Company	6,778	7,908	34,152	25,993
Non-controlling interests	-	-	-	-
	6,778	7,908	34,152	25,993
Total comprehensive income attributable to:				
Owners of the Company	6,778	7,908	34,152	25,993
Non-controlling interests	-	-	-	-
	6,778	7,908	34,152	25,993
Earnings per ordinary share (sen)				
Basic	1.46	1.71	7.37	5.61
Diluted	1.46	1.71	7.37	5.61

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 FOURTH QUARTER ENDED 31 AUGUST 2024
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED) AS AT 31 AUGUST 2024

	Unaudited As at 31/08/2024 RM'000	Audited As at 31/08/2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	68,265	67,833
Right of use assets	8,120	1,767
Prepaid lease payments	8,980	8,980
Goodwill	478	478
	85,843	79,058
Current Assets		
Inventories	44,360	33,714
Trade and other receivables	22,262	21,025
Derivative assets	25	-
Deposits, bank and cash balances	188,164	170,240
	254,811	224,979
TOTAL ASSETS	340,654	304,037
EQUITY AND LIABILITIES		
Share capital	98,024	98,020
Reserves	210,048	183,308
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	308,072	281,328
Non-Current Liabilities		
Lease liabilities	230	42
Deferred tax liabilities	4,336	4,736
	4,566	4,778
Current Liabilities		
Trade and other payables	26,184	15,962
Lease liabilities	284	248
Tax payable	1,548	1,721
	28,016	17,931
TOTAL LIABILITIES	32,582	22,709
TOTAL EQUITY AND LIABILITIES	340,654	304,037
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	0.67	0.61

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 FOURTH QUARTER ENDED 31 AUGUST 2024
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED 31 AUGUST 2024

<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>
<u>12 months ended 31 August 2024</u>			
As at 1 September 2023	98,020	183,308	281,328
Total comprehensive income for the financial year	-	34,152	34,152
Dividends	-	(7,412)	(7,412)
Exercise of Warrants	4	-	4
As at 31 August 2024	98,024	210,048	308,072
<u>12 months ended 31 August 2023</u>			
As at 1 September 2022	98,019	161,948	259,967
Total comprehensive income for the financial year	-	25,993	25,993
Dividends	-	(4,633)	(4,633)
Exercise of Warrants	1	-	1
As at 31 August 2023	98,020	183,308	281,328

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 FOURTH QUARTER ENDED 31 AUGUST 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED 31 AUGUST 2024

	Current Year 12 Months Ended 31/08/2024 RM'000	Preceding Year 12 Months Ended 31/08/2023 RM'000
Cash Flow From Operating Activities		
Profit before tax	44,929	33,387
Adjustment for:		
Depreciation and amortisation	5,860	6,236
Other adjustments	(6,115)	(5,453)
Operating profit before changes in working capital	44,674	34,170
Changes in working capital		
Net changes in current assets	(12,496)	2,046
Net changes in current liabilities	10,652	3,108
Cash From Operations	42,830	39,324
Interest received	6,968	5,020
Net tax paid	(11,350)	(7,586)
Net Cash From Operating Activities	38,448	36,758
Cash Flows (For) / From Investing Activities		
Proceeds from disposal of property, plant and equipment	190	-
Net withdrawal / (placement) of fixed deposit with licensed bank with tenure of more than three months	7,733	(128,772)
Net cash outflow from acquisition property, plant and equipment, right of use asset and prepaid lease	(12,094)	(5,314)
Net Cash (For) / From Investing Activities	(4,171)	(134,086)
Cash Flows From Financing Activities		
Proceeds from exercise of warrant	4	1
Interest paid for lease	(29)	(24)
Repayment of lease liabilities	(398)	(294)
Dividend paid to shareholders	(7,412)	(9,265)
Net Cash Flows From Financing Activities	(7,835)	(9,582)
Net Changes In Cash and Cash Equivalents	26,442	(106,910)
Cash and Cash Equivalents at Beginning of the Financial Year	41,468	148,197
Effect of exchange differences	(784)	181
Cash and Cash Equivalents at End of the Financial Year	67,126	41,468
Cash and Cash Equivalents in the Consolidated Statements of Cash Flows Comprise:		
Deposits, cash and bank balances	188,164	170,240
Less: Fixed deposit with licensed bank with tenure of more than three months	(121,038)	(128,772)
	67,126	41,468

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 FOURTH QUARTER ENDED 31 AUGUST 2024

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)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendment to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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 of 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.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024

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.

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 Accounting 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.

7. Dividend Paid

A final single-tier tax exempt dividend of 1.6 sen per ordinary share for financial year ended 31 August 2023 was approved by the shareholders during Annual General Meeting held on 22 January 2024 and subsequent paid on 08 March 2024.

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

- (a) On 29 December 2023, the Company subscribed an additional 483,240 ordinary shares in U.S. Furniture Manufacturing Sdn. Bhd. ("USF") at an issue price of RM 1 each in the capital of USF for cash by way of offsetting the amount owing by USF of RM 483,240.
- (b) On 29 December 2023, the Company subscribed an additional 4,516,840 ordinary shares in Home Newcastle Sdn. Bhd. ("HNSB") at an issue price of RM 1 each in the capital of HNSB for cash by way of offsetting the amount owing by HNSB of RM 4,516,840.
- (c) On 29 December 2023, the Company subscribed an additional 4,516,830 ordinary shares in Homeours Sdn. Bhd. ("HOSB") at an issue price of RM 1 each in the capital of HOSB for cash by way of offsetting the amount owing by HOSB of RM 4,516,830.
- (d) On 29 December 2023, the Company subscribed an additional 19,760 ordinary shares in Eritz Sdn. Bhd. ("ERITZ") at an issue price of RM 1 each in the capital of ERITZ for cash by way of offsetting the amount owing by ERITZ of RM 19,760.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024
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 31 August 2024.

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 31 August 2024, 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	-	25	-	25

13. Capital Commitments

The material capital commitments of the Group as at 31 August 2024 are as follow:

	RM'000
Additions of Property, Plant & Equipment	7,635

14. Related Party Transactions

	Quarter Ended		Year To Date Ended	
	31 August 2024 RM'000	31 August 2023 RM'000	31 August 2024 RM'000	31 August 2023 RM'000
Rental and deposit paid to director and a company which related to the director	19	19	57	76
Professional fee paid to a company which director has substantial financial interest	-	21	36	21

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31
AUGUST 2024**

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.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024
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 fourth quarter ended 31 August 2024 (Q4FY2024) and year ended 31 August 2024 (FY2024) compared with the previous corresponding fourth quarter ended 31 August 2023 (Q4FY2023) and year ended 31 August 2023 (FY2023) are tabled below:

Description	Q4FY2024 RM'000	Q4FY2023 RM'000	Variance %	FY2024 RM'000	FY2023 RM'000	Variance %
Revenue	56,511	46,018	22.80	229,721	162,644	41.24
Profit before tax (" PBT")	9,159	10,408	-12.00	44,929	33,387	34.57

The Group's revenue of RM 56.51 million for Q4FY2024 and RM229.72 million for FY2024 increased by 22.80% and 41.24% respectively compared with the corresponding period last financial year. The increase in revenue was mainly attributed to the increase in the volume sold.

The Group's PBT of RM 9.16 million for Q4FY2024 decreased by 12.00% compared to the corresponding period last financial year due to the weakening of the USD, as the majority of the Group's revenue is denominated in USD. However, the Group's PBT of RM 44.93 million for FY2024 increased by 34.57% compared to last financial year, primarily attributed to the increase in the volume sold.

2. Comparison with Preceding Quarter's Results

The Group's performance for the current year fourth quarter ended 31 August 2024 (Q4FY2024) compared to preceding quarter ended 31 May 2024 (Q3FY2024) are tabled below:

Description	Q4FY2024 RM'000	Q3FY2024 RM'000	Variance %
Revenue	56,511	61,879	-8.67
Profit before tax (" PBT")	9,159	12,034	-23.89

The Group's revenue and PBT for the Q4FY2024 decreased by 8.67% and 23.89% respectively, compared to the preceding quarter Q3FY2024. The lower revenue and PBT were mainly attributed to the decrease in volume sold and the weakening of the USD.

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 is continuing with concerted efforts to develop new products, new design for existing products, deriving better cost efficiencies and effective cost management across all functions. The Board believes that the Group's prospects for the next financial year would remain profitable.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024

4. Variance on Forecast Profit/Profit Guarantee

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

5. Taxation

	Current Quarter RM'000	Period To Date RM'000
Income Tax	2,781	11,177
Deferred Tax Income	(400)	(400)
	2,381	10,777

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 31 August 2024.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024**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 31 August 2024 are as follows:

	Notional Amount RM'000	Derivative Financial Asset RM'000
Foreign currency forward contracts: Less than one year	884	25

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") through 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 claimed 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.

A Consent Judgement ("CJ") was entered between the Plaintiff and the Defendant on 28 March 2024 where the parties agreed to proceed with the sale and purchase of the said lands subject to the terms therein. Upon filing of the CJ, the material litigation between the Plaintiff and the Defendant was concluded. The purchase was completed and the said lands were transferred to Embrace Industries Sdn. Bhd. on 15 May 2024.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024
12. Notes to the Statement of Comprehensive Income:

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

	Current Quarter Ended 31 August 2024 RM'000	Current Year To Date 31 August 2024 RM'000
Interest income	(1,740)	(6,968)
Depreciation and amortisation	1,451	5,860
Realised foreign exchange loss / (gain)	514	(2,232)
Unrealised foreign exchange loss	919	998
Fair value (gain) on foreign exchange contracts	(14)	(25)

13. Dividends

The Board of Directors is pleased to propose a final single tier dividend of 1.7 sen per ordinary share for the financial year ended 31 August 2024. The proposed final dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

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.

	Quarter Ended		Year To Date Ended	
	31 August 2024	31 August 2023	31 August 2024	31 August 2023
Profit attributable to equity holders of the Company (RM'000)	6,778	7,908	34,152	25,993
Weighted average number of ordinary shares in issue ('000)	463,245	463,238	463,243	463,238
Effect of dilution of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	463,245	463,238	463,243	463,238
Basic earnings per share (sen)	1.46	1.71	7.37	5.61
Diluted earnings per share (sen)	1.46	1.71	7.37	5.61

15. Authorisation for Issue of Report

The unaudited interim financial statements were authorised for issue on 25 October 2024 by the Board of Directors.

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