

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED 30 NOVEMBER 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2024 RM'000	Preceding Year Quarter 30/11/2023 RM'000	Current Year To Date 30/11/2024 RM'000	Preceding Year To Date 30/11/2023 RM'000
Revenue	61,657	53,760	61,657	53,760
Operating Expenses	(51,023)	(44,327)	(51,023)	(44,327)
Other Operating Income	3,183	2,865	3,183	2,865
Profit before tax	13,817	12,298	13,817	12,298
Taxation	(3,320)	(3,250)	(3,320)	(3,250)
Profit for the year	10,497	9,048	10,497	9,048
Other comprehensive income / (expenses) for the year	-	-	-	-
Total comprehensive income for the year	10,497	9,048	10,497	9,048
Profit for the year attributable to:				
Owners of the Company	10,497	9,048	10,497	9,048
Non-controlling interests	-	-	-	-
	10,497	9,048	10,497	9,048
Total comprehensive income attributable to:				
Owners of the Company	10,497	9,048	10,497	9,048
Non-controlling interests	-	-	-	-
	10,497	9,048	10,497	9,048
Earnings per ordinary share (sen)				
Basic	2.27	1.95	2.27	1.95
Diluted	2.27	1.95	2.27	1.95

The above condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2024 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED) AS AT 30 NOVEMBER 2024

	Unaudited As at 30/11/2024 RM'000	Audited As at 31/08/2024 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	69,531	68,265
Right of use assets	8,447	8,120
Prepaid lease payments	8,980	8,980
Goodwill	478	478
	87,436	85,843
Current Assets		
Inventories	46,803	44,360
Trade and other receivables	18,966	19,316
Derivative assets	-	25
Deposits, bank and cash balances	193,426	188,164
	259,195	251,865
TOTAL ASSETS	346,631	337,708
EQUITY AND LIABILITIES		
Share capital	98,024	98,024
Reserves	220,545	210,048
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	318,569	308,072
Non-Current Liabilities		
Lease liabilities	115	233
Deferred tax liabilities	4,336	4,336
	4,451	4,569
Current Liabilities		
Trade and other payables	21,117	23,237
Derivative financial liability	212	-
Lease liabilities	760	281
Tax payable	1,522	1,549
	23,611	25,067
TOTAL LIABILITIES	28,062	29,636
TOTAL EQUITY AND LIABILITIES	346,631	337,708
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	0.69	0.67

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2024 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED 30 NOVEMBER 2024

<u>Group</u>	<u>Attributable To Owners Of The Company</u>		
		Distributable	
	<u>Share Capital</u>	<u>Retained Profits</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000
<u>3 months ended 30 November 2024</u>			
As at 1 September 2024	98,024	210,048	308,072
Total comprehensive income for the financial year	-	10,497	10,497
As at 30 November 2024	98,024	220,545	318,569
<u>3 months ended 30 November 2023</u>			
As at 1 September 2023	98,020	183,308	281,328
Total comprehensive income for the financial year	-	9,048	9,048
Exercise of Warrants	1	-	1
As at 30 November 2023	98,021	192,356	290,377

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED 30 NOVEMBER 2024

	Current Year 3 Months Ended 30/11/2024 RM'000	Preceding Year 3 Months Ended 30/11/2023 RM'000
Cash Flow From Operating Activities		
Profit before tax	13,817	12,298
Adjustment for:		
Depreciation and amortisation	1,511	1,518
Other adjustments	(1,919)	(1,505)
Operating profit before changes in working capital	13,409	12,311
Changes in working capital		
Net changes in current assets	(1,830)	(2,641)
Net changes in current liabilities	(1,687)	2,357
Cash From Operations	9,892	12,027
Interest received	1,701	1,619
Net tax paid	(3,346)	(1,304)
Net Cash From Operating Activities	8,247	12,342
Cash Flows (For) / From Investing Activities		
Proceeds from disposal of property, plant and equipment	43	-
Net (placement) / withdrawal of fixed deposit with licensed bank tenure of more than three months	(10,329)	1,395
Net cash outflow from acquisition property, plant and equipment, right of use asset and prepaid lease	(3,139)	(1,446)
Net Cash (For) / From Investing Activities	(13,425)	(51)
Cash Flows From Financing Activities		
Proceeds from exercise of warrant	-	1
Interest paid for lease	(9)	(5)
Repayment of lease liabilities	(113)	(75)
Net Cash Flows From Financing Activities	(122)	(79)
Net Changes In Cash and Cash Equivalents	(5,300)	12,212
Cash and Cash Equivalents at Beginning of the Financial Year	63,045	41,468
Effect of exchange differences	233	(154)
Cash and Cash Equivalents at End of the Financial Year	57,978	53,526
Cash and Cash Equivalents in the Consolidated Statements of Cash Flows Comprise:		
Deposits, cash and bank balances	193,426	180,903
Less: Fixed deposit with licensed bank with tenure of more than three months	(135,448)	(127,377)
	57,978	53,526

The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 August 2024 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 2024 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 2024.

The audited financial statements of the Group for the year ended 31 August 2024 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 2024 except for the adoption of the following new amendments to MFRS:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 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.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2024

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 special dividend of 3.9 sen per ordinary share in respect of financial year ending 31 August 2025 was declared by the Board on 6 December 2024 and subsequently paid on 31 December 2024 to all holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 23 December 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

There were no materials events subsequent to the current quarter ended 30 November 2024 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 2024.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 30 November 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 Liability:				
- Forward foreign currency contracts	-	212	-	212

13. Capital Commitments

The material capital commitments of the Group as at 30 November 2024 are as follow:

Additions of Property, Plant & Equipment	RM'000 7,713
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14. Related Party Transactions

	Quarter Ended		Year To Date Ended	
	30 November 2024 RM'000	30 November 2023 RM'000	30 November 2024 RM'000	30 November 2023 RM'000
Rental and deposit paid to director and a company related to the director	19	19	19	19
Rental and deposit received from a company where a person connected to director have substantial financial interests	22	-	22	-
Sales of furniture parts and furniture to a company where a person connected to director have substantial financial interests	301	-	301	-

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30
NOVEMBER 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 FIRST QUARTER ENDED 30 NOVEMBER 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 first quarter ended 30 November 2024 (Q1FY2025) compared with the previous corresponding first quarter ended 30 November 2023 (Q1FY2024) are tabled below:

Description	Q1FY2025 RM'000	Q1FY2024 RM'000	Variance %
Revenue	61,657	53,760	14.69
Profit before tax (" PBT")	13,817	12,298	12.35

The Group's revenue and PBT for the Q1FY2025 increased by 14.69% and 12.35% respectively compared with the corresponding period last financial year. The increase in revenue and PBT were mainly attributed to the increase in volume sold in the current quarter.

2. Comparison with Preceding Quarter's Results

The Group's performance for the current year first quarter ended 30 November 2024 (Q1FY2025) compared to fourth quarter ended 31 August 2024 (Q4FY2024) are tabled below:

Description	Q1FY2025 RM'000	Q4FY2024 RM'000	Variance %
Revenue	61,657	56,511	9.11
Profit before tax (" PBT")	13,817	9,159	50.86

The Group's revenue and PBT for the Q1FY2025 increased by 9.11% and 50.86% respectively, compared to the preceding quarter Q4FY2024. The higher revenue and PBT were mainly attributed to the increase in volume sold and gain on foreign exchange.

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.

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 2024**5. Taxation**

	Current Quarter RM'000	Period To Date RM'000
Income Tax	3,320	3,320
	3,320	3,320

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 2024.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 30 November 2024 are as follows:

	Notional Amount RM'000	Derivative Financial Liability RM'000
Foreign currency forward contracts: Less than one year	2,107	212

11. Material Litigation

There were no material litigations pending as of the date of this report.

12. Notes to the Statement of Comprehensive Income:

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

	Current Quarter Ended 30 November 2024 RM'000	Current Year To Date 30 November 2024 RM'000
Interest income	(1,701)	(1,701)
Depreciation and amortisation	1,511	1,511
Realised foreign exchange (gain)	(768)	(768)
Unrealised foreign exchange (gain)	(481)	(481)
Fair value loss on foreign exchange contracts	237	237

13. Dividends

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

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2024

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	
	30 November 2024	30 November 2023	30 November 2024	30 November 2023
Profit attributable to equity holders of the Company (RM'000)	10,497	9,048	10,497	9,048
Weighted average number of ordinary shares in issue ('000)	463,245	463,240	463,245	463,240
Effect of dilution of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	463,245	463,240	463,245	463,240
Basic earnings per share (sen)	2.27	1.95	2.27	1.95
Diluted earnings per share (sen)	2.27	1.95	2.27	1.95

15. Authorisation for Issue of Report

The unaudited interim financial statements were authorised for issue on 21 January 2025 by the Board of Directors.

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