

# Furniweb Holdings Limited 飛霓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**Stock Code : 8480**

**2024**  
Interim Report

# 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 2024 (the “**Period**”), together with the unaudited comparative figures for the corresponding period in 2023, and certain comparative figures as at 31 December 2023, as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
<b>Revenue</b>	4	<b>85,372</b>	106,912
Cost of sales		<b>(61,649)</b>	(82,621)
<b>Gross profit</b>		<b>23,723</b>	24,291
Other income, net	5	<b>372</b>	664
Selling and distribution costs		<b>(1,019)</b>	(981)
Administrative expenses		<b>(17,044)</b>	(19,184)
Interest income		<b>658</b>	678
Finance costs	6	<b>(566)</b>	(494)
Share of profit of a joint venture, net of tax		<b>190</b>	59
<b>Profit before income tax expense</b>	7	<b>6,314</b>	5,033
Income tax expense	8	<b>(1,963)</b>	(2,541)
<b>Profit for the period</b>		<b>4,351</b>	2,492
<b>Other comprehensive income, net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>35</b>	3,987
Share of other comprehensive (expense)/income of a joint venture, net of tax		<b>(21)</b>	55
Other comprehensive income, net of tax		<b>14</b>	4,042
<b>Total comprehensive income for the period</b>		<b>4,365</b>	6,534
<b>Earnings per share:</b>			
Basic and diluted (cents)	10	<b>0.72</b>	0.41

# Unaudited Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Notes	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
<b>Non-current assets</b>			
Property, plant and equipment	11	29,654	26,160
Right-of-use assets		11,340	12,137
Intangible assets		15,447	15,423
Interest in a joint venture		1,202	1,269
Deferred tax assets		9	9
		<b>57,652</b>	54,998
<b>Current assets</b>			
Inventories		20,261	19,272
Trade and other receivables	12	53,576	54,274
Contract assets and contract costs		16,965	11,808
Amount due from a joint venture		75	124
Current tax recoverable		1,415	1,447
Time deposits maturing over three months		11,903	14,983
Cash and bank balances		33,373	42,970
		<b>137,568</b>	144,878
<b>Current liabilities</b>			
Trade and other payables	13	20,108	34,952
Contract liabilities		5,932	1,151
Bank borrowings	14	3,655	3,118
Lease liabilities		2,354	2,256
Current tax liabilities		2,177	3,409
		<b>34,226</b>	44,886
<b>Net current assets</b>		<b>103,342</b>	99,992
<b>Total assets less current liabilities</b>		<b>160,994</b>	154,990

# Unaudited Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

		As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
	Notes		
<b>Non-current liabilities</b>			
Bank borrowings	14	11,261	8,740
Lease liabilities		4,073	4,900
Deferred tax liabilities		2,906	2,951
		<b>18,240</b>	16,591
<b>NET ASSETS</b>		<b>142,754</b>	138,399
<b>Capital and reserves</b>			
Share capital	15	32,633	32,633
Reserves		110,121	105,766
<b>TOTAL EQUITY</b>		<b>142,754</b>	138,399

# Unaudited Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Accumulated losses RM'000	Total RM'000
<b>Balance as at 1 January 2023 (audited)</b>	32,633	83,915	39,433	2,156	–	(33,414)	124,723
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>	32,633	83,915	39,433	6,198	–	(30,922)	131,257
<b>Balance as at 1 January 2024 (audited)</b>	<b>32,633</b>	<b>83,915</b>	<b>39,433</b>	<b>3,329</b>	<b>47</b>	<b>(20,958)</b>	<b>138,399</b>
Profit for the period	–	–	–	–	–	4,351	4,351
Exchange differences on translation of foreign operations	–	–	–	35	–	–	35
Share of other comprehensive expense of a joint venture, net of tax	–	–	–	(21)	–	–	(21)
Total comprehensive income	–	–	–	14	–	4,351	4,365
Reversal of share-based payments	–	–	–	–	(17)	–	(17)
Share-based payments	–	–	–	–	7	–	7
<b>Balance as at 30 June 2024 (unaudited)</b>	<b>32,633</b>	<b>83,915</b>	<b>39,433</b>	<b>3,343</b>	<b>37</b>	<b>(16,607)</b>	<b>142,754</b>

# Unaudited Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
Net cash (used in)/generated from operating activities		(9,693)	16,847
Net cash used in investing activities		(1,066)	(12,261)
Net cash generated from/(used in) financing activities		920	(12,059)
Net decrease in cash and cash equivalents		(9,839)	(7,473)
Cash and cash equivalents at the beginning of the period		42,727	48,248
Effect of exchange rate changes		(5)	2,431
Cash and cash equivalents at the end of the period		32,883	43,206
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		33,373	43,357
Bank overdraft	14	(490)	(151)
		32,883	43,206

# 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 KP89, 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 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 2023 annual financial statements, except for those that relate to new standards or interpretations effective for the period beginning on or after 1 January 2024. 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 2024

#### New and revised IFRSs

IFRS 16	<i>Amendments in relation to Lease Liability in a Sale and Leaseback</i>
IFRS 7 and IAS 7	<i>Amendments in relation to Supplier Finance Arrangements</i>
IAS 1	<i>Amendments in relation to Non-current Liabilities with Covenants</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 polyvinyl chloride ("PVC") related products, and energy efficiency business. The Company disposed of the subsidiaries which engaged in the manufacturing and sale of PVC related products on 30 September 2023.

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 2024 (unaudited)

	Manufacturing RM'000	Energy Efficiency RM'000	Others RM'000	Total RM'000
<b>Revenue</b>				
Revenue from external customers	44,569	40,734	69	85,372
<b>Results</b>				
Operating profit/(loss)	5,110	3,624	(2,702)	6,032
Interest income	501	7	150	658
Finance costs	(446)	(116)	(4)	(566)
Share of profit of a joint venture, net of tax	190	-	-	190
Profit/(Loss) before income tax expense	5,355	3,515	(2,556)	6,314
Income tax expense	(1,257)	(706)	-	(1,963)
Profit/(Loss) for the period	4,098	2,809	(2,556)	4,351
<b>Other segment item:</b>				
Amortisation and depreciation	(1,388)	(1,362)	(58)	(2,808)

# Notes to the Financial Information

## 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)	4,790
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

## (b) Geographical information

The Company is domiciled in the Cayman Islands while the Group's manufacturing facilities and sales offices are based in Malaysia and Vietnam, 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	
	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
<b>Revenue from external customers</b>		
Asia Pacific	70,589	92,079
Europe	4,394	3,769
North America	9,905	10,571
Others	484	493
<b>Total</b>	<b>85,372</b>	106,912

## (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 and Manufacturing Divisions (2023: Energy Efficiency Division) were as follows:

	Six months ended 30 June	
	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
Customer A	10,003	24,950
Customer B	10,368	*
Customer C	10,362	*

\* 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	
	2024	2023
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<b>Recognised at point in time:</b>		
Sales of goods:		
— Elastic textile	16,756	14,776
— Webbing	23,201	20,781
— Other manufacturing products	4,612	14,422
Others	2,315	1,553
<b>Recognised over time:</b>		
Contract income	31,708	49,615
Maintenance service	6,780	5,765
<b>Total</b>	<b>85,372</b>	<b>106,912</b>

## 5. OTHER INCOME, NET

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Gain/(Loss) on foreign exchange, net		
— realised	434	282
— unrealised	(492)	275
Commission income	43	36
Gain on disposal of property, plant and equipment	10	25
Others	377	46
<b>Total</b>	<b>372</b>	<b>664</b>

# Notes to the Financial Information

## 6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	(Unaudited) RM'000	(Unaudited) RM'000
Interest on bank overdraft	14	15
Interest on bank borrowings	381	282
Interest on lease liabilities	171	197
<b>Total</b>	<b>566</b>	<b>494</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	
	2024	2023
	(Unaudited) RM'000	(Unaudited) RM'000
Auditor's remuneration	266	242
Amortisation of intangible assets	384	363
Depreciation of property, plant and equipment	1,143	773
Depreciation of right-of-use assets	1,281	893
Gain on disposal of property, plant and equipment	(10)	(25)
Impairment loss on trade and other receivables	–	3,523
Interest income from:		
— fixed deposits	(455)	(463)
— bank balances	(54)	(63)
— loan receivable	(149)	(152)
(Reversal)/Provision for inventories written down, net	(73)	2,590
Employee costs included in:		
— cost of sales	15,172	12,777
— selling and distribution costs	93	80
— administrative expenses	11,855	10,797

# Notes to the Financial Information

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	(Unaudited) RM'000	(Unaudited) RM'000
Current tax expense		
— Malaysian income tax	716	637
— Overseas income tax	1,111	1,970
	1,827	2,607
Under/(Over) provision in prior periods	201	(5)
	2,028	2,602
Deferred tax		
— current year	(65)	(61)
	1,963	2,541

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 2024 and 2023.

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 (2023: 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	
	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
<b>Earnings</b>		
Profit for the period attributable to owners of the Company	4,351	2,492
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the Period ('000)	601,566	601,566

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 2024 and 2023.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the Period, additions of property, plant and equipment amounted to RM4.7 million (during the six months ended 30 June 2023: RM1.8 million).

# Notes to the Financial Information

## 12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Trade receivables	27,133	28,449
Less: Allowance for impairment loss	(324)	(324)
	26,809	28,125
Prepayments, deposits and other receivables	19,793	18,799
Loan receivables	6,974	7,350
	53,576	54,274

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 losses, as at 30 June 2024 and 31 December 2023 are as follows:

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Within 30 days	14,966	13,249
31 to 60 days	8,517	10,071
61 to 90 days	1,431	3,135
91 to 180 days	1,212	1,215
Over 180 days	1,007	779
	27,133	28,449



# Notes to the Financial Information

## 13. TRADE AND OTHER PAYABLES

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Trade payables	8,716	6,218
Bills payable	749	850
Other payables	10,643	27,884
	<b>20,108</b>	<b>34,952</b>

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.

As at 31 December 2023, included in the Group's other payables of HK\$29,095,920 (equivalent to RM17,097,000) represented the remaining 50% of the total consideration for the acquisition of 62.75% interest in Energy Solution Global Limited ("ESGL"). The remaining consideration was fully settled by the Group during the Period as ESGL has met the guaranteed profit after tax of not less than HK\$34,500,000 for the period from 1 January 2022 to 31 December 2023.

The ageing analysis of trade and bills payables, based on invoice dates, as at 30 June 2024 and 31 December 2023 are as follows:

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Within 30 days	3,810	4,515
31 to 60 days	2,020	2,035
61 to 90 days	999	430
Over 90 days	2,636	88
	<b>9,465</b>	<b>7,068</b>

# Notes to the Financial Information

## 14. BANK BORROWINGS

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Term loans (secured)	14,426	11,615
Bank overdraft (secured)	490	243
	14,916	11,858
Borrowings are repayable as follows:		
— within one year	3,655	3,118
— after one year but within two years	1,490	1,760
— after two years but within five years	4,635	1,559
— after five years	5,136	5,421
	14,916	11,858
Less: Amount due within one year included in current liabilities	(3,655)	(3,118)
Amount included in non-current liabilities	11,261	8,740

## 15. SHARE CAPITAL

	Number '000	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
<b>Authorised:</b>		
At 1 January 2023	1,000,000	100,000
Addition (Note)	1,000,000	100,000
31 December 2023, 1 January 2024 and 30 June 2024	2,000,000	200,000

  

	Number '000	Amount HK\$'000	Amount RM'000
<b>Issued and fully paid:</b>			
<b>At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024</b>	601,566	60,157	32,633

Note: On 8 August 2023, the authorized share capital of the Company was increased 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.

# 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:

			Six months ended 30 June	
			2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
Name of related party	Relationship	Nature of transactions		
Trunet (Vietnam) Co., Ltd.	Joint venture	Sales of goods	576	508
		Sales of services	36	28
		Purchases of materials	–	(131)
		Commission received/receivable	43	36
		Rental income	60	57
		Dividend received	236	435
PRG Holdings	Ultimate holding company	Rental expenses	(25)	(22)
		Interest income	149	152
Netventure Properties Two Pte. Ltd.	Related party	Rental expenses	(284)	(181)
Netventure Reality Pte. Ltd.	Related party	Rental expenses	(86)	(52)

The related party transactions described above were carried out based on negotiated terms and conditions agreed with related parties. Save for the transactions with PRG Holdings, Netventure Properties Two Pte. Ltd. and Netventure Reality Pte. Ltd. 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 key management personnel during the Period was as follows:

	Six months ended 30 June	
	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
Fees	160	160
Salaries, allowances and other benefits	2,148	2,377
Discretionary bonus	234	713
Contributions to defined contribution plans	173	373
Retirement gratuity	1,000	—
	<b>3,715</b>	<b>3,623</b>

## 17. CAPITAL COMMITMENTS

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Contracted for but not provided for		
— Acquisition of property, plant and equipment	1,289	5,115
— Acquisition of properties under construction	54,544	54,544
	<b>55,833</b>	<b>59,659</b>

# 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 whose subsidiaries are in Hong Kong and the PRC. Subsequently, the Group disposed of these subsidiaries by entering a sale and purchase agreement on 19 September 2023. The disposal was completed on 30 September 2023.

During the Period, domestic sales and export sales accounted for approximately 28.7% and 71.3% (2023: 38.4% and 61.6%) 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 2024 and 2023.

Revenue generated from the sale of elastic textile, webbing and other manufacturing products accounted for approximately 37.6%, 52.1% and 10.3% (2023: 29.6%, 41.6% and 28.8%) of the total revenue from the Manufacturing Division respectively during the Period.

The revenue from the Manufacturing Division for the Period was approximately RM44.6 million (2023: RM50.0 million), decreased by approximately RM5.4 million or 10.8% as compared to the corresponding period of 2023. The overall decrease in revenue from the Manufacturing Division was mainly due to the revenue of RM7.0 million for the corresponding period of 2023 was contributed by the sale of PVC related products business disposed of on 30 September 2023. During the Period, the revenue of the existing products was slightly higher than the corresponding period of 2023 by RM1.6 million or 3.7%.

The performance by products is stated as below:

#### (i) ***Elastic textile***

For the Period, the revenue of elastic textile was approximately RM16.8 million (2023: RM14.8 million), increased by RM2.0 million or 13.5% as compared to the corresponding period of 2023, mainly due to an increase in sales volume from customers in North America during the Period.

# Management Discussion and Analysis

## **(ii) Webbing**

For the Period, the revenue of webbing was approximately RM23.2 million (2023: RM20.8 million), increased by RM2.4 million or 11.5% as compared to the corresponding period of 2023. This was mainly contributed by higher demand for seatbelt webbing products during the Period.

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

During the Period, the revenue of other manufacturing products was approximately RM4.6 million (2023: RM14.4 million), decreased by RM9.8 million or 68.1% as compared to the corresponding period of 2023. This was mainly due to disposal of subsidiaries which engaged in the manufacturing and sale of PVC related products in September 2023 which contributed RM7.0 million revenue for the corresponding period of 2023.

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

During the Period, the revenue from the Energy Efficiency Division mainly comprised energy solution contracts, maintenance service contracts and others, which accounted for approximately 77.8%, 16.7% and 5.5% (2023: 87.3%, 10.1% and 2.6%) of total revenue from the Energy Efficiency Division respectively. The revenue for the Period was approximately RM40.7 million (2023: RM56.8 million), representing a decrease of RM16.1 million or 28.3% as compared to the corresponding period of 2023. The decrease of revenue was mainly due to lower project revenue recognised during the Period as a few projects were at completion stage and most of the revenue was recognised in year 2023 whereas the new projects were at start-up stage during the Period.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue for the Period amounted to approximately RM85.4 million (2023: RM106.9 million), representing a decrease of RM21.5 million or 20.1% as compared to the corresponding period of 2023. The decrease of revenue was mainly due to lower revenue contributed by the Energy Efficiency and Manufacturing Divisions during the Period as compared to the corresponding period of 2023 which was explained in the "Business Review" section.

The Group's total revenue for the Period was accounted for approximately 52.2% and 47.7% (2023: 46.8% and 53.1%) by the Manufacturing Division and the Energy Efficiency Division respectively.

# Management Discussion and Analysis

## Cost of Sales

For the Period, the cost of sales of the Group amounted to approximately RM61.6 million (2023: RM82.6 million), representing a decrease of approximately RM21.0 million or 25.4% as compared to the corresponding period of 2023. The decrease in cost of sales was consistent with the decrease in revenue.

## Gross Profit and Gross Profit Margin

For the Period, the Group achieved gross profit of approximately RM23.7 million (2023: RM24.3 million), representing a decrease of RM0.6 million or 2.5% as compared to the corresponding period of 2023, which was in line with the lower revenue during the Period.

Despite the lower gross profit, the gross profit margin of the Group increased from 22.7% to 27.8%, mainly due to the disposal of subsidiaries with low gross profit margin in September 2023 by the Group, higher sales from certain higher gross profit margin products for the Manufacturing Division and higher services income with higher gross profit margin for the Energy Efficiency Division during the Period.

## Other Income, net

For the Period, the net other income of the Group amounted to approximately RM0.4 million (2023: RM0.7 million), representing a decrease of RM0.3 million or 42.9% as compared to the corresponding period of 2023. The decrease in other income, net was mainly due to lower net gain on foreign exchange during the Period as compared to the corresponding period of 2023.

## Selling and Distribution Costs

For the Period, the selling and distribution costs of the Group amounted to approximately RM1.0 million (2023: RM1.0 million), which was consistent with the corresponding period of 2023.

## 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 RM17.0 million (2023: RM19.2 million), representing a decrease of approximately RM2.2 million or 11.5% as compared to the corresponding period of 2023. The decrease was mainly due to the administrative expenses of RM4.3 million for the corresponding period of 2023 was incurred by the subsidiaries disposed of in September 2023. The decrease was offset by RM1.0 million gratuity expenses to a former executive director during the Period.

# Management Discussion and Analysis

## Profit for the Period

Profit for the Period amounted to approximately RM4.4 million (2023: RM2.5 million), representing an increase of approximately RM1.9 million or 76.0% as compared to the corresponding period of 2023. Lower profit in corresponding period of 2023 was mainly due to net loss of RM6.3 million from the subsidiaries disposed of by the Group in September 2023. By excluding the net loss from these subsidiaries in the corresponding period of 2023, the Group recorded lower profit for the Period mainly due to lower profit contributed by the Energy Efficiency Division which was in line with lower revenue during the Period.

## 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"), and Singapore Dollar ("SGD"), 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 2024, the Group's total equity attributable to owners of the Company amounted to approximately RM142.8 million (As at 31 December 2023: RM138.4 million).

As at 30 June 2024, the Group's net current assets were approximately RM103.3 million (As at 31 December 2023: RM100.0 million) and the Group had cash and cash equivalents of approximately RM32.9 million (As at 31 December 2023: RM42.7 million). The Group had bank borrowings of approximately RM14.9 million (As at 31 December 2023: RM11.9 million).

The interest rates of the Group's term loans and bank overdraft as at 30 June 2024 and 31 December 2023 ranged from 2.50% to 8.89% and 2.50% to 8.89% per annum respectively.

As at 30 June 2024, the Group's current ratio (calculated by dividing current assets by current liabilities as at the end of the Period) was approximately 4.0 times (As at 31 December 2023: 3.2 times). The Group was in a net cash position as at 30 June 2024 and 31 December 2023, 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 (2023: RMNil).

## SIGNIFICANT INVESTMENT HELD BY THE GROUP

As at 30 June 2024, there was no significant investment held by the Group (2023: Nil).

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

Other than as disclosed in “Significant Event During the Period” in this report, 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 2024 and 31 December 2023, freehold land, buildings and right-of-use assets of the Group with carrying amount of RM15.1 million and RM15.3 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 “Significant Event During the Period” in this report, the Group does not have other plans for material investments and capital assets for the year ending 31 December 2024 as at the date of this report.

## CONTINGENT LIABILITY

As at 30 June 2024, the contingent liabilities of the Group for the guarantees given to third parties in respect of trade and contract amounted to approximately RM14.8 million (As at 31 December 2023: RM13.0 million).

# Management Discussion and Analysis

## CAPITAL COMMITMENTS

As at 30 June 2024, the capital commitments of the Group for the acquisition of property, plant and equipment and properties under construction amounted to approximately RM1.3 million and RM54.5 million (31 December 2023: RM5.1 million and RM54.5 million) respectively.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group employed 678 employees (2023: 647 employees). Employee costs amounted to approximately RM27.1 million for the Period (2023: approximately RM23.7 million). 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 2024, 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

The prevailing economic conditions, marked by higher-than-anticipated inflation rates and interest rate hikes have triggered a ripple effect across global household consumption patterns. The economic condition is further compounded by negative spillovers emanating from the conflict in Ukraine and the sluggish recovery trajectory of China, which collectively contribute to heightened uncertainty in the global economic landscape. For manufacturing sector, grappling with supply chain disruptions, escalating cost due to inflation, and subdued demand due to higher interest rates poses formidable challenges to sustaining operational efficacy and profitability. In response to this dynamic landscape, the Group has adopted a strategic approach, recalibrating market strategies, revisiting pricing frameworks, and streamline cost structures to maintain competitiveness.

In parallel, the energy efficiency sector witnesses a surge in global energy consumption amidst higher energy prices and apprehensions surrounding potential disruptions in oil and gas supplies. Simultaneously, escalating concerns about climate change drives governments worldwide to enact stringent policies emphasizing energy efficiency, greenhouse gas reduction, and sustainability. Within this shifting paradigm, the growth prospects for businesses operating in the energy efficiency sector remain promising, buoyed by government support for environment initiative and increasing focus on environmental, social, and governance considerations.

The global economy is facing an increasingly gloomy and uncertain outlook, the Group will remain resilient and vigilant to manage the associated risks in order to maintain the sustainability of the businesses.

# 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 C1 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.

## CHANGE IN INFORMATION OF DIRECTORS

In accordance with Rule 17.50A(1) of the GEM Listing Rules, changes of the information of the Directors required to be disclosed are set out below:

1. Mr. Andrew Chan Lim-Fai was appointed as (i) an executive Director with effect from 25 March 2024; (ii) the group managing director of PRG Holdings with effect from 26 March 2024; and (iii) an authorised representative of the Company under Rule 5.24 with effect from 31 March 2024;
2. Mr. Cheah Eng Chuan resigned as an executive Director, the chief executive officer of the Company and an authorised representative of the Company under Rule 5.24 with effect from 31 March 2024. Mr. Cheah Eng Chuan ceased as a member of the nomination committee of the Company following his resignation as an executive Director with effect from 31 March 2024;
3. Dato' Lua Choon Hann was appointed as a member of the nomination committee of the Company with effect from 31 March 2024; and
4. Mr. Tan Chuan Dyi was appointed as an executive Director with effect from 1 April 2024.

Save as disclosed above, there is no other change in information regarding the Directors or chief executive of the Company that is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

## Other Information

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

Other than as disclosed in **"Significant Event During the Period"** 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 Event During the Period"** 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).

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.

## Other Information

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.

### SIGNIFICANT EVENT DURING THE PERIOD

References are made to the announcements of the Company dated 27 April 2023, 7 June 2023, 8 August 2023 and 2 July 2024, and the circular of the Company dated 14 July 2023 (the **"Circular"**).

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 (the **"Properties"**) 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.

Completion of the Master Agreement is subject to satisfaction (or waiver) of the Conditions Precedent on or before 30 June 2024 (the **"Long Stop Date"**).

## Other Information

On 29 June 2024, the Purchaser, PRG Holdings and the Company entered into a supplemental agreement (the “**Supplemental Master Agreement No. 2**”) postponing the original Long Stop Date of 30 June 2024 to 30 June 2025 or such longer period as the Purchaser, PRG Holdings and the Company may agree in writing (the “**Extended Long Stop Date**”) conditional upon approval by the independent non-interest shareholders of the Company and the independent non-interest shareholders of PRG Holdings as follows:

- (a) the obtaining of the approval from the independent non-interest shareholders of the Company at an extraordinary general meeting of the Company to the Master Agreement as varied, supplemented and amended by the Supplemental Master Agreement No. 2 including the purchase of the Properties by the Purchaser from PRG Holdings, the allotment and issue of the Consideration Shares to PRG Holdings at the issue price of HK\$0.30 and the grant of a specific mandate therefor and the other transactions contemplated under the Master Agreement as varied, supplemented and amended by the Supplemental Master Agreement No. 2; and
- (b) the receipt by PRG Holdings of the approval from the independent non-interest shareholders of PRG Holdings at an extraordinary general meeting of PRG Holdings for the sale of the Properties by PRG Holdings to the Purchaser under the Master Agreement as varied, supplemented and amended by the Supplemental Master Agreement No. 2.

Save the postponement of the original Long Stop Date of 30 June 2024 to the Extended Long Stop Date, there is no change in the other terms and conditions of the Master Agreement all of which remain valid and binding on the Purchaser, PRG Holdings and the Company. Details of the terms and conditions of the Master Agreement are set out in “Letter from the Board — The Master Agreement” of the Circular.

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.

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

## SUBSEQUENT EVENT

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 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 2024, 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%
Kang Boon Lian	Beneficial owner	200,000 Shares (L)	0.03%

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 2024.

## Other Information

### (2) Long positions in the ordinary shares and/or underlying 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)	Number of underlying shares held under equity derivatives (Note 2)	Approximate percentage of shareholding (Note 5)
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	10,234,291 shares (L)	–	2.37%
		Interest of spouse	300,000 shares (L) (Note 3)	–	0.07%
Kang Boon Lian	PRG Holdings (Note 1)	Beneficial owner	264,020 shares (L)	–	0.06%
Tan Chuan Dyi	PRG Holdings (Note 1)	Beneficial owner	441,694 shares (L)	1,588,775 shares (L) (Note 4)	0.47%

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. Tan Chuan Dyi is interested in 470,000 and 1,118,775 share options in PRG Holdings at an exercise price of RM0.165 and RM0.179 per share respectively.
5. The percentage of shareholding is calculated on the basis of 432,516,856 shares in PRG Holdings in issue as at 30 June 2024.

## Other Information

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 2024.

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

As at 30 June 2024, 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	3,796,000 Shares (L) (Note 5)	0.63%
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.

## Other Information

3. Dato' Lua Choon Hann, an executive Director, is the group executive vice chairman of PRG Holdings. Mr. Andrew Chan Lim-Fai, an executive Director, is the group managing director 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 as at 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 2024.

## 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.

## Other Information

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 2024

*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 Dato' Lua Choon Hann, Er. Kang Boon Lian, Mr. Andrew Chan Lim-Fai and Mr. Tan Chuan Dyi, 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>.*