

Homeritz set to expand in North and South America

- *IPO of upholstered home furniture designer and manufacturer to raise RM7.9 million for the Group*
- *MIMB Investment Bank Berhad appointed Adviser, sole underwriter and placement agent*

Kuala Lumpur, Malaysia; 13 January 2010 – Leading upholstered home furniture designer and manufacturer **Homeritz Corporation Berhad** (“Homeritz”, “the Group”, “家丽资机构有限公司”), is set to expand its market share in North and South America.

Homeritz signed the underwriting agreement with its adviser, sole underwriter and placement agent, MIMB Investment Bank Berhad (“MIMB”), a member of EON Bank Group, in conjunction with its Initial Public Offering (“IPO”) on the Main Market of Bursa Malaysia Securities Berhad.

The underwriting agreement was signed by **Homeritz**’s Managing Director Chua Fen Fatt and Executive Director Tee Hwee Ing, while MIMB was represented by Ng Chee Kiet, Director and Co-Head, Investment Banking, and Arvin Chia Yew Kim, Head, Equity Capital Markets.

Speaking at the underwriting ceremony today, Tee said that the Group had been able to carve its niche in the international upholstered home furniture sector, with nearly 100% of its products being exported to more than 40 countries across all continents.

“For the financial year ended 31 August 2009, our largest export market was Europe which contributed 60% of group revenues, followed by the Australasia region which contributed 26% of total sales. Our ability to develop a significantly-global clientele speaks volumes of our products meeting the demands of highly-discerning customers.”

“Moving forward, we target to increase our sales from North and South America which only contributed about 8% to group revenues in FY2009. We believe that these markets hold huge growth potential, with its large population and preference for modern lifestyle home furniture.”

*Tee Hwee Ing (“郑慧云”)
Executive Director, Homeritz Corporation Berhad*

Founded in 1997, **Homeritz** is an integrated designer, manufacturer and exporter of a complete range of upholstered home furniture, comprising leather and fabric-based sofas, dining chairs and bed frames.

Homeritz primarily undertakes Original Design Manufacturing (“ODM”) and Original Equipment Manufacturing (“OEM”) activities.

Elaborating further on the Group’s strengths, Tee said: “Our ability to innovate wide-range of designs has enabled us to attract large following worldwide, due to the products’ contemporary look and intelligent functions. In fact, we are pleased that our in-house product designs generate 86% of our group revenue.”

“At the same time, we use high-grade raw materials and implement stringent quality control measures, in order to ensure that our products maintain international standards,” added Tee.

Ng Chee Kiet of MIMB said, “**Homeritz** is a prime example of how made-in-Malaysia products are certainly able to compete effectively on the global scale. We are pleased to play a key role in bringing an internationally-reputable furniture player like **Homeritz** to list on Bursa Malaysia. Moreover, **Homeritz** is slated to be the first upholstered home furniture player to be listed in the country.”

Homeritz’s IPO entails the public issue of 9.00 million new ordinary shares, and an offer-for-sale of 35.02 million vendor shares at an IPO price of RM0.65 each.

Of the 9.00 million new ordinary shares under the public issue, 8.00 million shares will be for application by the Malaysian public, and 1.00 million shares will be allocated to the eligible directors, employees and business associates of the Group.

Of the 35.02 million shares under the offer-for-sale, 20.00 million shares will be allocated to Bumiputera investors approved by the Ministry of International Trade and Industry, 8.02 million shares will be for private placement to selected investors, and 7.00 million shares will be for application by the Malaysian public.

Prior to its listing, **Homeritz** had also undertaken a renounceable rights issue of 10.10 million shares at par for its existing shareholders.

Cumulatively, the Rights Issue and Public Issue will raise RM7.87 million in proceeds for the Group.

Homeritz targets to list in February 2010.

About Homeritz Corporation Berhad (www.eritz.com.my)

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The Group primarily undertakes Original Design Manufacturing (“ODM”) and Original Equipment Manufacturing (“OEM”) activities. **Homeritz** has also created its own brand of lifestyle furniture series under “Eritz”.

To date, **Homeritz** has built a diverse customer base spanning across more than 40 countries, including Europe, Australia, New Zealand, North and South America, South Africa and the Middle East.

The Group has various accolades in recent years, including the Golden Bull Award in 2008 (ranking 1st out of 100 outstanding SMEs), the Enterprise 50 Award for 2 consecutive years in 2008 and 2009; and the ‘Product Excellence Award’ and ‘Asian Furniture Leadership Award’ at the Malaysian Furniture Leadership Awards in 2009.

Issued for and on behalf of HOMERITZ CORPORATION BHD by Aquilas Advisory (Malaysia) Sdn Bhd.

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