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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION: LOAN TO A CONTROLLING SHAREHOLDER**

#### **THE LOAN AGREEMENT**

On 11 November 2022, the Company as lender entered into the Loan Agreement with PRG as borrower, pursuant to which the Company agrees to provide the Loan (i.e. in the principal amount of up to RM5 million (equivalent to approximately HK\$8.334 million) to PRG, the date, parties and the principal terms of which are set out below.

#### **IMPLICATIONS UNDER THE GEM LISTING RULES**

##### **Chapter 19**

As one of the applicable percentage ratios (as defined in the GEM Listing Rules) is more than 5% but lower than 25%, the Loan Agreement together with the Loan contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

##### **Chapter 20**

The Loan Agreement together with the Loan contemplated thereunder constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules as PRG is a connected person of the Company for being a controlling shareholder of the Company directly interested in 50.45% of the Shares in issue.

As the highest of the applicable percentage ratios (other than the profit ratios) in respect of the Loan is more than 5% but less than 25% and the total value of the Loan is less than HK\$10,000,000, under Rule 20.74(2)(b) of the GEM Listing Rules the Loan is exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements and is only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

## THE LOAN AGREEMENT

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Date: 11 November 2022.

Parties: (i) the Company as lender; and

(ii) PRG as borrower.

PRG is the controlling shareholder of the Company directly interested in 50.45% of the Shares in issue.

Principal amount of the Loan: Up to RM5 million (equivalent to approximately HK\$8.334 million).

Interest rate: 6% per annum. Interest shall be calculated from the date of drawdown up to the date of repayment and on the basis of a 365-day year.

Maturity Date: The date falling on the twenty-four (24) months from the date of drawdown of the Loan.

Repayment: The Loan shall be repaid to the Company in full and in one lump sum on the Maturity Date.

Interest is payable on a yearly basis without withholding or deduction of any taxes and charges.

If PRG is required by law to make any withholding or deduction from any payment to or for the account of the Company, PRG shall pay to the Company such additional amount as will result in the receipt by the Company of the full amount which would have been received by the Company had no such withholding or deduction been made.

Purpose of the Loan: The Loan shall be used for working capital of PRG.

Event of default:

Set out below are the events of default upon the occurrence of any of which the Loan together with all interest accrued thereon and all amounts due and owing under the Loan Agreement shall be immediately due and repayable without further notice or demand:

- (i) PRG defaults in the payment to the Company of any amount due under this agreement or any part thereof after the same have become due from PRG to the Company whether formally demanded or not;
- (ii) PRG is unable to pay its debts or becomes unable to pay its debts as they fall due;
- (iii) PRG commits or threatens to commit a breach of any term, stipulation, covenant or undertaking contained in the Loan Agreement and on its part to be observed and performed;
- (iv) a distress or execution or other process of a court of competent jurisdiction is levied or issued against any of the assets, properties or undertaking of PRG;
- (v) any indebtedness of PRG becomes capable, in accordance with the relevant terms thereof, of being declared due prematurely or subject to recall or withdrawal by reason of a default by PRG in its obligations in respect of the same, or PRG defaults in the performance of any term applicable to such indebtedness or the security for such indebtedness becomes enforceable;
- (vi) it is unlawful for PRG to perform or comply with any of its obligations under the Loan Agreement; or
- (vii) one or more judgment or decree was entered against PRG and such judgment or decree shall not have been vacated, discharged or stayed within 60 days from the date of entry of the judgment or decree.

Late payment interest rate:

6.0% per month on the sum due and payable at that time, calculated from the due date for such payment until the date of receipt of payment of the amount outstanding.

## **INFORMATION OF PRG**

PRG is a public limited liability company incorporated in Malaysia and the issued shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

PRG is the controlling shareholder of the Company directly interested in 50.45% of the Shares in issue and a connected person of the Company. PRG is principally engaged in investment holding with its subsidiaries other than the Group principally engaged in property development, and construction, and plantation, logging and trading of timbers.

## **INFORMATION OF THE COMPANY AND THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding.

The Group is principally engaged in the manufacturing and sale of elastic textile, webbing, rubber tape and polyvinyl chloride related products, and the provision of smart energy solutions.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN**

The Board considers that by entering into the Loan Agreement and advancing the Loan, the Group can utilize its surplus cash resources more efficiently and generate interest income from the Loan at an interest rate of 6% per annum which is better than as may be earned from deposit with banks and thereby maximizing the Group's return on its surplus cash reserves.

In determining the interest rate of the Loan and its fairness and reasonableness, the Company has considered the following factors and the Directors are of the view that the interest rate of the Loan is fair and reasonable and in the interests of the Company and the Shareholders as a whole:

- (1) two-year RM time deposit saving rate of 3.5% per annum; and
- (2) lending rate in RM ranging from 3.47% to 7.64% per annum provided by banks.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

At the meeting of the Board approving the Loan Agreement, Mr. Ng Tzee Penn and Dato' Lua Choon Hann who are also directors of PRG have abstained from voting on the resolutions approving the Loan Agreement and the transactions contemplated thereunder.

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The Loan Agreement together with the Loan contemplated thereunder constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules as PRG is a connected person of the Company for being a controlling shareholder of the Company directly interested in 50.45% of the Shares in issue.

As the highest of the applicable percentage ratios (other than the profit ratios) in respect of the Loan is more than 5% but less than 25% and the total value of the Loan is less than HK\$10,000,000, under Rule 20.74(2)(b) of the GEM Listing Rules the Loan is exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements and is only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

## **DEFINITIONS**

“Board”	the board of Directors of the Company
“Company”	Furniweb Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued Shares listed on GEM (stock code: 8480)
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company and each a “Director”
“GEM”	GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Loan”	the principal amount of up to RM5 million (equivalent to approximately HK\$8.334 million) as may be advanced by the Company to PRG under and pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 11 November 2022 in relation to the Loan entered into between the Company as lender and PRG as borrower
“Maturity Date”	the date falling on the twenty-four (24) months from the date of drawdown of the Loan
“PRG”	PRG Holdings Berhad, a public limited liability company incorporated in Malaysia and the issued shares of which are listed on the Main Market of Bursa Malaysia and the controlling shareholder of the Company
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Share”	ordinary share of HK\$0.1 in the issued share capital of the Company
“Shareholder”	the holder of any Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

*Note:* When translated, each RM amount stated in this announcement was translated at the exchange rates of RM1 to HK\$1.6667.

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

Hong Kong, 11 November 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 (the Chief Executive Officer), 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 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 herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Announcements” page of the GEM website at <http://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 <http://www.furniweb.com.my>.*