# 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 INFORAMTION 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 2018 (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/6075165

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 2018***

The final results of the Group for the year ended 31 December 2018, 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 or around mid-March 2019.

***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, 26 February 2019

*As at the date of this announcement, the non-executive directors are Dato' Lim Heen Peok (the chairman) and Mr. Yang Guang, 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' Sri 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*** *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.***

**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 2017 (Restated)**

| | Manufacturing RM'000 | Property development & construction RM'000 | Healthcare RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|
| Revenue | | | | | | |
| Revenue from external customers | 109,745 | 48,832 | - | - | - | 158,577 |
| Inter-segment revenue | 6,005 | 45,275 | - | 26,595 | (77,875) | - |
| Total revenue | 115,750 | 94,107 | - | 26,595 | (77,875) | 158,577 |
| | | | | | | |
| Listing expenses | 10,792 | - | - | - | - | 10,792 |
| | | | | | | |
| Segment results | 6,433 | 902 | (191) | (608) | - | 6,536 |
| Share of profit of a joint venture (net of tax) | 282 | - | - | - | - | 282 |
| Share of loss of associates (net of tax) | (290) | (33) | - | - | - | (323) |
| Profit/(Loss) before tax | 6,425 | 869 | (191) | (608) | - | 6,495 |
| Tax expense | | | | | | (1,558) |
| Profit for the financial year | | | | | | 4,937 |

**For the year ended 31 December 2018**

| | Manufacturing RM’000 | Property development & construction RM’000 | Healthcare RM’000 | Others RM’000 | Eliminations RM’000 | Consolidated RM’000 |
|---|---|---|---|---|---|---|
| Revenue | | | | | | |
| Revenue from external customers | 92,565 | 56,061 | - | - | - | 148,626 |
| Inter-segment revenue | 252 | 33,406 | - | - | (33,658) | - |
| Total revenue | 92,817 | 89,467 | - | - | (33,658) | 148,626 |
| | | | | | | |
| Segment results | 2,387 | (2,311) | (679) | (3,629) | - | (4,232) |
| Share of profit of a joint venture (net of tax) | 332 | - | (172) | - | - | 160 |
| Share of loss of associates (net of tax) | (1,029) | (84) | (56) | - | - | (1,169) |
| Profit/(Loss) before tax | 1,690 | (2,395) | (907) | (3,629) | - | (5,241) |
| Tax expense | | | | | | (3,167) |
| Loss for the financial year | | | | | | (8,408) |

## B1. ANALYSIS OF PERFORMANCE

The decrease in revenue was mainly due to reduced sales for certain existing products as certain customers became more prudent in their procurement plan in view of the uncertainty in the global trade market as a result of the on-going trade spat between the United States and China, some customers also delayed their procurement as they have delayed launching of some of the new specifications for their products, while some customers reduced orders as their local currencies depreciated against USD. Besides that, the higher proportion of lower margin products was sold during the year due to competitive business environment. The weakening in USD against RM in the financial year ended 31 December 2018 against the corresponding period in 2017 has lowered the revenue reported in RM for the sales denominated in USD. The exclusion of revenue from sales of metal components for furniture (from the subsidiary which has become an associate of the Company since 14 September 2017) from consolidation also contributed to the decrease in revenue during the financial year. Decrease in profit before tax was mainly due to lower revenue and an increase in raw material costs. The profit before tax was also further impacted by additional post-listing administrative and corporate expenses as well as expenses incurred by a newly set-up retail segment.

## B3. PROSPECTS FOR NEXT FINANCIAL YEAR

The on-going trade spat between United States with China and other countries have raised uncertainty in the market which resulted to a lower global growth projections. The Group anticipates that the prospect of manufacturing business in the near future to remain challenging as customers remain cautious on purchases pending clearer settlements of the trade disputes. Apart from that, raw materials cost especially the crude-oil based yarn remains volatile in line with the of crude oil price. Adverse movement either way will affect the gross profit margin of the manufacturing segment. Further, any significant movement in the exchange rate between RM and USD may also result in foreign exchange gains or losses, which may affect the Group’s performance as the Group derives a significant amount of its revenue in USD.

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