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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)

PROFIT WARNING

This 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 of The Stock Exchange of Hong Kong Limited (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).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2019 (the “**Period**”), it is expected that the Group will record a net loss of approximately RM1.2 million as compared to the net profit of approximately RM0.2 million recorded in the corresponding period in 2018.

The Board is of the view that the Group’s net loss for the Period was mainly attributable by the following factors:

- (i) decrease in sales orders of higher profit margin products from a few major customers, which made fixed overheads of such products not fully covered by revenue;
- (ii) increase in cost of sales, mainly (a) raw material costs of crude oil-based yarn, chemicals and dye stuff which had not been passed on to customers and (b) direct labour costs; and
- (iii) increase in administrative expenses due to (i) pre-operating expenses incurred during the Period for a retail entity of the Group; (ii) professional fees incurred during the Period for the proposed acquisition of Meinaide Holdings Group Limited as announced by the Company on 12 March 2019; and (iii) an increase in staff costs during the Period.

The information contained in this announcement is based on the preliminary assessment by the Board mainly with reference to the information currently available, including the unaudited consolidated management accounts of the Group for the Period, which is yet to be finalised and has not yet been audited or reviewed by the auditor of the Company. As such, the actual financial results of the Group for the Period may be different from what is disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the results announcement of the Company for the Period which is expected to be published in or around mid-May 2019.

Shareholders and potential investors are advised to 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, 30 April 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, Dato' Lua Choon Hann and Mr. Qu Weidong, 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 GEM Listing Rules 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.