

TARGET

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FURNIWEB HOLDINGS LTD: WHAT DO YOU THINK OF THIS COMPANY ?

On or about November 16, 2017, Furniweb Holdings Ltd (飛寬控股有限公司) (Code: 8480, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd) sought and obtained the right to have its entire Issued and Fully Paid-Up Share Capital listed on the secondary equity market of The Stock Exchange of Hongkong Ltd.

At Page 85 of the 2023 Annual Report of Furniweb Holdings Ltd, Management determined to have its Corporate Identity made manifest to existing shareholders and prospective investors as follows:

‘GENERAL INFORMATION

‘Furniweb Holdings Limited (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 of Hong Kong Limited (the “Stock Exchange”) since 16 October 2017. 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 principal activity of the Company is investment holding. The principal activities of its subsidiaries are principally engaged in the manufacturing and sales of elastic textile, 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 ultimate holding company of the Company is PRG Holdings Berhad (“PRG Holdings”) 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.’

At Page Five of the 2023 Annual Report of the Company – the Annual Report, having been published and disseminated in The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC) on or about April 15, 2024 – Dato' Lim Heen Peek, the Chairman of the Board of Directors and being a Non-Executive Director of the Company, had this to impart to his shareholders:

'In the face of ongoing challenges marked by geopolitical tensions, inflationary pressures, and elevated interest rates, I am pleased to report that our Group has achieved notable growth in revenue, achieving RM216.8 million, a substantial increase of 33.7% compared to the previous year. However, our net profit after tax of RM12.5 million, is 31.3% lower than the previous year's RM18.2 million, primarily due to

one-off impairment losses on trade receivables and provision for slow moving stock.

'In the last year or so, against the backdrop of uncertainty and volatility, the Group has focused on ensuring the sustainability of our business by mitigating the consequential risks. For example, we have engaged closely with our major customers to minimise market share risks and also to ensure our supply chain risks are adequately monitored. Furthermore, our capital expenditure was prudently scheduled to ensure minimal cash outflows.

'On the Energy Efficiency segment (of the Company), we have put in place a plan to grow this business in Malaysia. We have built a strong team in the country to execute this plan. We are also leveraging our experience and expertise in Singapore to accelerate our presence in Malaysia. Through this strategy we have now secured a data centre project. Overall, the impact of climate change will drive governments to legislate and incentivise all stakeholders to move towards more efficient usage of energy and thus create opportunities for us to tap into the potential business growth.

'On the manufacturing segment, the risks to our business will need to be closely monitored as global events will push us to adapt to the changing circumstances quickly. The key approach we are adopting is to ensure our production capacity is flexible enough to meet changing demand from our customers. We are introducing more automation and better processes to improve efficiency and capability to step up output if necessary. We are also looking at opportunities to produce new products utilising our current technology and know-how.

'On a longer-term outlook, we see potential for growth for the Group as we continue to build our human resources and organisation to respond nimbly to all our stakeholders and business partners. Our commitment to leading-edge engineering competency and know-how to deliver effective solutions in the Energy Efficiency segment will be a strong growth driver moving forward. As for the manufacturing segment, our plan to be agile

and flexible will continue to underscore our brand value of quality, cost and delivery ...’.

At Pages Six through to 11 of the 2023 Annual Report, under the heading, ‘**BUSINESS REVIEW**,’ one was informed of the following intelligence:

‘(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 – such as plastic bottles – in 2019 by acquiring the entire issued share capital of a company whose subsidiaries in Hong Kong and the People’s Republic of China (“**PRC**”). Subsequently, the Group disposed of these subsidiaries by entering a sale and purchase agreement on 19 September 2023 (the “**Agreement**”). The disposal was completed on 30 September 2023.*

*During the year ended 31 December 2023 (the “**Financial Year**”), domestic sales and export sales accounted for approximately 35.5% and 64.5% (2022: 41.1% and 58.9%) of the total revenue from the Manufacturing Division, respectively. Asia-Pacific region, Europe and North America continued to ... [CLICK TO ORDER FULL ARTICLE](#)*

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