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FURNIWEB HOLDINGS LIMITED

飛霓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8480)

RELEASE OF QUARTERLY REPORT BY CONTROLLING SHAREHOLDER CONTAINING UNAUDITED FINANCIAL INFORMATION ON ITS MANUFACTURING AND ENERGY EFFICIENCY DIVISIONS OPERATED BY THE GROUP

The announcement is made by Furniweb Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PRG Quarterly Report

PRG Holdings Berhad (“**PRG Holdings**”, together with its subsidiaries, the “**PRG Group**”), the controlling shareholder of the Company, is a company listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”).

PRG Holdings has released to Bursa Malaysia a quarterly report on its unaudited consolidated results for the fourth quarter of 2023 (the “**PRG Quarterly Report**”) today. The full version of the PRG Quarterly Report can be accessed via the following link:

https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3427121

The PRG Quarterly Report is required to be released not later than two months after the end of each quarter of a financial year in accordance with paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia (the “**Listing Requirements**”). The financial information set out in the PRG Quarterly Report has been prepared in accordance with Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements and has not been audited or reviewed by auditors.

Unaudited financial information regarding the manufacturing and energy efficiency divisions operated by the Group

The PRG Quarterly Report contains, among others, certain unaudited financial information on, and unaudited financial results contributed by, the **manufacturing and energy efficiency divisions** of the PRG Group (which is operated by the Group). Please refer to the **attachment** to this announcement for an extract of such unaudited financial information and results.

Final results of the Group for the year ended 31 December 2023

The results announcement of the Group for the financial year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards, for publication and consideration the payment of a final dividend (if any), is expected to be published in March 2024.

Shareholders of the Company and public investors shall exercise caution when dealing in the shares of the Company.

By Order of the Board
Furniweb Holdings Limited
Dato' Lim Heen Peok
Chairman

Hong Kong, 29 February 2024

As at the date of this announcement, 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 announcement, for which the directors (the “**Directors**”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 herein or this announcement 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 in this announcement misleading.*

*This announcement will remain on the “**Latest Company Announcements**” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.furniweb.com.my.*

B1 ANALYSIS OF PERFORMANCE

b) Manufacturing

The revenue of RM21.2 million from manufacturing segment for the fourth quarter of 2023 was RM6.8 million lower than RM28.0 million recorded in the corresponding quarter of 2022. The segment's revenue for the financial year ended 31 December 2023 of RM96.1 million was RM16.0 million lower than RM112.1 million recorded in the preceding year.

The profit before tax of RM3.8 million from manufacturing segment for the fourth quarter of 2023 was RM1.2 million higher than profit before tax of RM2.6 million recorded in the corresponding quarter of 2022. The segment's profit before tax for the financial year ended 31 December 2023 of RM5.7 million was RM6.7 million lower than the profit before tax of RM12.4 million recorded in the preceding year.

The decrease in revenue in current quarter and financial year ended 31 December 2023 was mainly due to the disposal of Meinaide which selling polyvinyl chloride related products in September 2023. Further, certain products related to furniture and textile industry had lower sales orders due to the slowdown in global demand in both industries and rising inflation.

The higher profit for the current quarter was mainly due to the disposal of the loss making polyvinyl chloride related products in September 2023 as compared to fourth quarter of 2022. Lower profit before tax for manufacturing segment for the current financial year ended 31 December 2023 was mainly due to one-off impairment losses on trade and other receivables and inventories written down with total amount of RM6.1 million.

c) Energy Efficiency

The energy efficiency segment recorded RM41.7 million revenue for the fourth quarter of 2023, which was RM2.0 million lower than RM43.7 million recorded in the corresponding quarter of 2022. The segment's revenue for the financial year ended 31 December 2023 of RM120.5 million was RM70.8 million higher than RM49.7 million recorded in the preceding year.

Profit before tax of RM6.7 million from energy efficiency segment for the fourth quarter of 2023 was RM2.0 million lower than RM8.7 million recorded in the corresponding quarter of preceding year. The segment's profit before tax for the financial year ended 31 December 2023 of RM16.5 million was increased by RM3.5 million as compared to profit before tax of RM13.0 million recorded in the preceding year.

Lower revenue and profit before tax for the current quarter for energy efficiency segment was mainly due to lower project billings in fourth quarter as compared to corresponding quarter of 2022. Higher revenue and profit before tax for the financial year ended 31 December 2023 was mainly due to Energy Solution Global Limited and its subsidiaries became wholly-owned subsidiaries of the Group on 29 August 2023, hence, there was only 4 months results being consolidated into the Group for the preceding year. During the financial year ended 31 December 2023, the energy efficiency segment recorded a strong revenue by recognising progress completion and delivery of projects.

B3 PROSPECTS FOR NEXT FINANCIAL YEAR

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 the global economy, the Group will continue to operate within the constraints, reassess the market demand, pricing strategies as well as rationalise the cost structure in order to stay competitive in the market.

Global energy consumption continues to rise in 2023. The energy prices remain high. There is also a growing urgency to reduce energy consumption globally, especially with the 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 environment, social, and governance issues are expected to bolster the Group's result in the energy efficiency segment.
