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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 2022 (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=3333005

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 2022

The results announcement of the Group for the financial year ended 31 December 2022, 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 2023.

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, 28 February 2023

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 Mr. Cheah Hannon, 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 RM28.0 million from manufacturing segment for the fourth quarter of 2022 was RM4.4 million lower than RM32.4 million recorded in the corresponding quarter of 2021. The segment's revenue for the financial year ended 31 December 2022 of RM112.1 million was RM3.8 million lower than RM115.9 million recorded in the preceding year.

The profit before tax of RM2.5 million from manufacturing segment for the fourth quarter of 2022 was improved by RM18.6 million than loss before tax of RM16.1 million recorded in the corresponding quarter of 2021. The segment's profit before tax for the financial year ended 31 December 2022 of RM12.4 million was RM18.5 million higher than the loss before tax of RM6.1 million recorded in the preceding year.

The decrease in revenue in current quarter and financial year period ended 31 December 2022 was mainly due to decrease in sales order for PVC related products, rubber tape products and furniture webbing products.

The higher profit before tax for manufacturing segment for the current quarter and financial year ended 31 December 2022 was mainly due to impairment losses on goodwill and other assets amounted to RM18.3 million recorded in the preceding year (2022: RM Nil). Despite decrease in revenue of RM3.8 million, the manufacturing segment managed to maintain the profit (excluding the one-off impairment losses), resulted from cost saving from administrative and selling within the segment.

c) Energy Efficiency

The energy efficiency segment recorded a revenue of RM49.8 million (2021: RM Nil) and profit before tax of RM13.0 million (2021: RM Nil) in current financial year ended 31 December 2022, generated from energy solution contracts and maintenance service contracts.

The energy efficiency segment recorded a strong sales in year 2022 by securing a few major projects, in particularly, Singapore Changi Airport Terminal 2 and data centres 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, revisit the market demand, pricing strategies as well as rationalise the cost structure in order to stay competitive in the market.

Global energy consumption is expected to continue growing in 2023 amid a slowing economy. The energy prices remaining high and possible contraction in gas and oil supplies from Russia have driven the needs and urgency to reduce energy consumption globally. The Group is of the view that governments will move towards the direction of reducing greenhouse gas emissions, establishing climate change mitigation policies and promoting energy efficiency initiatives. With the support from governments, rising energy costs and the global push for environmental, social and governance initiatives, the Group believes the newly ventured energy efficiency business will contribute positively to the Group's results.

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.
