

# Furniweb Holdings Limited 飛靄控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8480

Interim Report

# 2023



# CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the “Directors”) of FURNIWEB HOLDINGS LIMITED (the “Company” together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

The Board of Directors of the Company (the “Board”) announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023 (the “Period”), together with the unaudited comparative figures for the corresponding period in 2022, and certain comparative figures as at 31 December 2022, as follows:

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	Six months ended 30 June	
		2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
<b>Revenue</b>	4	<b>106,912</b>	57,857
Cost of sales		<b>(82,621)</b>	(42,496)
<b>Gross profit</b>		<b>24,291</b>	15,361
Other income, net	5	<b>664</b>	621
Selling and distribution costs		<b>(981)</b>	(1,864)
Administrative expenses		<b>(19,184)</b>	(10,035)
Interest income		<b>678</b>	246
Finance costs	6	<b>(494)</b>	(259)
Share of profit of a joint venture, net of tax		<b>59</b>	190
Share of profit of associates, net of tax		<b>–</b>	2,014
<b>Profit before income tax expense</b>	7	<b>5,033</b>	6,274
Income tax expense	8	<b>(2,541)</b>	(1,200)
<b>Profit for the period</b>		<b>2,492</b>	5,074
<b>Other comprehensive income/(expenses), net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>3,987</b>	1,343
Share of other comprehensive income of a joint venture, net of tax		<b>55</b>	33
Share of other comprehensive expense of an associate, net of tax		<b>–</b>	(71)
Other comprehensive income, net of tax		<b>4,042</b>	1,305
<b>Total comprehensive income for the period</b>		<b>6,534</b>	6,379
<b>Earnings per share:</b>			
Basic and diluted (cents)	10	<b>0.41</b>	0.91

# Unaudited Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 (Unaudited) RM'000	As at 31 December 2022 (Audited) RM'000
<b>Non-current assets</b>			
Property, plant and equipment	11	20,834	19,554
Right-of-use assets		11,867	12,309
Intangible assets		16,034	15,618
Interest in a joint venture		1,090	1,411
Loan receivable	12	5,000	5,000
Deferred tax assets		26	24
		<b>54,851</b>	53,916
<b>Current assets</b>			
Inventories		20,893	26,091
Trade and other receivables	12	47,303	50,952
Contract assets and contract costs		24,836	25,727
Amount due from a joint venture		69	82
Current tax recoverable		946	1,077
Time deposits maturing over three months		15,598	11,274
Cash and bank balances		43,357	48,517
		<b>153,002</b>	163,720
<b>Current liabilities</b>			
Trade and other payables	13	39,831	31,262
Contract liabilities		1,268	1,108
Bank borrowings	14	9,291	18,225
Lease liabilities		1,656	1,459
Current tax liabilities		7,013	5,985
		<b>59,059</b>	58,039
<b>Net current assets</b>		<b>93,943</b>	105,681
<b>Total assets less current liabilities</b>		<b>148,794</b>	159,597

# Unaudited Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 (Unaudited) RM'000	As at 31 December 2022 (Audited) RM'000
<b>Non-current liabilities</b>			
Other payable	13	–	15,569
Bank borrowings	14	10,130	11,363
Lease liabilities		5,174	5,690
Deferred tax liabilities		2,233	2,252
		<b>17,537</b>	34,874
<b>NET ASSETS</b>			
		<b>131,257</b>	124,723
<b>Equity</b>			
Share capital	15	32,633	32,633
Reserves		98,624	92,090
<b>TOTAL EQUITY</b>			
		<b>131,257</b>	124,723

# Unaudited Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Share capital	Share premium	Merger reserve	Exchange translation reserve	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2022 (audited)</b>	30,255	80,824	39,433	321	(51,581)	99,252
Profit for the period	-	-	-	-	5,074	5,074
Exchange differences on translation of foreign operations	-	-	-	1,343	-	1,343
Share of other comprehensive income of a joint venture, net of tax	-	-	-	33	-	33
Share of other comprehensive expense of an associate, net of tax	-	-	-	(71)	-	(71)
Total comprehensive income	-	-	-	1,305	5,074	6,379
<b>Balance as at 30 June 2022 (unaudited)</b>	30,255	80,824	39,433	1,626	(46,507)	105,631
<b>Balance as at 1 January 2023 (audited)</b>	<b>32,633</b>	<b>83,915</b>	<b>39,433</b>	<b>2,156</b>	<b>(33,414)</b>	<b>124,723</b>
Profit for the period	-	-	-	-	2,492	2,492
Exchange differences on translation of foreign operations	-	-	-	3,987	-	3,987
Share of other comprehensive income of a joint venture, net of tax	-	-	-	55	-	55
Total comprehensive income	-	-	-	4,042	2,492	6,534
<b>Balance as at 30 June 2023 (unaudited)</b>	<b>32,633</b>	<b>83,915</b>	<b>39,433</b>	<b>6,198</b>	<b>(30,922)</b>	<b>131,257</b>

# Unaudited Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June	
		2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
Net cash generated from/(used in) operating activities		<b>16,847</b>	(2,585)
Net cash used in investing activities		<b>(12,261)</b>	(6,907)
Net cash (used in)/generated from financing activities		<b>(12,059)</b>	1,198
Net decrease in cash and cash equivalents		<b>(7,473)</b>	(8,294)
Cash and cash equivalents at the beginning of the period		<b>48,248</b>	27,832
Effect of exchange rate changes		<b>2,431</b>	350
Cash and cash equivalents at the end of the period		<b>43,206</b>	19,888
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		<b>43,357</b>	20,334
Bank overdraft	14	<b>(151)</b>	(446)
		<b>43,206</b>	19,888

# Notes to the Financial Information

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 3 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its ordinary shares in issue have been listed on the GEM of the Stock Exchange since 16 October 2017 (the "**Listing**"). The addresses of the Company's registered office and its headquarters are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Lot 1883, Jalan KPB9, Kg. Bharu Balakong, 43300 Seri Kembangan, Selangor, Malaysia, respectively. The principal place of business in Hong Kong is 31st Floor, 148 Electric Road, North Point, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of elastic textile, webbing, rubber tape and polyvinyl chloride ("**PVC**") related products, and energy efficiency business. The ultimate holding company of the Company is PRG Holdings Berhad ("**PRG Holdings**" or the "**Controlling Shareholder**") which is a public limited liability company incorporated in Malaysia and the issued shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard ("**IFRS**") 34 — Interim Financial Reporting, issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost basis.

The unaudited condensed consolidated interim financial statements are presented in Malaysian Ringgit ("**RM**") which is the functional currency of the Company's major operating subsidiaries and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The unaudited condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2022 annual financial statements, except for those that relate to new standards or interpretations effective for the period beginning on or after 1 January 2023. Details of changes in accounting policies are set out below.

### **Adoption of new or revised IFRSs effective for annual periods beginning on or after 1 January 2023**

#### ***New and revised IFRSs***

IFRS 17	<i>Insurance Contracts</i>
IAS 1	<i>Amendments in relation to Disclosure of Accounting Policies</i>
IAS 8	<i>Amendments in relation to Definition of Accounting Estimates</i>
IAS 12	<i>Amendments in relation to Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The adoption of the above standards did not have any significant changes and material effect on the unaudited condensed consolidated interim financial statements of the Group.

# Notes to the Financial Information

## 3. REVENUE AND SEGMENT INFORMATION

### (a) Business segment

The Company's subsidiaries are principally engaged in the manufacturing, sale of elastic textile and webbing, rubber tape and PVC related products, and energy efficiency business.

The Group determines its operating segments based on the reports reviewed by chief executive officer who is the chief operating decision-maker (the "CODM").

The Group has arrived at two reportable segments summarised as follows:

- (i) Manufacturing (the "Manufacturing Division"); and
- (ii) Energy Efficiency (the "Energy Efficiency Division").

The CODM assesses performance of the operating segments on the basis of profit before income tax expense.

There were no separate segment assets and segment liabilities information provided to the CODM as the CODM does not use this information to allocate resources and evaluate the performance of the operating segments. Inter segment revenue is priced along the same lines as sales to external customers and is eliminated in the unaudited condensed consolidated financial statements.

### Six months ended 30 June 2023 (unaudited)

	Manufacturing RM'000	Energy Efficiency RM'000	Others RM'000	Total RM'000
<b>Revenue</b>				
Revenue from external customers	49,979	56,848	85	106,912
<b>Results</b>				
Operating (loss)/profit	(1,156)	7,948	(2,002)	4,740
Interest income	521	5	152	678
Finance costs	(334)	(160)	-	(494)
Share of profit of a joint venture, net of tax	59	-	-	59
(Loss)/Profit before income tax expense	(910)	7,793	(1,850)	5,033
Income tax expense	(1,146)	(1,395)	-	(2,541)
(Loss)/Profit for the period	(2,056)	6,398	(1,850)	2,492
<b>Other segment item:</b>				
Amortisation and depreciation	(1,028)	(1,001)	-	(2,029)

# Notes to the Financial Information

## Six months ended 30 June 2022 (unaudited) (restated)

	Manufacturing RM'000	Energy Efficiency RM'000	Others RM'000	Total RM'000
<b>Revenue</b>				
Revenue from external customers	57,719	–	138	57,857
<b>Results</b>				
Operating profit/(loss)	6,484	–	(2,401)	4,083
Interest income	246	–	–	246
Finance costs	(259)	–	–	(259)
Share of profit of a joint venture, net of tax	190	–	–	190
Share of profit of associates, net of tax	–	2,014	–	2,014
Profit/(Loss) before income tax expense	6,661	2,014	(2,401)	6,274
Income tax expense	(1,200)	–	–	(1,200)
Profit/(Loss) for the period	5,461	2,014	(2,401)	5,074
<b>Other segment item:</b>				
Amortisation and depreciation	(1,017)	–	–	(1,017)

# Notes to the Financial Information

## (b) Geographical information

The Company is domiciled in the Cayman Islands while the Group's manufacturing facilities and sales offices are based in Malaysia, Vietnam, the People's Republic of China ("PRC") and Hong Kong, and the energy efficiency business is based in the Republic of Singapore ("Singapore") and Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers from which the sales transactions originated.

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
<b>Revenue from external customers</b>		
Asia Pacific	92,079	40,606
Europe	3,769	5,896
North America	10,571	10,446
Others	493	909
<b>Total</b>	<b>106,912</b>	<b>57,857</b>

## (c) Information about major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group for the reporting periods mainly from the Energy Efficiency Division (2022: Manufacturing Division) were as follows:

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
Customer A	24,950	–
Customer B	*	7,821
Customer C	*	7,963

\* Revenue from these customers individually did not exceed 10% of the total revenue of the Group for the period ended 30 June 2023.

# Notes to the Financial Information

## 4. REVENUE

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
<b>Recognised at point in time:</b>		
Sales of goods:		
— Elastic textile	14,776	18,879
— Webbing	20,781	24,080
— Other manufacturing products	14,422	14,760
Others	1,553	138
<b>Recognised over time:</b>		
Contract income	49,615	—
Maintenance service	5,765	—
<b>Total</b>	<b>106,912</b>	<b>57,857</b>

## 5. OTHER INCOME, NET

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
Gain on foreign exchange, net		
— realised	282	306
— unrealised	275	247
Commission income	36	42
Gain on disposal of property, plant and equipment	25	24
Others	46	2
<b>Total</b>	<b>664</b>	<b>621</b>

# Notes to the Financial Information

## 6. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	(Unaudited) RM'000	(Unaudited) RM'000
Interest on bank overdraft	15	13
Interest on bank borrowings	282	171
Interest on lease liabilities	197	75
<b>Total</b>	<b>494</b>	<b>259</b>

## 7. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2023	2022
	(Unaudited) RM'000	(Unaudited) RM'000
Auditor's remuneration	242	191
Amortisation of intangible assets	363	2
Depreciation of property, plant and equipment	773	795
Depreciation of right-of-use assets	893	220
Gain on disposal of property, plant and equipment	(25)	(24)
Impairment loss on trade and other receivables	3,523	-
Interest income from:		
— fixed deposits	(463)	(213)
— bank balances	(63)	(33)
— loan receivable	(152)	-
Provision/(Reversal) of inventories written down, net	2,590	(105)
Employee costs included in:		
— cost of sales	12,777	6,967
— selling and distribution costs	80	77
— administrative expenses	10,797	6,837

# Notes to the Financial Information

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
Current tax expense		
— Malaysian income tax	637	594
— Overseas income tax	1,970	606
	2,607	1,200
Over provision in prior periods	(5)	–
	2,602	1,200
Deferred tax		
— current year	(61)	–
	2,541	1,200

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

The Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits for the six months ended 30 June 2023 and 2022.

Tax expenses for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

## 9. DIVIDENDS

The Board does not recommend payment of any dividend for the Period (2022: RMNil).

# Notes to the Financial Information

## 10. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the Period.

The calculation of basic earnings per share is based on the following information:

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
<b>Earnings</b>		
Profit for the period attributable to owners of the Company	2,492	5,074
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the Period ('000)	601,566	560,000

Diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding for the periods ended 30 June 2023 and 2022.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the Period, additions to property, plant and equipment amounted to RM1.8 million (during the six months ended 30 June 2022: RM1.4 million).

# Notes to the Financial Information

## 12. TRADE AND OTHER RECEIVABLES

	<b>As at 30 June 2023 (Unaudited) RM'000</b>	As at 31 December 2022 (Audited) RM'000
Trade receivables	<b>29,874</b>	38,524
Less: Allowance for impairment loss	<b>(5,356)</b>	(2,898)
	<b>24,518</b>	35,626
Prepayments, deposits and other receivables	<b>19,799</b>	11,931
Loan receivables	<b>7,986</b>	8,395
	<b>52,303</b>	55,952
Represents:		
Non-current	<b>5,000</b>	5,000
Current	<b>47,303</b>	50,952
	<b>52,303</b>	55,952

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 90 days from invoice date. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The ageing analysis of trade receivables, based on invoice dates and before allowance for impairment loss, as at 30 June 2023 and 31 December 2022 are as follows:

	<b>As at 30 June 2023 (Unaudited) RM'000</b>	As at 31 December 2022 (Audited) RM'000
Within 30 days	<b>15,913</b>	25,508
31 to 60 days	<b>4,134</b>	5,714
61 to 90 days	<b>2,729</b>	2,019
91 to 180 days	<b>1,300</b>	1,983
Over 180 days	<b>5,798</b>	3,300
	<b>29,874</b>	38,524

# Notes to the Financial Information

## 13. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2023 (Unaudited) RM'000</b>	As at 31 December 2022 (Audited) RM'000
Trade payables	9,152	11,374
Bills payable	951	–
Other payables	29,728	35,457
	<b>39,831</b>	46,831
Represents:		
Non-current	–	15,569
Current	39,831	31,262
	<b>39,831</b>	46,831

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from one month to three months from invoice date.

The ageing analysis of trade and bills payables, based on invoice dates, as at 30 June 2023 and 31 December 2022 are as follows:

	<b>As at 30 June 2023 (Unaudited) RM'000</b>	As at 31 December 2022 (Audited) RM'000
Within 30 days	5,181	7,529
31 to 60 days	4,171	1,774
61 to 90 days	401	1,002
Over 90 days	350	1,069
	<b>10,103</b>	11,374

# Notes to the Financial Information

## 14. BANK BORROWINGS

	<b>As at 30 June 2023 (Unaudited) RM'000</b>	As at 31 December 2022 (Audited) RM'000
Term loans (secured)	12,955	14,020
Bank overdraft (secured)	151	269
Trust receipts	6,315	15,299
	<b>19,421</b>	29,588
Borrowings are repayable as follows:		
— within one year	9,291	18,225
— after one year but within two years	2,913	2,742
— after two years but within five years	1,520	2,677
— after five years	5,697	5,944
	<b>19,421</b>	29,588
Less: Amount due within one year included in current liabilities	<b>(9,291)</b>	(18,225)
Amount included in non-current liabilities	<b>10,130</b>	11,363

## 15. SHARE CAPITAL

	Number '000	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
<b>Authorised:</b>		
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	1,000,000	100,000
	<b>Number</b>	<b>Amount</b>
	'000	HK\$'000
	<b>Amount</b>	<b>Amount</b>
	'000	RM'000
<b>Issued and fully paid:</b>		
At 1 January 2022	560,000	56,000
Issue of new shares ( <i>Note</i> )	41,566	4,157
<b>At 31 December 2022,</b>		
<b>1 January 2023 and 30 June 2023</b>	601,566	60,157
	32,633	

Note: On 29 August 2022, the Company completed the acquisition of the remaining 62.75% of the issued share capital of ESG.L. The settlement of 25% of the total consideration was satisfied by allotting 41,565,600 ordinary shares of the Company to the Vendor.

# Notes to the Financial Information

## 16. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following transactions with related parties during the Period:

Name of related party	Relationship	Nature of transactions	Six months ended 30 June	
			2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
Trunet (Vietnam) Co., Ltd.	Joint venture	Sales of goods	508	375
		Sales of services	28	114
		Purchases of materials	(131)	(30)
		Commission received/receivable	36	42
		Rental income	57	54
		Dividend received	435	-
Netventure Properties Two Pte. Ltd.	Related party	Rental expenses	(181)	-
Netventure Reality Pte. Ltd.	Related party	Rental expenses	(52)	-
PRG Holdings	Ultimate holding company	Rental expenses	(22)	-
		Interest income	152	-

The related party transactions described above were carried out based on negotiated terms and conditions agreed with related parties. Save for the transactions with Netventure Reality Pte. Ltd. and PRG Holdings in relation to the rental expenses, which constituted de minimis connected transactions fully exempted from the annual review, announcement and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules, and the interest income from loan advanced by the Company to PRG Holdings pursuant to a loan agreement dated 11 November 2022 entered into by the Company as lender and PRG Holdings as borrower which constituted a discloseable and connected transaction for the Company as announced in the announcement of the Company dated 11 November 2022 and the Company has complied with the applicable requirements under Chapters 19 and 20 of the GEM Listing Rules in respect the loan agreement, none of the other related party transactions constituted connected transaction or continuing connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

# Notes to the Financial Information

## (b) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise).

The remuneration of Directors during the Period was as follows:

	Six months ended 30 June	
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000
Fees	160	161
Salaries, allowances and other benefits	2,377	723
Discretionary bonus	713	92
Contributions to defined contribution plans	373	145
	<b>3,623</b>	1,121

## 17. CAPITAL COMMITMENTS

	As at 30 June 2023 (Unaudited) RM'000	As at 31 December 2022 (Audited) RM'000
	Contracted for but not provided for	
— Acquisition of property, plant and equipment	5,659	3,575
— Acquisition of investment properties	55,784	—
	<b>61,443</b>	3,575

# Management Discussion and Analysis

## BUSINESS REVIEW

### (a) Manufacturing Division

The Group is a long-established elastic textile and webbing manufacturer in Malaysia and Vietnam. The products are manufactured and sold in Malaysia and Vietnam, and also exported to over 30 countries, including the United States, United Kingdom, India, Indonesia, Australia, Sri Lanka and Pakistan.

The Group ventured into manufacture and sale of PVC related products in 2019 by acquiring the entire issued share capital of a company with subsidiaries in Hong Kong and PRC.

During the Period, domestic sales and export sales accounted for approximately 38.4% and 61.6% (2022: 40.1% and 59.9%) of the total revenue from the Manufacturing Division, respectively. Asia Pacific region, Europe and North America continued to be the major export countries of the Group during the six months ended 30 June 2023 and 2022.

Revenue generated from the sale of elastic textile, webbing and other manufacturing products accounted for approximately 29.6%, 41.6% and 28.8% (2022: 32.7%, 41.7% and 25.6%) of the total revenue from the Manufacturing Division respectively during the Period.

The revenue from the Manufacturing Division for the Period was approximately RM50.0 million (2022: RM57.7 million), decreased by approximately RM7.7 million or 13.3% as compared to the corresponding period of 2022. The overall decrease in revenue from the Manufacturing Division was mainly due to the slowdown in global demand and rising inflation.

The performance by products is stated as below:

#### (i) *Elastic textile*

For the Period, the revenue of elastic textile was approximately RM14.8 million (2022: RM18.9 million), decreased by RM4.1 million or 21.7% as compared to the corresponding period of 2022, mainly due to the decrease in sales volume from customers in Asia Pacific region, Europe and Middle East during the Period.

# Management Discussion and Analysis

## **(ii) Webbing**

For the Period, the revenue of webbing was approximately RM20.8 million (2022: RM24.1 million), decreased by RM3.3 million or 13.7% as compared to the corresponding period of 2022. This was mainly attributable to the decrease in sales volume for furniture webbing from customers in Asia Pacific region, Europe and North America during the Period.

## **(iii) Other manufacturing products**

During the Period, the revenue of other manufacturing products was approximately RM14.4 million (2022: RM14.7 million), decreased by RM0.3 million or 2.0% as compared to the corresponding period of 2022, mainly due to the decrease in revenue contributed by PVC related products as compared to the corresponding period of 2022, which offset the increase in revenue contributed by rubber tape products.

## **(b) Energy Efficiency Division**

The revenue of approximately RM56.8 million (2022: RMNil) from Energy Efficiency Division was solely derived from Singapore during the Period. The revenue comprised energy solution contracts, maintenance service contracts and others, which accounted for approximately 87.3%, 10.1% and 2.6% (2022: Nil) of total revenue from the Energy Efficiency Division respectively during the Period.

The Energy Efficiency Division recorded a strong revenue by recognising progress completion and delivery of projects during the Period.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the Period amounted to approximately RM106.9 million (2022: RM57.9 million), representing a significant increase of RM49.0 million or 84.6% as compared to the corresponding period of 2022. The increase of revenue was mainly contributed by the new Energy Efficiency Division which amounted to approximately RM56.8 million during the Period (2022: RMNil). However, the increase in revenue was offset by the lower revenue contributed by the Manufacturing Division given the decrease in sales orders resulted from softening of global demand during the Period as compared to the corresponding period of 2022.

The Group's total revenue for the Period was accounted for approximately 46.8% and 53.1% (2022: 99.7% and Nil) by the Manufacturing Division and the Energy Efficiency Division respectively.

### Cost of Sales

For the Period, the cost of sales of the Group amounted to approximately RM82.6 million (2022: RM42.5 million), representing an increase of approximately RM40.1 million or 94.4% as compared to the corresponding period of 2022. The increase in cost of sales was consistent with the increase in revenue, mainly contributed by the Energy Efficiency Division.

### Gross Profit and Gross Profit Margin

For the Period, the Group achieved gross profit of approximately RM24.3 million (2022: RM15.4 million), representing an increase of RM8.9 million or 57.8% as compared to the corresponding period of 2022, mainly generated by the Energy Efficiency Division during the Period, offsetting against the lower gross profit generated by the Manufacturing Division during the Period.

The gross profit margin of the Group decreased from 26.6% to 22.7%, mainly due to an one-off provision of slow moving stocks for PVC related products amounted to approximately RM2.5 million and increase in chemical and utilities costs during the Period.

# Management Discussion and Analysis

## Other Income, net

For the Period, the net other income of the Group amounted to approximately RM0.7 million (2022: RM0.6 million), which was consistent with the corresponding period of 2022.

## Selling and Distribution Costs

For the Period, the selling and distribution costs of the Group amounted to approximately RM1.0 million (2022: RM1.9 million), representing a decrease of approximately RM0.9 million or 47.4% as compared to the corresponding period of 2022. The decrease was in line with the lower sales from the Manufacturing Division and decrease in global freight and shipping costs during the Period.

## Administrative Expenses

The administrative expenses mainly included salaries for management and administrative staff, depreciation of property, plant and equipment not directly used for production, and other miscellaneous expenses.

For the Period, the administrative expenses of the Group amounted to approximately RM19.2 million (2022: RM10.0 million), representing an increase of approximately RM9.2 million or 92.0% as compared to the corresponding period of 2022. The increase was mainly due to the consolidation of administrative expenses from the Energy Efficiency Division during the Period and one-off impairment loss on trade and other receivables amounted to RM3.5 million from the Manufacturing Division during the Period.

## Profit for the Period

Profit for the Period amounted to approximately RM2.5 million (2022: RM5.1 million), representing a decrease of approximately RM2.6 million or 51.0% as compared to the corresponding period of 2022. The decrease was mainly due to lower profit generated from the Manufacturing Division which resulted from lower revenue, as well as one-off impairment loss on trade and other receivables and provision for slow moving stock with a total of RM6.0 million, offsetting the profit contributed by the Energy Efficiency Division which amounted to approximately RM6.4 million during the Period (2022: share of profit from associate of RM2.0 million).

# Management Discussion and Analysis

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's primary uses of cash are to satisfy our working capital and capital expenditure needs. Since our establishment, our working capital needs and capital expenditure requirements have been principally financed through a combination of shareholders' equity, cash generated from operations, trade facilities and bank loans.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in United States Dollar ("USD"), RM, Hong Kong Dollar ("HK\$"), Vietnamese Dong ("VND"), Singapore Dollar ("SGD") and Renminbi ("RMB"), are generally deposited with certain financial institutions such as banks. The Group's borrowings are mainly denominated in RM and SGD.

As at 30 June 2023, the Group's total equity attributable to owners of the Company amounted to approximately RM131.3 million (As at 31 December 2022: RM124.7 million).

As at 30 June 2023, the Group's net current assets were approximately RM93.9 million (As at 31 December 2022: RM105.7 million) and the Group had cash and cash equivalents of approximately RM43.2 million (As at 31 December 2022: RM48.2 million). The Group had bank borrowings of approximately RM19.4 million (As at 31 December 2022: RM29.6 million).

The interest rates of the Group's term loans, bank overdraft and trust receipts as at 30 June 2023 and 31 December 2022 ranged from 2.50% to 8.89% and 2.50% to 8.64% per annum respectively.

As at 30 June 2023, the Group's current ratio (calculated by dividing current assets by current liabilities as at the end of the Period) was approximately 2.6 times (As at 31 December 2022: 2.8 times). The Group was in a net cash position as at 30 June 2023 and 31 December 2022, therefore gearing ratio was not applicable.

Based on the Group's existing cash and cash equivalents and banking facilities available to the Group, the Group has adequate financial resources to fund the working capital required for its business operations in the coming period.

# Management Discussion and Analysis

## CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Period. The share capital of the Company only comprises ordinary shares.

## DIVIDEND

The Board does not declare the payment of any interim dividend for the Period (2022: RMNil).

## SIGNIFICANT INVESTMENT HELD BY THE GROUP

As at 30 June 2023, there was no significant investment held by the Group (2022: Nil).

## MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group does not have any material acquisition and disposal of subsidiaries, associate and joint ventures during the Period.

## PLEDGE OF ASSETS

As at 30 June 2023 and 31 December 2022, freehold land, buildings and right-of-use assets of the Group with carrying amount of RM15.4 million and RM15.6 million respectively were pledged to licensed banks as security for credit facilities granted to the Group.

## FUTURE PLAN FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Other than as disclosed in the section "Significant Events During the Period — (a) Purchase of the Properties involving Issue of the Consideration Shares under Specific Mandate, Non-Compete Undertaking Amendments, and Proposed Authorised Share Capital Increase" in this report, the Group does not have other plans for material investments and capital assets for the year ending 31 December 2023 as at the date of this report.

## CONTINGENT LIABILITY

As at 30 June 2023, the contingent liabilities of the Group for the guarantees given to third parties in respect of trade and contract amounted to approximately RM16.2 million (As at 31 December 2022: RM14.2 million).

# Management Discussion and Analysis

## CAPITAL COMMITMENTS

As at 30 June 2023, the capital commitments of the Group for the acquisition of property, plant and equipment and investment properties amounted to approximately RM5.6 million and RM55.8 million (31 December 2022: RM3.9 million and RMNil) respectively.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group employed 647 employees (2022: 520 employees). Employee costs amounted to approximately RM23.7 million for the Period (2022: approximately RM13.9 million). The significant increase in employees headcount and employee costs were mainly due to the consolidation of employees headcount and employee costs for the Energy Efficiency Division. The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' remuneration is determined based on their performance. The Company has also adopted a share option scheme (the "**Share Option Scheme**") with the primary purpose to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Company.

The Group aspires to develop and grow with our employees and is willing to invest in both work-related training and personal development of our employees. In general, the Group provides diversified on-the-job trainings based on the needs of respective positions, talents and interests of employees. The Group provides both internal and external trainings for employees, including specialised trainings for different departments on management skills as well as soft skills. Moreover, the Group established guidelines to assess the performance of our employees and implement development programs for our employees.

## SHARE OPTION SCHEME

As at 30 June 2023, no share options had been granted under the share option scheme adopted by the Company on 20 September 2017. The number of options available for grant under the scheme mandate at the beginning and the end of the Period was 50,400,000.

# Management Discussion and Analysis

## FOREIGN CURRENCY RISK

For Manufacturing Division, the Group derives a significant portion of its revenue in USD from the business with its international counterparts. The Group had a net USD exposure arising from the income after settling the purchases. While the Group adopted RM as the reporting currency, some of the assets and liabilities such as trade receivables and payables were denominated in other currencies, such as USD. From time to time, the Group has a net position in such currencies. These foreign currency balances are revalued at each accounting year or period end with the then prevailing exchange rate and may give rise to translational foreign currency exchange gain or loss. The Directors will consult the bankers from time to time for the upcoming trends of foreign currencies. As our Directors hold the view that USD may appreciate against RM and VND which is favourable to the Group, the Group is cautiously monitoring the foreign currency trends and taking steps to hedge the foreign currency exposures if required, including entering into hedging with financial instruments in order to reduce the risk. The Group may also negotiate with customers to increase the price of products if the foreign currency trend is unfavourable to the Group's profitability.

## FUTURE PROSPECTS AND OUTLOOK

Inflation rates and interest rates hikes have exceeded expectations in the United States and major European economies, impacting global household consumption. Furthermore, negative spillovers from the war in Ukraine and China's slow recovery from lockdowns are impacting economic stability.

The supply chain disruption coupled with the rising costs of material and slow demand remain the major challenges that affect manufacturing operations. In view of the uncertainty of global economy, the Group will continue to operate within the constraints, revisit the market demand, pricing strategies as well as rationalise the cost structure in order to stay competitive in the market.

On the energy front, global energy consumption continues to rise in 2023, while energy prices remain high. There is also a growing urgency to reduce energy consumption globally, especially with potential disruptions in gas and oil supplies. Governments are increasingly emphasizing climate change mitigation policies, greenhouse gas emission reduction, and energy efficiency initiatives. Amidst those global trends, the Group believes that the energy efficiency business presents a positive growth opportunity. Governments' support for environmental initiatives and the increasing focus on environmental, social, and governance issues are expected to bolster the Group's results in the Energy Efficiency Division.

# Management Discussion and Analysis

## COMMERCIAL ACTIVITIES IN SANCTIONED COUNTRIES

During the Period, the Group did not enter into any transactions in countries or territories which are targeted with certain economic sanctions under the laws of the United States, the European Union, the United Nations and Australia (the “**Sanctioned Countries**”) or with certain person(s) and entity(ies) listed on the Office of Foreign Assets Control of the United States Department of Treasury’s Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the United States, the European Union, the United Nations or Australia (the “**Sanctioned Persons**”) that the Group believes would put the Group or its investors at risk of violating or becoming the target of sanction-related laws and regulations in the United States, the European Union, the United Nations and Australia (the “**International Sanctions**”).

To continuously monitor and evaluate the Group’s business and take measures to comply with the Group’s continuing undertakings to the Stock Exchange as disclosed in the Prospectus, and to protect the interests of the Group and the shareholders of the Company (the “**Shareholders**”), the Group has undertaken the following measures and efforts to monitor and evaluate its business activities in connection with possible International Sanctions risks as at the date of this report:

- (i) the Group has set up a risk management committee, comprising of two independent non-executive Directors and one executive Director, whose responsibilities include, among others, overseeing the Group’s management activities in managing key risks, ensuring that the risk management process is functioning effectively and reviewing risk management strategies, policies, risk appetite and risk tolerance;
- (ii) the Group will evaluate sanctions risks prior to determining whether the Group should embark on any business opportunities in a Sanctioned Country or with Sanctioned Persons; and
- (iii) as and when the risk management committee considers necessary, the Group will retain an external International Sanctions legal adviser with necessary expertise and experience in International Sanctions matters for recommendations and advice. During the Period, the risk management committee did not identify any exposure to sanctions risks by the Group which it considered necessary for the Group to retain an external International Sanctions legal adviser.

The Directors are of the view that such risk management measures and efforts provided a reasonably adequate and effective framework to assist the Group in identifying and monitoring any material International Sanctions risk so as to protect the interests of the Company and its shareholders as a whole.

# Other Information

## CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "**CG Code**") and in relation to, among others, the Directors, chairman and chief executive officer, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with the Shareholders.

To the best knowledge of the Board, the Company had complied with the code provisions set out in Part 2 of the CG Code during the Period.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Other than as disclosed in "Significant Events During the Period — (a) Purchase of the Properties involving Issue of the Consideration Shares under Specific Mandate, Non-Compete Undertaking Amendments, and Proposed Authorised Share Capital Increase" in this report, none of the Directors or his connected entity had a material interest, whether directly or indirectly, in any arrangement, transaction or contract of significance to the business of the Group subsisting during the Period or at the end of the Period to which the Company or any of its subsidiaries or fellow subsidiaries was a party.

Other than as disclosed in "Significant Events During the Period — (a) Purchase of the Properties involving Issue of the Consideration Shares under Specific Mandate, Non-Compete Undertaking Amendments, and Proposed Authorised Share Capital Increase" in this report, no arrangement, transaction or contract of significance had been entered into between the Company, or any of its subsidiaries or fellow subsidiaries and the Controlling Shareholder or any of its subsidiaries during the Period.

## DEED OF NON-COMPETITION

As disclosed in the section "Relationship With Our Controlling Shareholder — Competition — Undertakings given by our Controlling Shareholder" in the Prospectus, the Controlling Shareholder has entered into a Deed of Non-Competition dated 28 September 2017 (the "**Deed of Non-Competition**"), which contains certain non-compete undertakings (the "**Non-Compete Undertakings**") in favour of the Company (for itself and as trustee for each member of the Group).

## Other Information

Pursuant to these Non-Compete Undertakings, the Controlling Shareholder has, among other matters, irrevocably undertaken to the Company that at any time during the Relevant Period\*, the Controlling Shareholder shall, and shall procure that its close associates and/or companies controlled by it (other than the Group) shall not, directly or indirectly, be interested or involved or engaged in or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete with the businesses of the Group (including but not limited to the manufacturing of elastic textile, webbing and other products including rubber tape and metal components for furniture) in Malaysia, Vietnam and/or any other country or jurisdiction in or to which the Group sells its products and/or in which any member of the Group carries out the abovementioned business from time to time.

- \* the "Relevant Period" means the period commencing from the date of Listing and shall expire on the earlier of the dates below:
- (a) the date on which the Controlling Shareholder and its close associates (whether individually or taken as a whole) cease to own 30% of the then issued share capital of the Company (whether directly or indirectly) or cease to be the controlling shareholder of the Company for the purpose of the GEM Listing Rules; and
  - (b) the date on which the issued shares of the Company cease to be listed on GEM or (if applicable) other stock exchange.

The Controlling Shareholder had provided a written confirmation to the Company that it had complied with the Deed of Non-Competition for the Period and there was no matter in relation to their compliance with or enforcement of the Deed of Non-Competition that needed to be brought to the attention of the Stock Exchange, the Company and/or the Shareholders.

The independent non-executive Directors have also confirmed to the Company that, having made such reasonable enquiries with the Controlling Shareholder and reviewed the written confirmation from the Controlling Shareholder and/or such documents as they considered appropriate, nothing has come to their attention that causes them to believe that the terms of the Deed of Non-Competition had not been complied with by the Controlling Shareholder during the Period.

### **COMPETING INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDER AND THEIR RESPECTIVE CLOSE ASSOCIATES**

None of the Directors or the Controlling Shareholder or any of their respective close associates (as defined under the GEM Listing Rules) had any business or interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group and/or has or is likely to have other conflict of interest with the Group during the Period.

# Other Information

## SIGNIFICANT EVENTS DURING THE PERIOD

### (a) Purchase of the Properties involving Issue of the Consideration Shares under Specific Mandate, Non-Compete Undertaking Amendments, and Proposed Authorised Share Capital Increase

Reference is made to the announcements of the Company dated 27 April 2023 and 7 June 2023.

On 27 April 2023, PRG Holdings (as vendor), PRG Land Sdn Bhd (as purchaser and a wholly-owned subsidiary of the Company) (the "**Purchaser**"), and the Company entered into a conditional sale and purchase agreement dated 27 April 2023 (the "**Master Agreement**") as supplemented by a supplemental master agreement dated 7 June 2023 in relation to the purchase of 50 condominium units located within a residential development to be known as Picasso Residence in Malaysia by the Purchaser from PRG Holdings in accordance with the terms and conditions of the Master Agreement for a total consideration of RM61,982,000.00 (equivalent to HK\$109,689,545.40) which is partly payable by the Company in cash and partly satisfied by the allotment and issue of new Shares to PRG Holdings (the "**Purchase of the Properties**").

On 27 April 2023, PRG Holdings and the Company entered into the conditional non-compete undertaking supplemental deed excluding the business of property investment, whether through holding, development, redevelopment or otherwise, to earn returns on the investment in the form of rental income, gain on sale or other disposals, dividends or any other forms, from the business which PRG Holdings has undertaken in favour of the Company not to be, and procure its close associates and companies controlled by it not to be, interested or involved or engaged directly or indirectly under the non-compete undertaking. On 7 June 2023, PRG Holdings and the Company entered into a deed of termination terminating the non-compete undertaking supplemental deed with immediate effect from the date of the non-compete undertaking supplemental deed.

As PRG Holdings is a connected person of the Company for being a controlling shareholder of the Company, the Purchase of the Properties constituted a connected transaction for the Company.

To accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility for future expansion in its share capital, on 27 April 2023, the Company proposed the increase in the Company's authorised share capital from HK\$100,000,000 divided into 1,000,000,000 Shares each to HK\$200,000,000 divided into 2,000,000,000 Shares.

## Other Information

**(b) Resignation of Executive Director, Change of Compliance Officer, Change in Composition of Risk Management Committee, and Change of Authorised Representative**

Reference is made to the announcement of the Company dated 1 May 2023.

With effect from 30 April 2023, Mr. Cheah Hannon resigned as an executive Director, a compliance officer, an authorised representative under the GEM Listing Rules and a member of the risk management committee of the Company. Dato' Lua Choon Hann was appointed as a compliance officer under the GEM Listing Rules and a member of the risk management committee of the Company. Mr. Cheah Eng Chuan was appointed as an authorised representative under the GEM Listing Rules.

Other than as disclosed above, the Board is not aware of any significant event requiring disclosure that has taken place during the Period.

### SUBSEQUENT EVENTS

**(a) Appointment of Executive Director**

Reference is made to the announcement of the Company dated 2 July 2023.

With effect from 1 July 2023, Er. Kang Boon Lian was appointed as an executive Director.

**(b) Approval of Purchase of the Properties involving Issue of the Consideration Shares under Specific Mandate and Proposed Authorised Share Capital Increase in the extraordinary general meeting (“EGM”) of the Company**

Reference is made to the announcement of the Company dated 8 August 2023.

The matters disclosed in the section “Significant Events During the Period — (a) Purchase of the Properties involving Issue of the Consideration Shares under Specific Mandate and Proposed Authorised Share Capital Increase” in this report were approved by the Shareholders in the EGM of the Company held on 8 August 2023.

Other than as disclosed above, the Board is not aware of any event requiring disclosure that has taken place subsequent to 30 June 2023 and up to the date of this report.

## Other Information

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") held by the Directors and chief executive of the Company as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows.

#### (1) Long positions in the ordinary shares of HK\$0.10 each in the Company (the "Shares")

Name of Director	Capacity/ Nature of interest	Number of securities (Note 1)	Approximate percentage of shareholding (Note 2)
Dato' Lua Choon Hann	Beneficial owner	260,000 Shares (L)	0.04%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. The percentage of shareholding is calculated on the basis of 601,565,600 Shares in issue of the Company as at 30 June 2023.

## Other Information

### (2) Long positions in the ordinary shares in the associated corporation of the Company

Name of Director	Name of the associated corporation	Capacity/ Nature of interest	Number of securities (Note 2)	Approximate percentage of shareholding (Note 4)
Dato' Lim Heen Peok	PRG Holdings (Note 1)	Beneficial owner	108,800 shares (L)	0.03%
Dato' Lua Choon Hann	PRG Holdings (Note 1)	Beneficial owner	32,322,800 shares (L)	7.52%
		Interest of spouse	300,000 shares (L) (Note 3)	0.07%
Cheah Eng Chuan	PRG Holdings (Note 1)	Beneficial owner	1,000,000 shares (L)	0.23%

Notes:

1. PRG Holdings is the holding company and the associated corporation of the Company within the meaning under Part XV of the SFO.
2. The letter "L" denotes the long position of the Director in the shares in PRG Holdings.
3. Dato' Lua Choon Hann was deemed to be interested in the shares in PRG Holdings held directly by his spouse under Part XV of the SFO.
4. The percentage of shareholding is calculated on the basis of 429,857,221 shares in PRG Holdings in issue as at 30 June 2023.

Save as disclosed above, none of the Directors or chief executive of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2023.

## Other Information

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30 June 2023, so far as are known to the Directors, the following persons (other than the Directors or chief executive of the Company) were recorded in the register kept by the Company under Section 336 of the SFO; or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

#### Interests and short positions in the Shares

Name of Shareholder	Capacity/ Nature of interest	Number of securities (Note 1)	Approximate percentage of shareholding (Note 6)
PRG Holdings (Notes 2 and 3)	Beneficial owner	303,468,000 Shares (L)	50.45%
Jim Ka Man	Beneficial owner	53,572,000 Shares (L) (Note 4)	8.91%
	Interest of spouse	5,192,000 Shares (L) (Note 5)	0.86%
Ng Yan Cheng	Beneficial owner	66,977,600 Shares (L) (Note 6)	11.13%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. PRG Holdings is a company incorporated in Malaysia and whose issued shares are listed on the Main Market of Bursa Malaysia Securities Berhad.
3. Dato' Lua Choon Hann, an executive Director, is the group executive vice chairman of PRG Holdings. Ng Tzee Penn, a non-executive Director, is an executive director of PRG Holdings.
4. According to the disclosures of interest form filed by Jim Ka Man, Jim Ka Man had acquired up to 53,572,000 Shares on 29 August 2022.
5. According to the disclosure of interest form filed by Jim Ka Man, Jim Ka Man was deemed to be interested in the Shares held directly by her spouse under Part XV of the SFO.
6. According to the disclosure of interest form filed by Ng Yan Cheng, Ng Yan Cheng had acquired up to 66,977,600 Shares as at 29 August 2022.
7. The percentage of shareholding is calculated on the basis of 601,565,600 Shares in issue of the Company as at 30 June 2023.

# Other Information

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules, as its own securities dealing code, with terms no less exacting than the code of conduct regarding Directors' securities transactions in securities of the Company. Having made specific enquiries to the Directors by the Company, all Directors have confirmed that they had complied with the required standard of dealings and there was no event of non-compliance during the Period.

## REVIEW OF FINANCIAL STATEMENTS

The Company established the Audit Committee on 20 September 2017 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The Board has adopted a revised terms of reference of the Audit Committee effective on 20 March 2019. The primary duties of the Audit Committee are to assist the Board in overseeing the financial reporting and disclosure processes, internal control and risk management systems of the Company, and the audit process.

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Ho Ming Hon, Dato' Sri Dr. Hou Kok Chung and Dato' Lee Chee Leong. Mr. Ho Ming Hon is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the Period and discussed with the management of the Company the accounting principles and practices adopted by the Group as well as internal controls and other financial reporting matters. The Audit Committee is of the opinion that such results have been prepared in compliance with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board  
**FURNIWEB HOLDINGS LIMITED**  
**Dato' Lim Heen Peok**  
Chairman

Malaysia, 8 August 2023

*As at the date of this report, the non-executive Directors are Dato' Lim Heen Peok (the Chairman) and Mr. Ng Tzee Penn, the executive Directors are Mr. Cheah Eng Chuan, Dato' Lua Choon Hann and Er. Kang Boon Lian, and the independent non-executive Directors are Mr. Ho Ming Hon, Dato' Sri Dr. Hou Kok Chung and Dato' Lee Chee Leong.*

*This report will remain on the "Latest Listed Company Information" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting. This report will also be posted on the Company's website at <http://www.furniweb.com.my>.*