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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)

SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT REGARDING THE PUBLISHED UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of Furniweb Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2020 on unaudited annual results announcement for the year ended 31 December 2019 (the “**Announcement**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that as at the date of this announcement, the Company’s external auditors, ZHONGHUI ANDA CPA LIMITED, has completed its audit of the annual results of the Group for the year ended 31 December 2019 (the “**2019 Annual Results**”).

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

The auditing process for the 2019 Annual Results had not been completed as at the date of publication of the Announcement. Since subsequent adjustments have been made to the unaudited annual results of the Group contained in the Announcement upon the completion of audit, shareholders and potential investors of the Company are advised to pay attention to certain differences between the unaudited annual results of the Group contained in the Announcement and the audited annual results of the Group in this announcement. Set forth below are principal details and reasons for the differences in such financial information.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	Audited Annual Results 2019 RM'000	Unaudited Annual Results Disclosed in the Announcement 2019 RM'000	Differences RM'000	<i>Notes</i>
Cost of sales	(91,634)	(91,742)	108	(i)
Gross profit	34,304	34,196	108	(i)
Other (expenses)/income, net	(45,667)	(42,932)	(2,735)	(ii)
Income tax expense	(1,854)	(1,917)	63	(iii)
Loss for the year	(50,826)	(48,262)	(2,564)	
Other comprehensive expenses, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Continuing operations				
Exchange differences on translation of foreign operations	(2,058)	(2,119)	61	(iv)
Loss for the year attributable to:				
Owners of the Company				
— from continuing operations	(46,890)	(44,326)	(2,564)	
Total comprehensive expenses for the year attributable to:				
Owners of the Company				
— from continuing operations	(49,018)	(46,515)	(2,503)	
Loss per share:				
Basic and diluted (RM cents)				
— from continuing operations	<u>(8.80)</u>	<u>(8.32)</u>	<u>(0.48)</u>	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Annual Results 2019	Unaudited Annual Results Disclosed in the Announcement 2019	Differences	Notes
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
Non-current assets				
Intangible assets	32,957	34,416	(1,459)	(v)
Current assets				
Trade and other receivables	54,479	54,532	(53)	(vi)
Current tax recoverable	304	303	1	(vii)
Current liabilities				
Trade and other payables	32,697	33,890	(1,193)	(viii)
Contract liabilities	1,159	128	1,031	(ix)
Non-current liabilities				
Deferred tax liabilities	1,837	683	1,154	(x)
EQUITY				
Reserves	95,204	97,707	(2,503)	(xi)

Notes:

- i. The difference in cost of sales and gross profit were mainly due to lower cost of sales in the People's Republic of China ("PRC") subsidiary.
- ii. The difference in other (expenses)/income was mainly due to higher impairment loss on goodwill from acquisition of Meinaide Holdings Group Limited, which increased by RM2.7 million from RM31.8 million to RM34.5 million.
- iii. The difference in income tax expense was mainly due to the reversal of deferred tax liabilities on intangible assets.
- iv. The difference in exchange differences on translation of foreign operations was mainly due to the exchange translation difference from goodwill and deferred tax liabilities which were denominated in Renminbi.
- v. The difference in intangible assets was mainly due to increase in impairment loss on goodwill.
- vi. The difference in trade and other receivables was mainly due to the decrease in trade and other receivables for the PRC subsidiary.
- vii. The difference in current tax recoverable was mainly due to rounding difference.
- viii. The difference in trade and other payables was mainly due to the reclassification of approximately RM1 million from other payables to contract liabilities and also decrease in other payables for the PRC subsidiary.

- ix. The difference in contract liabilities was mainly due to the reclassification of approximately RM1 million from other payables to contract liabilities.
- x. The difference in deferred tax liabilities was mainly due to deferred tax liabilities arising from intangible assets — customer relationship.
- xi. The difference in reserve was mainly due to increase in loss after income tax expenses as explained in Notes (i) to (iii) above and additional exchange translation reserves explained in Note (iv).

AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS

Following the adjustments described in Notes (i) to (xi) above, the Company’s external auditor, ZHONGHUI ANDA CPA LIMITED, has agreed on the 2019 Annual Results (including the financial figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto) as set out in the Announcement. The audited annual results of the Group for the year ended 31 December 2019 have been reviewed by the audit committee of the Company and were approved by the Board on 6 May 2020.

PUBLICATION OF ANNUAL REPORT

As the audit for the 2019 Annual Results has been completed, the Company expects to despatch the annual report for the year ended 31 December 2019 on or before 15 May 2020.

By Order of the Board
Furniweb Holdings Limited
Dato’ Lim Heen Peok
Chairman

Hong Kong, 6 May 2020

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, 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 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 herein or 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.