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## **FURNIWEB HOLDINGS LIMITED**

**飛電控股有限公司**

*(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 DIVISION 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 2017 (the “**PRG Quarterly Report**”) today. The full version of the PRG Quarterly Report can be accessed via the following link:

<http://www.bursamalaysia.com/market/listed-companies/company-announcements/5708545>

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 division operated by the Group***

The PRG Quarterly Report contains, among others, certain unaudited financial information on, and unaudited financial results contributed by, the **manufacturing division** 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 2017***

As referred to in the Company's announcement dated 23 February 2018, a meeting of the board of directors of the Company will be held on 15 March 2018 for the purposes of, among other matters, considering and approving the final results of the Group for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards, for publication and consideration the payment of a final dividend (if any).

***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 2018

*As at the date of this announcement, the chairman and non-executive director is Dato' Lim Heen Peok, the executive directors are Mr. Cheah Eng Chuan, Mr. Tan Chuan Dyi and Dato' Lua Choon Hann, and the independent non-executive directors are Mr. Ho Ming Hon, Dato' Sri Wee Jeck Seng and Dato' Dr. Hou Kok Chung.*

*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 in 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](http://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](http://www.furniweb.com.my).*

## ATTACHMENT

Below is an extract from the PRG Quarterly Report regarding the unaudited financial and other information on the manufacturing division of the PRG Group, which is operated by the Group.

The PRG Quarterly Report is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

### A10. OPERATING SEGMENTS

#### For the year ended 31 December 2016

	Manufacturing RM'000	Property development & construction RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
Revenue from external customers	97,938	34,124	-	-	132,062
Inter-segment revenue	828	20,204	10,505	(31,537)	-
Total revenue	<u>98,766</u>	<u>54,328</u>	<u>10,505</u>	<u>(31,537)</u>	<u>132,062</u>
Segment results	9,966	(286)	(3,963)	-	5,717
Share of profit of a joint venture (net of tax)	215	-	-	-	215
Profit / (loss) before tax	<u>10,181</u>	<u>(286)</u>	<u>(3,963)</u>	-	5,932
Tax expense					<u>(885)</u>
Profit for the financial year					<u>5,047</u>

#### For the year ended 31 December 2017

	Manufacturing RM'000	Property development & construction RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
Revenue from external customers	109,745	83,218	-	-	192,963
Inter-segment revenue	6,005	45,275	26,595	(77,875)	-
Total revenue	<u>115,750</u>	<u>128,493</u>	<u>26,595</u>	<u>(77,875)</u>	<u>192,963</u>
Segment results	6,662	9,764	(608)	-	15,818
Share of profit of a joint venture (net of tax)	282	-	-	-	282
Share of loss of an associate (net of tax)	(290)	(33)	-	-	(323)
Profit / (loss) before tax	<u>6,654</u>	<u>9,731</u>	<u>(608)</u>	-	15,777
Tax expense					<u>(4,935)</u>
Profit for the financial year					<u>10,842</u>

## **B1. ANALYSIS OF PERFORMANCE**

Revenue of RM24.0 million from manufacturing segment for fourth quarter of 2017 was RM3.0 million lower than RM27.0 million recorded in the corresponding quarter of 2016. The segment's revenue for the year ended 31 December 2017 of RM109.7 million was RM11.8 million higher than RM97.9 million recorded in last year.

Profit before tax recorded by manufacturing segment during the quarter under review was RM1.8 million, RM2.1 million lower than RM3.9 million reported in the same quarter of last year. The segment's profit before tax of RM6.7 million for the year ended 31 December 2017 was RM3.5 million lower than RM10.2 million of last year.

Lower revenue for the current quarter was mainly due to change in procurement plans of certain customers. However, as more sales orders were received in the first 3 quarters, the total revenue for the year increased by RM11.8 million as compared to last year.

Lower profit before tax was in line with lower revenue as well as additional listing expenses of RM2.8 million recorded during the quarter under review. Should the total listing expenses of RM10.8 million and gain on disposal of part of the interest in a subsidiary of RM6.8 million be excluded, the manufacturing segment would record an adjusted profit before tax of RM10.7 million, representing an increase of RM0.5 million or 5% as compared to last year.

## **B3. PROSPECTS FOR NEXT FINANCIAL YEAR**

The Group anticipates the prospect of manufacturing business remains promising and is pursuing its strategies to capture new business opportunities. However, we also foresee challenges from the recent crude oil price surge that may increase the price of certain crude-oil based raw materials, such as polyester high tenacity filament yarn, polypropylene multifilament yarn and synthetic rubber, which may impact on the gross profit margin if the Group is unable to pass on the increment in raw material prices entirely to its customers. The Group will closely monitor the raw material prices on the regular basis and adjust the procurement plan and pricing strategy, if necessary. Further, any significant and abrupt movement in the exchange rate between the Ringgit and the US Dollar may result in foreign exchange gains or losses which may affect the Group's results as the Group derives a significant amount of its revenue in US Dollars.

The manufacturing division will strive to enhance its market position, further its business development and actively consider new opportunities for growth.

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