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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)

BUSINESS UPDATE

BUSINESS COLLABORATION WITH INTERNATIONALLY RENOWNED APPAREL BRAND IN RELATION TO THE DISTRIBUTION, PROMOTION AND SALE OF LUXURY AND LIFESTYLE FASHION APPAREL

INTRODUCTION

This announcement is made by Furniweb Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep its shareholders and potential investors informed of the business development of the Group.

The board of directors (the “**Board**” or the “**Directors**”) of the Company is pleased to announce that on 25 April 2018, the Company entered into a letter of intent (the “**LOI**”), which is legally binding, with PHILIPP PLEIN INTERNATIONAL AG (“**PPI**”) and PLEIN SPORT AG (“**PS AG**”, together with PPI, the “**Philipp Plein Group**”) to record the parties’ intention to start a business collaboration, initially in Singapore, Malaysia and Thailand (the “**Territories**”).

BUSINESS COLLABORATION

The business collaboration and arrangements envisaged under the LOI primarily cover, among other things:

- the appointment of the Company as the authorised dealer for the distribution, promotion and sale of luxury fashion apparel carried on under PPI’s trade name and/or lifestyle fashion apparel carried on under PS AG’s trade name (collectively, the “**Products**”) in the Territories;
- the business plan and strategy for the progressive implementation of the business collaboration, including without limitation, the setting up of mono-brand boutiques or stores (the “**Stores**”) for the distribution, promotion and sale of the Products in the Territories, the minimum number of Stores to be set up, the minimum quantity of Products to be placed per season and pricing, the marketing plan and contribution to be made by the Group and the opening of mono-brand factory outlet in the Territories;

- the events, which relate to the placing of orders and the securing of a legally-binding lease for the opening of a Store by the Group, that will (upon occurrence) trigger the grant of exclusive right to the Company for the distribution, promotion and sale of the Products in a Territory. Until an exclusivity event is triggered, the Company's right to the distribution, promotion and sale of the Products is non-exclusive but it is entitled to the right of first refusal to open a Store in case PPI or PS AG wishes to grant distribution right in a Territory to a third party;
- the possibility for further business collaboration in other countries in Southeast Asia; and
- other ancillary arrangements,

subject to the entering into of a formal authorised dealer agreement (which can be entered into by the Company or any of its designated wholly-owned subsidiaries) upon the principal terms and conditions that are reflective of the parties' intention and consistent with the LOI. The authorised dealer agreement is, subject to finalisation, expected to be entered into by no later than the third quarter of 2018.

The Directors consider that the terms of the LOI, which were concluded after arm's length negotiations, are fair and reasonable and in the overall interests of the Company and its shareholders.

INFORMATION ON THE PHILIPP PLEIN GROUP

The Philipp Plein Group is based in Lugano, Switzerland and a luxury goods conglomerate in the international fashion industry. It designs, manufactures, and retails high-class apparel (including lifestyle apparel and sportswear) for men, women and kids in Switzerland and internationally. It operates a number of mono-brand stores globally, including flagships in Milan, Paris, New York, Los Angeles and Hong Kong.

INFORMATION ON THE GROUP

We are a long established elastic textile and webbing manufacturer in Malaysia and Vietnam. We have a broad customer base (which include branded goods manufacturers or their contractors) and offer a wide range of products of high and consistent quality. We believe the confidence that our existing and potential customers, business partners and/or alliances have in us comes from our proven track records exemplified in the service quality, business growth and management of our business.

REASONS FOR AND BENEFITS OF THE BUSINESS COLLABORATION

We are enthusiastic to capture new business opportunities and are strategic about the projects we take on. We believe the association with a famous global apparel brand will bring new elements and dimension to the Group's profile, potentially broaden the customer base for our existing core business (as our business alliance, like some of our existing branded good manufacturers, are engaged in the apparel industry) and provide opportunities for growth.

Notwithstanding our endeavour to further business development of the Group, the existing principal business of the Group will continue to be our core business.

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

Hong Kong, 25 April 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 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 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.