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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)

RELEASE OF QUARTERLY REPORT BY CONTROLLING SHAREHOLDER CONTAINING UNAUDITED FINANCIAL INFORMATION ON ITS MANUFACTURING AND RETAIL DIVISIONS 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 2021 (the “**PRG Quarterly Report**”) today. The full version of the PRG Quarterly Report can be accessed via the following link:

https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3238625

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 and retail divisions operated by the Group

The PRG Quarterly Report contains, among others, certain unaudited financial information on, and unaudited financial results contributed by, the **manufacturing and retail divisions** 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 2021

The results announcement of the Group for the financial year ended 31 December 2021, 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 March 2022.

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 2022

As at the date of this announcement, the non-executive directors are Dato' Lim Heen Peok (the chairman) and Mr. Ng Tzee Penn, 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 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 herein or 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 and retail divisions 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.

A8 OPERATING SEGMENTS

For the year ended 31 December 2020 (restated)

	Continuing operations						Discontinued operations		
	Manufacturing RM'000	Property development & construction RM'000	Agriculture RM'000	Retail RM'000	Others RM'000	Eliminations RM'000	Total RM'000	RM'000	Total RM'000
<u>For the year ended 31 December 2020 (restated)</u>									
Revenue									
Revenue from external customers	96,320	96,531	850	2,696	-	-	196,397	(783)	195,614
Inter-segment revenue	218	4,371	-	305	-	(4,894)	-	-	-
Total revenue	<u>96,538</u>	<u>100,902</u>	<u>850</u>	<u>3,001</u>	<u>-</u>	<u>(4,894)</u>	<u>196,397</u>	<u>(783)</u>	<u>195,614</u>
Segment results	(9,211)	(4,164)	(2,345)	(23,832)	7,093	-	(32,459)	5,710	(26,749)
Share of profit of joint ventures (net of tax)	335	-	-	-	-	-	335	-	335
Share of loss of associates (net of tax)	(345)	-	-	-	-	-	(345)	-	(345)
(Loss)/Profit before tax	<u>(9,221)</u>	<u>(4,164)</u>	<u>(2,345)</u>	<u>(23,832)</u>	<u>7,093</u>	<u>-</u>	<u>(32,469)</u>	<u>5,710</u>	<u>(26,759)</u>
Tax expense							(837)	-	(837)
(Loss)/Profit for the financial year							<u>(33,306)</u>	<u>5,710</u>	<u>(27,596)</u>

For the year ended 31 December 2021

	Continuing operations						Discontinued operations	Total RM'000	
	Manufacturing RM'000	Property development & construction RM'000	Agriculture RM'000	Retail RM'000	Others RM'000	Eliminations RM'000	Total RM'000		RM'000
<u>For the year ended 31 December 2021</u>									
Revenue									
Revenue from external customers	116,994	54,973	2,227	2,197	14,976	-	191,367	-	191,367
Inter-segment revenue	8,111	2,313	-	200	-	(10,624)	-	-	-
Total revenue	125,105	57,286	2,227	2,397	14,976	(10,624)	191,367	-	191,367
Segment results	(9,759)	10,543	(1,900)	8,599	7,658	-	15,141	-	15,141
Share of profit of a joint venture (net of tax)	490	-	-	-	-	-	490	-	490
Share of profit of associates (net of tax)	518	-	-	-	-	-	518	-	518
(Loss)/Profit before tax	(8,751)	10,543	(1,900)	8,599	7,658	-	16,149	-	16,149
Tax expense							(7,804)	-	(7,804)
Profit for the financial year							8,345	-	8,345

B1 ANALYSIS OF PERFORMANCE

a) Manufacturing

The revenue of RM33.3 million from manufacturing segment for the fourth quarter of 2021 was RM6.0 million higher than RM27.3 million recorded in the corresponding quarter of 2020. The segment's revenue for the financial year ended 31 December 2021 of RM117.0 million was RM20.7 million higher than RM96.3 million recorded in the preceding year.

The loss before tax of RM16.9 million from manufacturing segment for the fourth quarter of 2021 was improved by RM1.8 million than loss before tax of RM18.7 million recorded in the corresponding quarter of 2020. The segment's loss before tax for the financial year ended 31 December 2021 of RM8.7 million was RM0.5 million lower than the loss before tax of RM9.2 million recorded in the preceding year.

The increase in revenue in current quarter and financial year period ended 31 December 2021 was mainly due to rebound in sales orders for elastic textile, webbing, rubber tape and polyvinyl chloride products as the sales in corresponding quarter and financial year ended 2020 was affected by the lockdown implemented by various countries under the COVID-19 pandemic.

The lower loss before tax for manufacturing segment for the current quarter and financial year ended 31 December 2021 was mainly due to the lower impairment losses on goodwill and other assets as compared to the corresponding quarter and preceding year.

b) Retail

The retail segment recorded RM0.4 million revenue for the fourth quarter of 2021, which was RM0.2 million lower than RM0.6 million recorded in the corresponding quarter of 2020. The segment's revenue for the financial year ended 31 December 2021 of RM2.2 million was RM0.5 million lower than RM2.7 million recorded in the preceding year.

The retail segment's loss before tax of RM1.4 million for the fourth quarter of 2021 was improved by RM18.0 million as compared to RM19.4 million recorded in the corresponding quarter of 2020. The segment's profit before tax for the financial year ended 31 December 2021 of RM8.6 million was improved by RM32.4 million as compared to loss before tax of RM23.8 million recorded in the preceding year.

The decrease in revenue for retail segment for current quarter and financial year ended 31 December 2021 was mainly due to closure of retail store in the second quarter of 2021. The improved loss before tax and increase in profit before tax for retail segment for current period and financial year ended 31 December 2021 respectively was mainly due to one-off recognition of reversal of lease liabilities arising from early termination of store tenancy and decrease in operational expenses upon closure of retail store in view of the business will not be recovered in short term resulted from pandemic.

B3 PROSPECTS FOR NEXT FINANCIAL YEAR

The global outlook remains challenging as the resurgence of the pandemic in many countries poses difficult economy versus health decisions. Additionally, the ongoing trade war, volatility in currency, disruption in global supply chain, global surge in shipping cost and the intensifying regional business competition have made our operating environment extremely challenging and difficult to predict.

The Group will continue to strive to operate within the constraints as well as looking into risk mitigation measures to ensure business continuity and long term sustainability.
