

**8. OTHER INFORMATION ON FIPB****8.1 Approvals, Major Licences and Permits**

The approvals, major licences and permits held by the Group (which will be renewed upon expiry) required for the purposes of conducting its daily operations are listed as below:-

Authority	Holder	Date Issued	Validity Period	Licence/ Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
BNM	FIPB	12/8/03	-	-	Loan of USD1.4 million (RM5.32 million) to FVN for working capital purposes. Interest of 7% p.a. and repayment by annual installment of USD350,000 per year beginning year 2005.	<p>The company should remit all dividends, profits or interests as well as the proceeds received from the sale of overseas investments back to Malaysia as soon as the said dividends, profits or interest are received or when the overseas shares are sold and inform BNM of the same.</p> <p>Repayment of the principal and interest income from the said loan should be remitted to Malaysia and the company is required to inform BNM.</p> <p>The company is required to seek BNM's approval for the payment of funds which are more than or equal to RM10,000 by FIPB or its subsidiaries for the purpose of overseas investment. Investment herein includes providing loan to non-residence.</p>	Observed
	FMSB	25/9/98	-	-	Remittance of fund amounting to USD 0.3 million (RM1.14 million) for the purpose of further investment in the equity of FVN	<p>The company should remit all dividends, profits or interests which are not used to repay the overseas borrowings; as well as the proceeds received from the sale of overseas investments back to Malaysia as soon as the said dividends, profits or interests are received or when the overseas shares are sold. FMSB should inform BNM of the same.</p>	Observed
		22/3/01	-	-	Loan of USD 0.5 million (RM1.9 million) to FVN to repay its borrowings and for capital expansion. Interest of 7% p.a. calculated on a monthly rest.	<p>The company should remit all dividends, profits or interests as well as the proceeds received from the sale of overseas investments back to Malaysia as soon as the said dividends, profits or interest are received or when the overseas shares are sold and inform BNM of the same.</p> <p>Repayment of the principal and interest income from the said loan should be remitted to Malaysia and the company is required to inform BNM.</p>	Observed



## 8. OTHER INFORMATION ON FIPB (Cont'd)

Authority	Holder	Date Issued	Validity Period	Licence/Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
MOF (cont'd)	FBC	5/11/02	24/7/02-23/7/04	-	Full exemption on import duty on raw materials for production of finished products for export market and Free Trade Zone/Licensed Manufacturing Warehouse - Nylon yarn, Spandex yarn, Grey elastic webbing lace/bands (semi-finished)	As above	Met and observed
MITI	FMSB	27/5/96	-	A 010389	Licensed manufacturer for covered elastic yarn, upholstery webbing, seat belt and rigid webbing.	<p>FMSB must be wholly-owned by Malaysian and at least 10% of the shares should be put under moratorium. FMSB is required to discuss with MITI prior to any allocation of the said 10% of shares.</p> <p>The composition of the Board should in general reflect the equity structure of FMSB, and MITI must be informed of any appointment or changes in the Board.</p> <p>FMSB should at its best appoint Malaysian to its Board of Directors and MITI should be informed any changes in the Board.</p> <p>FMSB shall as far as possible appoint Malaysian in order to reflect the multi-racial composition in the country for all levels of position.</p> <p>FMSB should in its best efforts procure the service of Malaysian companies under the New Economic Policy.</p> <p>FMSB should appoint Malaysian owned companies for its product distribution in the domestic market and at least 30% of its domestic sales should be done by Bumiputera distributors.</p> <p>Prior to any appointment or allocation of the Bumiputera distributors should be discussed with MITI.</p> <p>The appointment of foreign distributor requires MITI's approval.</p>	<p>Met</p> <p>Met and observed</p> <p>Met and observed</p> <p>Met and observed</p> <p>Met and observed</p> <p>The company had in its best endeavours, tried to procure the service of Malaysian companies. However, due to the specialised nature of the company's products, FMSB has limited requirements to procure Malaysian/Bumiputera companies to provide the necessary services.</p> <p>Met and observed</p> <p>Met and observed</p>

## 8. OTHER INFORMATION ON FIPB (Cont'd)

Authority	Holder	Date Issued	Validity Period	Licence/Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
MITI (cont'd)	FMSB	27/5/96	-	A 010389	Licensed manufacturer for covered elastic yarn, upholstery webbing, seat belt and rigid webbing.	<p>MITI's written approval is required, if the company decides to use second-hand machineries. The said machineries should be valued by an independent valuer approved by MITI. MITI's approval is also required before any proposed modifications, additions or reductions to the machineries whereby it has material effects on the machineries' capacity and productivity.</p> <p>Written approval from MITI is required prior to any execution of agreements in relation to technology transfers with foreign parties such as Joint Venture agreements, Technical Assistance and "Know-how" agreements, Licensing agreements, Trademark and Patents agreements, Turnkey contracts agreements and Management Agreements.</p> <p>The abovesaid condition will not be applicable for the purchase of machineries whereby the technical expertise from the vendors are required for the installation or test-run operations for the said machineries.</p>	Met and observed
	FVOA	12/5/00	-	A 012366	Licensed manufacturer for seat belt webbing	<p>Foreign shareholders are not allowed to dispose of the shares in FVOA without the written consent of MITI.</p> <p>The Board should in general reflect the equity structure of FVOA, and MITI must be informed of any appointment or changes in the Board.</p>	Met and observed

## 8. OTHER INFORMATION ON FIPB (Cont'd)

Authority	Holder	Date Issued	Validity Period	Licence/Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
MITI (cont'd)	FVOA	12/5/00		A 012366	Licensed manufacturer for seat belt webbing	<p>MITI's written approval is required, if the company decides to use second-hand machineries. The said machineries should be valued by an independent valuer approved by MITI. MITI's approval is also required before any proposed modifications, additions or reductions to the machineries whereby it has material effects on the machineries' capacity and productivity.</p> <p>FVOA should at its best procure the service of Malaysian companies under the New Economic Policy.</p>	Met and observed
						<p>The company had in its best endeavours, tried to procure the service of Malaysian/Bumiputera companies. However, due to the specialised nature of the company's products, FVOA has limited requirements to procure Malaysian/Bumiputera companies to provide the necessary services.</p>	
						<p>FVOA should appoint Malaysian owned companies for its product distribution in the domestic market and at least 30% of its domestic sales should be done by Bumiputera distributors.</p>	
						<p>Prior to any appointment or allocation of the Bumiputera distributors should be discussed with MITI.</p>	Met and observed.
						<p>The appointment of foreign distributor requires MITI's approval.</p>	N/A

## 8. OTHER INFORMATION ON FIPB (Cont'd)

Authority	Holder	Date Issued	Validity Period	Licence/Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
MITI (cont'd)	FVOA	12/5/00	-	A 012366	Licensed manufacturer for seat belt webbing	<p>Written approval from MITI is required prior to any execution of agreements in relation to technology transfers with foreign parties such as Joint Venture agreements, Technical Assistance and "Know-how" agreements, Licensing agreements, Trademark and Patents agreements, Turnkey contracts agreements and Management Agreements.</p> <p>The abovesaid condition will not be applicable for the purchase of machineries whereby the technical expertise from the vendors are required for the installation or test-run operations for the said machineries.</p>	Met and observed
	FEC	4/9/02	-	A 013476	Licensed manufacturer for elastic narrow fabrics	<p>The Board should in general reflect the equity structure of FEC, and MITI must be informed of any appointment or changes in the Board.</p> <p>FEC should appoint Malaysian owned companies for its product distribution in the domestic market and at least 30% of its domestic sales should be done by Bumiputera distributors.</p> <p>Training should be provided to Malaysian employees at all levels in order to facilitate the transfer of technology and expertise.</p> <p>FEC is required to inform MITI on any sale of FEC shares.</p> <p>Factory located at Lot 4, Jalan Perusahaan 3, Kawasan Perusahaan Beranang, 43700 Beranang, Selangor Darul Ehsan is subject to the approval from the relevant State Authorities and Environmental Department.</p>	<p>Met and observed</p> <p>The company had in its best endeavours, tried to procure the service of Malaysian/Bumiputera companies. However, due to the specialised nature of the company's products, FEC has limited requirements to procure Malaysian/Bumiputera companies to provide the necessary services.</p> <p>To be observed.</p> <p>To be observed</p> <p>To be observed</p>

8. OTHER INFORMATION ON FIPB (Cont'd)

Authority	Holder	Date Issued	Validity Period	Licence/Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
MITI (cont'd)	Texstrip	14/1/03	-	A 020914	Licensed manufacturer for rubber strips and square cut rubber threads	<p>FEC should conduct its approved business in compliance with the MITI conditions other Malaysia rules and regulations.</p> <p>Texstrip is required to inform MITI on any sale of Texstrip shares.</p> <p>Training should be provided to Malaysian employees at all levels in order to facilitate the transfer of technology and expertise.</p> <p>The Board should in general reflect the equity structure of Texstrip, and MITI must be informed of any appointment or changes in the Board.</p> <p>Texstrip should appoint Malaysian owned companies for its product distribution in the domestic market and at least 30% of its domestic sales should be done by Bumiputera distributors.</p>	<p>To be observed</p> <p>To be observed</p> <p>To be observed.</p> <p>Met and observed.</p> <p>The company had in its best endeavours, tried to procure the service of Malaysian/Bumiputera companies. However, due to the specialised nature of the company's products, FEC has limited requirements to procure Malaysian/Bumiputera companies to provide the necessary services.</p>
FIC	FVOA	15/3/97	-	-	Approval for the acquisition of 40% of the equity interest in FVOA by Marling Industries PLC	FVOA shall have at least 30% Bumiputera equity before 31/12/98	FIC had waived the equity condition vide letter dated 30/1/01.

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## 8. OTHER INFORMATION ON FIPB (Cont'd)

Authority	Holder	Date Issued	Validity Period	Licence/Registration No.	Type of Business Approved	Material Conditions Imposed	Status of Compliance
Ministry of Planning and Investment of the Socialist Republic of Vietnam	FVN	16/1/97	47 years	Vietnam Investment Licence No. 1811/GP; 1811/GPDC1; 1811/GPDC2-KCN-DN; 1811-GPDC3-BKH-KCN-DN; 1811/GPDC4-BKH-KCN-DN; 1811/GPDC5-BKH-KCN-DN; 1811/GPD C6-BKH-KCN-DN	To set up a 100% foreign owned company under the law on foreign investment in Vietnam	At least 80% of Furniture Webbing products and 50% of Covered Elastic Yarn products of FVN shall be exported, the remaining products shall be for local consumption in Vietnam.	Met and observed
	Trunet	15/2/2001	44 years	Vietnam Investment Licence No. 74/GP-KCN-DN	To set up a 100% foreign owned company under the law on foreign investment in Vietnam	At least 80% products of Trunet shall be exported, the remaining products shall be for local consumption in Vietnam.	Met and observed
	PEWA	23/1/02	46 years	Vietnam Investment Licence No. 110/GP-KCN-DN	To set up a 100% foreign owned company under the law on foreign investment in Vietnam	At least 50% products of PEWA will be exported, the remaining products will be for local consumption in Vietnam.	To be observed

## 8.2 Transactions in the Acquisitions of Properties

Save and except for the acquisition of a 2½ storey terrace house by Texstrip in January 2003, there were no acquisition of properties during the two (2) years preceding the date of this Prospectus.

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## 8. OTHER INFORMATION ON FIPB (Cont'd)

### 8.3 Information on Landed Properties Owned by the FIPB Group

The following sets out the details of the properties belonging to the Group:-

**Table 8.1: Information on Landed Properties**

Particulars of Property	Owner	Age	Tenure/Expiry	Existing Use	Land Area (Sq. Ft.)	Built up area (Sq. Ft.)	NBV as at 30/4/2003 RM	Market Value RM	Date of Valuation
Land and 1 ½ storey detached factory <sup>1</sup> Title No. H.S. (M) 967, P.T. No. 208, Mukim of Cheras, District of Hulu Langat, Selangor.	FMSB	11	Leasehold (60 yrs) 9 July 2041	Industrial	51,905	24,900	3,041,169	#2,800,000	10/5/2002
Land <sup>2</sup> and a detached single storey industrial factory Title No. H.S. (M) 943, P.T. No. 7179, Mukim of Cheras, District of Hulu Langat, Selangor.	SSKSB FMSB	11	Leasehold (60 yrs) 2 September 2040	Industrial	56,253	26,575	935,910 2,295,592	#1,000,000 <sup>3</sup> #2,600,000 <sup>4</sup>	10/5/2002
1 ½ storey factory/warehouse building with office, single storey staff quarter, single storey canteen and guard house, <sup>5</sup> Double storey detached factory/warehouse building <sup>5</sup> Plot No. 32, Bien Hoa Industrial Zone II, Long Binh Ward, Bien Hoa City Dong Nai Province, Vietnam	FVN	5 2	Lease / 15 Jan 2044	Industrial	150,544	42,616 71,881	3,347,444	#3,477,000 (USD915,000)	10/5/2002
Land <sup>6</sup> Double storey office block cum single storey factory building, a guard house, two car parking sheds and a motorcycle parking shed <sup>6</sup> Title No. H.S.(M) 33413,P.T. No. 73813, Mukim and District of Klang, Selangor.	Texstrip	13	Freehold	Industrial	50,444	32,688	1,008,880 2,577,912	#1,400,000 <sup>7</sup> #2,910,000 <sup>8</sup>	10/5/2002
Land and 2 ½ storey terrace house (intermediate lot) Title No. H.S.(D) 37374 P.T. No. 4886, Mukim and District of Klang, Selangor Address: No.46, Jalan Harum 25/49, Seksyen 25 40400 Shah Alam, Selangor Darul Ehsan	Texstrip	20	Freehold	Residential	840	1,260	107,280	* Not available	*Not available

## 8. OTHER INFORMATION ON FIPB (Cont'd)

Particulars of Property	Owner	Age	Tenure/Expiry	Existing Use	Land Area (Sq. Ft.)	Built up area (Sq. Ft.)	NBV as at 30/4/2003 RM	Market Value RM	Date of Valuation
1 ½ Storey Semi-detached Factory Title No. H.S. (D) 38842 P.T. No. 5161, Mukim of Semenyih District of Ulu Langat, Selangor.	FEC	6	Freehold	Industrial	10,352	4,800	541,238	#580,000	10/5/2002
1 ½ storey factory/warehouse building with office, single storey canteen and guard house <sup>a</sup> Address: Street No. 8, Nhon Trach Industrial Zone 1, Nhon Trach District Dong Nai Province, Vietnam	PEWA	1	Lease / 22 Jan 2046	Industrial	281,180	64,583	1,953,911	*Not available	*Not available

<sup>a</sup> The market value was included for information only.  
\* The property was not appraised by the professional valuer.

- The land may not be sold, leased, charged or transferred except with the consent of the State Authority. The land is presently charged to EON Bank Berhad.
- The land may not be sold, leased, charged or transferred except with the consent of the State Authority. The land is presently charged to EON Bank Berhad.
- Currently the Certificate of Fitness ("CF") has not been obtained for the factory buildings and as such the market value assessed is for the land only. FMSB has submitted an application for the CF for the factory erected on P.T. 7179 to Majlis Perbandaran Kajang via its consultant on 25 April 2002. As at the date of the Prospectus, the authority is still processing FMSB's application.
- The market value assessed is for both the land and buildings based on the assumption that the buildings have been approved and thereafter certified fit for occupation by the relevant authorities.
- FVN does not own the land that abovesaid buildings are erected on. The land is leased from the Corporation For The Development of Bien Hoa Industrial Zone ("SONADEZI").
- Texstrip has obtained all the necessary approval for the building plans of the extension block from Majlis Bandaraya Shah Alam. The application for the CF is currently being handled by an architect appointed by Texstrip. No restrictions in interest on the land. The land is presently charged to EON Bank Berhad.
- No restrictions in interest on the property. The property is presently charged to Alliance Bank Berhad.
- PEWA does not own the land that the abovesaid buildings are located on. The land is leased from Urban and Industrial Zone Development Company. The property is presently charged to Alliance Bank Berhad.

There will not be any incorporation of revaluation surplus pursuant to any valuation undertaken on the Group's properties in respect of the listing exercise. The values of the properties are based on net book values as at 30 April 2003.

The above valuations do not require the approval of the SC.

## 9. FINANCIAL INFORMATION

### 9.1 Profit and Dividend Record

The following table sets out a summary of Pro forma Turnover and Profit Records of FIPB for the past 5 financial years ended 31 December 1998 to 2002 and four (4) months period ended 30 April 2003. This summary has been extracted from the Accountants' Report as set out in Section 10.0 of this Prospectus and prepared based on the assumption that FIPB has been in existence since 1998. The pro forma consolidated results have been prepared for illustrative purposes and should be read in conjunction with the accompanying notes and assumptions thereto as included in the Accountants' Report.

**Table 9.1: Historical Financial Information**

	<----- For the Financial Year Ended 31 December ----->					4-month period ended 30 April 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Turnover	26,169	33,075	42,136	43,560	59,393	20,353
EBITDA	5,915	8,295	9,205	10,409	13,868	5,463
Share of (loss)/profit in jointly controlled entity	-	-	-	(2)	302	-
Interest expense	(1,004)	(837)	(748)	(581)	(738)	(238)
Depreciation	(1,651)	(1,760)	(1,754)	(2,121)	(2,415)	(975)
Exceptional Item: Gain on disposal of investment	-	-	-	66	-	-
Profit before taxation	3,260	5,698	6,703	7,771	11,017	4,250
Extraordinary item	-	-	-	-	-	-
Taxation	(832)	-	(1,242)	(945)	(1,748)	(631)
Profit after taxation but before minority interest	2,428	5,698	5,461	6,826	9,269	3,619
Extraordinary Items	-	-	-	-	-	-
Minority interest	(1)	(401)	(355)	(276)	(621)	(235)
Profit after taxation and minority interest	2,427	5,297	5,106	6,550	8,648	3,384
Based on the number of ordinary shares of RMI pursuant to the Corporate Reorganisation Exercise ('000)	29,164	29,164	29,164	29,164	29,164	29,164
Gross EPS (sen) <sup>(1)</sup>	11.17	18.16	21.77	25.70	35.65	13.77
Net EPS (sen) <sup>(2)</sup>	8.32	18.16	17.50	22.46	29.65	11.60

*Footnotes:*

<sup>(1)</sup> Calculated based on profit before taxation and after minority interest

<sup>(2)</sup> Calculated based on profit after taxation and minority interest

## 9. FINANCIAL INFORMATION (Cont'd)

### 9.2 Segmental Analysis of Consolidated Turnover and Profit Before Taxation

#### 9.2.1 Analysis of Turnover

<u>Analysis By Division</u>	←-----Year ended 31 December -----→					<u>Period Ended 30 April 2003</u> RM'000
	<u>1998</u> RM'000	<u>1999</u> RM'000	<u>2000</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	
Manufacturing	25,595	32,176	38,650	39,826	55,983	19,449
Trading	574	899	3,486	3,734	3,410	904
<b>TOTAL GROUP</b>	<b>26,169</b>	<b>33,075</b>	<b>42,136</b>	<b>43,560</b>	<b>59,393</b>	<b>20,353</b>

<u>Analysis By Products</u>	←-----Year ended 31 December -----→					<u>Period Ended 30 April 2003</u> RM'000
	<u>1998</u> RM'000	<u>1999</u> RM'000	<u>2000</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	
Industrial Textiles	22,446	29,096	34,748	34,927	49,459	17,165
Rubber Based Products	3,149	3,080	3,902	4,899	6,484	2,284
Others	574	899	3,486	3,734	3,410	904
<b>TOTAL GROUP</b>	<b>26,169</b>	<b>33,075</b>	<b>42,136</b>	<b>43,560</b>	<b>59,393</b>	<b>20,353</b>

<u>Analysis By Geographical Location</u>	←-----Year ended 31 December -----→					<u>Period Ended 30 April 2003</u> RM'000
	<u>1998</u> RM'000	<u>1999</u> RM'000	<u>2000</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	
Local Operations	25,332	29,701	35,516	33,455	42,998	14,040
Overseas Operations	837	3,374	6,620	10,105	16,355	6,313
<b>TOTAL GROUP</b>	<b>26,169</b>	<b>33,075</b>	<b>42,136</b>	<b>43,560</b>	<b>59,393</b>	<b>20,353</b>

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## 9. FINANCIAL INFORMATION (Cont'd)

### 9.2.2 Analysis of Consolidated Profit Before Taxation

Analysis By Division	←-----Year ended 31 December -----→					Period Ended 30 April 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Manufacturing	3,174	5,641	6,337	7,385	10,737	4,172
Trading	86	57	366	386	280	78
<b>TOTAL GROUP</b>	<b>3,260</b>	<b>5,698</b>	<b>6,703</b>	<b>7,771</b>	<b>11,017</b>	<b>4,250</b>

Analysis By Products	←-----Year ended 31 December -----→					Period Ended 30 April 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Industrial Textiles	3,135	5,462	6,012	6,239	9,250	3,828
Rubber Based Products	39	179	325	1,146	1,487	344
Others	86	57	366	386	280	78
<b>TOTAL GROUP</b>	<b>3,260</b>	<b>5,698</b>	<b>6,703</b>	<b>7,771</b>	<b>11,017</b>	<b>4,250</b>

	←-----Year ended 31 December -----→					Period Ended 30 April 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Local Operations	3,373	5,803	5,419	4,974	7,232	2,867
Overseas Operations	(113)	(105)	1,284	2,797	3,785	1,383
<b>TOTAL GROUP</b>	<b>3,260</b>	<b>5,698</b>	<b>6,703</b>	<b>7,771</b>	<b>11,017</b>	<b>4,250</b>

## 9.3 Overview of Turnover and Profit Before Taxation

### (i) Financial Year Ended 31 December 1998

Turnover had increased slightly in 1998 and the net margin had also improved due to economies of scale achieved in its operations. Profit before taxation showed a decrease of RM1.69 million as compared with 1997 due to the anomaly of RM2.2 million exceptional gain on disposal of investment in 1997. After adjusting for the exceptional gain of RM2.2 million in 1997, the profit before taxation in 1998 had shown an improvement by 20.47%. Furthermore, a higher profit before taxation may have been achieved had it not been for the lower sales and lower gross profit margin contribution from FVOA as a result of lower demand for safety webbing from the automobile industry due to the economic crisis.

**9. FINANCIAL INFORMATION (Cont'd)****(ii) Financial Year Ended 31 December 1999**

The significant growth in turnover to RM33 million in 1999 was due to an overwhelming increase in sales of seat belt webbing and industrial webbing by more than 100% from the previous year, due to the recovery in the automobile industry and a new customer base in Vietnam as a result of the expansion of labour intensive products to FVN. The net margin had also improved mainly due to economies of scale and sale mix for higher margin products as well as the lower production cost incurred in FVN. FVN, being based in Vietnam, had gained from cheap labour source. Profit before taxation shows an increase of 75% or RM2.4 million as compared to 1998.

**(iii) Financial Year Ended 31 December 2000**

The significant growth in turnover to RM42.14 million in 2000 was due to an overwhelming increase in sales of all companies particularly for the trading of bare spandex yarn under the brand name of Lycra from Du Pont and sales of seat belt webbing mainly due to the increased demand from customers in Philippines and Indonesia and the further improvement in the local automobile industry. As a result of the above, the profit before taxation showed an increase of 17.6% or RM1 million as compared to 1999. The lower growth in profits was due to the decrease in gross profit margin as a result of the change of sales mix in FMSB and Webtex, decline in selling price and an increase in cost of raw materials as incurred by FVOA.

**(iv) Financial Year Ended 31 December 2001**

The growth in turnover to RM43.56 million in 2001 was due to an increase in the sales of covered elastic yarn and rubber strips to both existing and new customers. The net margin had also improved mainly due to improvement in production cost efficiency and sales mix for higher margin products as well as lower interest expense. Profit before tax showed an increase of 16% or RM1.1 million as compared to 2000.

**(v) Financial Year Ended 31 December 2002**

The significant growth in turnover to RM59.393 million in 2002 was attributable to increase in sales of all products particularly furniture webbing, covered elastic yarn and seat belt webbing. The net margin has also increase mainly due to production cost efficiency and sales mix for higher margin products. Profit before tax has shown an increase of 41.7% or RM3.25 million as compared to 2001.

**(vi) Period Ended 30 April 2003**

The slight growth in turnover for the four (4) months period ended 30 April 2003 of RM20.353 million as compared to the corresponding period for the previous financial year, was attributable to an increase in the sales of furniture webbing and seat belt webbing. The net margin has also increase mainly due to production cost efficiency. The profit before taxation showed an increase of 15.7% as compared to the corresponding period for the previous financial year.

## 9. FINANCIAL INFORMATION (Cont'd)

### 9.4 Debtors' Ageing Analysis As At 30 April 2003

Based on the audited proforma consolidated balance sheet of the FIPB Group as at 30 April 2003, the total trade debtors amounted to RM12.632 million after provision for doubtful debts. The normal credit period extended to the customers of the FIPB Group is 90 days. The ageing analysis for the trade debtors is as follows:-

Ageing (Days)	0 - 30	31 - 60	61 - 90	91 - 120	> 120	Total	Provision	Net Trade Debtors
Amount (RM)	5,119,945	3,887,399	1,864,212	1,314,060	946,001	13,131,617	499,069	12,632,548
%	38.99	29.60	14.20	10.01	7.20	100.00		

As at 30 April 2003, FIPB had provided for doubtful debts of the amount RM499,069 as such amounts have fallen overdue for more than six (6) months. The Board of Directors of FIPB are however of the opinion that the said overdue amounts are recoverable from the respective trade debtors.

### 9.5 Directors' Declaration on Financial Performance

As at 11 September 2003, being the latest practicable date prior to the printing of this Prospectus, the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:

- (i) save as disclosed in Section 3.0 of this Prospectus, there are no known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) save as disclosed in Section 1.12 and Section 9.6 of this Prospectus, there are no material commitments for capital expenditure;
- (iii) save as disclosed in Section 3.0 of this Prospectus, there are no unusual, infrequent events or transactions or any significant economic change that materially affected the financial performance, position and operations of the FIPB Group;
- (iv) save as disclosed in Section 9.3 of this Prospectus, there has not been a substantial increase in revenue due to factors attributable to prices or volume of goods sold or the introduction of new products; and
- (v) known events and circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

### 9.6 Working Capital, Borrowings, Contingent Liabilities, Capital Commitments and Material Litigation

#### (a) Working Capital

The Board of Directors is of the opinion that, barring any unforeseen circumstances and after taking into account the consolidated cash flow projections, the banking facilities available and the net proceeds of the Rights Issue, Private Placement and Public Issue, the FIPB Group will have sufficient working capital for a period of twelve (12) months from the date of issuance of this Prospectus.

## 9. FINANCIAL INFORMATION (Cont'd)

### (b) Borrowings

As at 31 August 2003 (being the latest practicable date of which such amounts could be calculated prior to the printing of this Prospectus), the Group's total outstanding bank borrowings of RM10.264 million are divided into the following categories:-

Types of borrowings	Foreign Currencies Equivalent (USD)	RM	RM
<b>Local</b>			
Long term borrowings:			
- Interest bearing	-	1,510,063	
- Non-interest bearing	-	-	
Short term borrowings:			
- Interest bearing	-	2,969,915	
- Non-interest bearing	-	-	
Sub-total	-		4,479,978
<b>Foreign</b>			
Long term borrowings:			
- Interest bearing	506,117	1,923,246	
- Non-interest bearing	-	-	
Short term borrowings:			
- Interest bearing	1,015,987	3,860,749	
- Non-interest bearing	-	-	
Sub-total	1,522,104		5,783,995
<b>Total outstanding borrowings</b>			<b>10,263,973</b>

Save as disclosed above, the FIPB Group does not have any other borrowings, indebtedness in the form of borrowings, including bank overdraft, liabilities under acceptances and hire purchase.

There is no default on payment of either interest nor principal sum in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof immediately preceding the date of this Prospectus.

### (c) Contingent Liabilities

Save for the corporate guarantees given for credit facilities to companies in the Group amounting to approximately RM21,660,000, the FIPB group does not have any other contingent liabilities as at 31 August 2003 (being the latest practicable date of which such amounts could be calculated prior to the printing of this Prospectus).

### (d) Capital Commitments

As at 11 September 2003 (being the latest practicable date prior to the printing of this Prospectus), there are no other material capital commitments incurred or known to be incurred by FIPB Group, which may have substantial impact on the results or the financial position of the Group.

### (e) Material Litigation

As at 11 September 2003 (being the latest practicable date prior to the printing of this Prospectus), the Company are presently not engaged in any litigation whether as plaintiff or defendant which has a material effect on the financial position of the Group and the Directors do not know of any proceedings whether pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of FIPB Group.



## 9. FINANCIAL INFORMATION (Cont'd)

### 9.7 Consolidated Profit Forecast

The directors forecast that, in the absence of unforeseen circumstances, the consolidated profit after taxation and minority interest for the year ending 31 December 2003 will be approximately:

**Table 9.2: Future Financial Information**

Financial Year Ending 31 December	Forecast 2003 RM'000
Turnover	65,459
Consolidated profit before taxation	13,522
Less : Taxation	(2,101)
Consolidated profit after taxation	11,421
Less : Minority Interest	(604)
Profit after tax and minority interest	10,817
Less: Pre-acquisition profits	(5,409)
Proforma post-acquisition consolidated profit after taxation and minority interest	5,408
Weighted average number of shares in issue ('000)	35,055 <sup>(1)</sup>
Number of enlarged shares in issue ('000)	80,000
Gross EPS (sen)	36.85 <sup>(2)</sup>
Net EPS (sen)	30.86 <sup>(2)</sup>
Fully diluted gross EPS (sen)	16.15 <sup>(3)</sup>
Fully diluted net EPS (sen)	13.52 <sup>(3)</sup>
<b>Based on IPO Price of RM1.08 per ordinary shares</b>	
Gross price earnings multiple (times)	2.93 <sup>(2)</sup>
Net price earnings multiple (times)	3.50 <sup>(2)</sup>
Fully diluted gross price earnings multiple (times)	6.69 <sup>(3)</sup>
Fully dilutes net price earnings multiple (times)	7.99 <sup>(3)</sup>
<b>Dividend</b>	
Gross dividend per ordinary share (sen)	1.5
Net dividend (tax exempt) per ordinary share (sen)	1.5
Gross dividend yield based on the IPO Price of RM1.08 per ordinary share (%)	1.39
Net dividend yield based on the IPO Price of RM1.08 per ordinary share (%)	1.39
Net dividend cover (times)	4.51

**Notes:**

<sup>(1)</sup> Weighted average number of shares in issue was computed based on the assumption that Acquisition I was completed on 30 June 2003, the Rights Issue was completed on 4 September 2003 and the IPO will be completed on 31 October 2003

<sup>(2)</sup> Based on weighted average number of shares in issue of 35.055 million ordinary shares of RM0.50 each

<sup>(3)</sup> Based on the enlarged share capital in issue of 80 million ordinary shares of RM0.50 each.

**9. FINANCIAL INFORMATION (Cont'd)**

**9.8 Reporting Accountant's Letter on the Consolidated Profit Forecast**

*(Prepared for the purpose of inclusion in the Prospectus)*



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The Board of Directors  
Furniweb Industrial Products Berhad  
Lot 208, Jalan Sungai Besi,  
Batu 12, Kg. Baru Balakong,  
43300 Cheras,  
Selangor Darul Ehsan.

Our ref: A8/CKS/SYL/KLA/MCLEE

12 September 2003

Dear Sirs,

**PROFORMA CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR  
ENDING 31 DECEMBER 2003**

We have reviewed the Proforma Consolidated Profit Forecast of Furniweb Industrial Products Berhad ("FIPB") for the year ending 31 December 2003, of which the Directors are solely responsible, prepared for the purpose of inclusion in the Prospectus to be dated 17 September 2003. In our opinion, the Proforma Consolidated Profit Forecast of FIPB for the year ending 31 December 2003, have been properly compiled on the bases consistent with the notes thereon.

Yours faithfully

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Siew Chin Kiang @ Seow Chin Kiang**  
Partner  
Approval Number: 2012/11/04(J)



KPMG, a partnership established under Malaysian law, is a member of KPMG International, a Swiss association.



## 9. FINANCIAL INFORMATION (Cont'd)

*Furniweb Industrial Products Berhad*  
(Company No. 541706-V)  
(Incorporated in Malaysia)

Appendix 1

**FURNIWEB INDUSTRIAL PRODUCTS BERHAD  
AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED PROFIT FORECAST  
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003**

The Directors forecast that in the absence of unforeseen circumstances, the proforma consolidated profit after taxation and minority interest for the year ending 31 December 2003 of the FIPB Group will be as follows:

	Forecast 31 December 2003 RM'000
Turnover	65,459
	=====
Proforma consolidated profit before taxation and minority interest	13,522
Less: Taxation	(2,101)
	-----
Proforma consolidated profit after taxation but before minority interest	11,421
Less : Minority interest	(604)
	-----
Proforma consolidated profit after taxation and minority interest	10,817
Less: Pre-acquisition profits	(5,409)
	-----
Proforma post-acquisition consolidated profit after taxation and minority interest	5,408
	=====
Weighted average number of shares in issue ('000)	35,055 <sup>(a)</sup>
Number of enlarged shares in issue ('000)	80,000
Gross earnings per share (sen)	36.85 <sup>(b)</sup>
Net earnings per share (sen)	30.86 <sup>(b)</sup>
Fully diluted gross earnings per share (sen)	16.15 <sup>(c)</sup>
Fully diluted net earnings per share (sen)	13.52 <sup>(c)</sup>
Price earnings (times)	7.99

<sup>(a)</sup> Weighted average number of ordinary shares in issue is based on the assumption that the Corporate reorganisation is completed on 30 June 2003, the restructuring exercise is completed on 4 September 2003 and proposed initial public offer will be completed on 31 October 2003.  $\{(4 \times 12/12) + (58,328,960 \times 6/12) + (13,671,036 \times 4/12) + (8,000,000 \times 2/12)\}$

<sup>(b)</sup> Based on weighted average number of shares in issue of 35.055 million ordinary shares of RM0.50 each.

<sup>(c)</sup> Based on the enlarged share capital in issue of 80 million ordinary shares of RM0.50 each.



**9. FINANCIAL INFORMATION (Cont'd)**

*Furniweb Industrial Products Berhad*  
 (Company No. 541706-V)  
 (Incorporated in Malaysia)

Appendix 2

**FURNIWEB INDUSTRIAL PRODUCTS BERHAD  
 AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED PROFIT FORECAST  
 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003**

Sales of FIPB Group are dependent on the overall economy of Malaysia, Vietnam, Europe and North America. Therefore any changes in the market conditions in Malaysia, Vietnam, Europe and North America may have an impact on the results of FIPB Group. The impact of these changes, if any, cannot be presently determined, and accordingly the proforma consolidated profit forecast are prepared on the assumption that there will be no significant changes in the current demand and the prevailing market conditions in Malaysia, Vietnam, Europe and North America.

The principal bases and assumptions upon which the above proforma consolidated profit forecast of the FIPB Group have been made are as set out below:-

- a) There will be no significant changes in the principal activities of the FIPB Group and its proposed structure is assumed to have been in existence throughout the years.
- b) There will be no significant changes in the prevailing economic and political conditions in Malaysia, Vietnam, Europe and North America that will adversely affect the operations of the FIPB Group.
- c) There will be no major breakdown in the manufacturing facilities, shortages of labour, industrial disputes, economic, social and political changes or any abnormal circumstances which will adversely affect the operations of the FIPB Group.
- d) There will be no significant changes in the prices of raw materials, in particular rubber and yarn, labour cost and other operating cost, and in the selling prices and sales mix which will adversely affect the activities and operations of FIPB Group.
- e) Exchange rates of foreign currencies will not change significantly from their present levels, principally at RM1 : US\$0.263 and RM1 : Vietnam Dong 3,970.
- f) There will be no significant changes in the rate and basis of taxation in Malaysia.
- g) There will be no industrial disputes or any other abnormal factors or changes that will significantly affect the FIPB Group's operations or sales at their forecast levels or disrupt their planned operations.
- h) There will be no significant changes from the current level of inflation at around 2%-4%, and interest rate on bank borrowings in Malaysia and Vietnam at 8% - 9.5% per annum.
- i) Capital expenditure programs will be implemented as scheduled and there will be no material acquisition or disposal of property, plant and equipment other than those planned.
- j) The proposed listing expenses estimated at RM1.8 million will be set off against the share premium account.

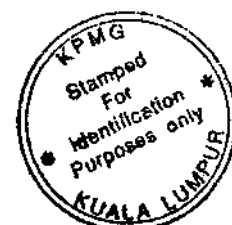


**9. FINANCIAL INFORMATION (Cont'd)**

*Furniweb Industrial Products Berhad*  
*(Company No. 541706-V)*  
*(Incorporated in Malaysia)*

**Appendix 2**

- k) There will be no material changes in the present legislation or Government regulations affecting the activities of FIPB Group or the markets in which it operates.
- l) FIPB Group will not be engaged in any material litigation and there will be no legal proceedings which will adversely affect its activities or performance or give arise to any additional contingent liabilities which will affect its financial position or operations.
- m) There will be no significant changes in the existing key management personnel of FIPB Group.
- n) There will be no disruption in the production of all products, and a timely and favourable output will be achieved to enable the FIPB Group to sell the products in the forecasted quantity and selling prices.
- o) All products manufactured will comply with various international standards required by its customers.
- p) The corporate reorganisation exercise is completed on 30 June 2003 except for the acquisition of PEWA by FIPB which is expected to be completed by 30 September 2003, the restructuring exercise is completed on 4 September 2003 and proposed initial public offer will be completed on 31 October 2003.



## 9. FINANCIAL INFORMATION (Cont'd)

### 9.9 Directors' Analysis of Profit Forecast for the Financial Year Ending 31 December 2003

Incorporating the effect of Public Issue, the Group's consolidated turnover is expected to be approximately RM65.459 million, representing an increase of RM6.07 million or 10.2% increase over the turnover for the financial year ended 31 December 2002. This is mainly due to expansion of existing customer orders as well as addition of new customer base in export markets.

The expected increase in profit before tax to RM13.522 million in 2003 is attributable to the increased turnover while certain overheads remain relatively fixed. The Group is expected to achieve a consolidated pre-acquisition PAT of approximately RM10.817 million, representing an increase of RM2.17 million or 25% from the PAT of the financial year 2002.

The directors of FIPB have reviewed and considered the reasonableness of the bases and assumptions used in arriving at the consolidated profit forecast for the financial year ending 31 December 2003 and to the best of their knowledge and belief and are of the opinion that the consolidated profit forecast for the financial year ending 31 December 2003 are achievable and the assumptions made are reasonable, barring unforeseen circumstances, in the light of the future prospects of the industry, future plans and strategies to be adopted by FIPB and FIPB's level of gearing, liquidity and working capital requirements.

Nevertheless, in the light of the current economic environment in Malaysia and globally, certain assumptions, including interest and exchange rates, may differ significantly from the date of this Prospectus and this may have a material impact on the FIPB Group's profit forecast.

### 9.10 Sensitivity Analysis

#### 9.10.1 Variation in Selling Price

RM'000	←-----Forecast for the financial year ending 31 December 2003-----→				
	-10%	-5%	As forecasted	+5%	+10%
Turnover	58,913	62,186	65,459	68,732	72,005
PBT	6,976	10,249	13,522	16,795	20,068
PAT	5,023	7,379	10,817	12,092	14,449
%					
Gross Profit Margin	27.87	31.66	35.08	38.17	40.98
PBT Margin	11.84	16.48	20.65	24.44	27.87

The sensitivity analysis is prepared based on the forecast assumptions as set out in Section 9.8 herein and assuming all other things remained unchanged except for the 5% and 10% upward and downward variations in the turnover due to variation in the selling prices.

## 9. FINANCIAL INFORMATION (Cont'd)

### 9.10.2 Variation in Cost of Sales

RM'000	←-----Forecast for the financial year ending 31 December 2003-----→				
	-10%	-5%	As forecasted	+5%	+10%
Cost of Sales	38,246	40,370	42,495	44,620	46,745
PBT	17,772	15,647	13,522	11,397	9,273
PAT	12,795	11,266	10,817	8,206	6,676
%					
Gross Profit Margin	41.57	38.33	35.08	31.84	28.59
PBT Margin	27.15	23.90	20.66	17.41	14.17

The sensitivity analysis is prepared based on the estimate and forecast assumptions as set out in Section 9.8 herein and assuming all other things remained unchanged except for the 5% and 10% upward and downward variations in the cost of sales.

### 9.11 Dividend Forecast and Policy

It is the policy of the Board of Directors of FIPB in recommending dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the FIPB Group.

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of the Board of Directors and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including the Company's earnings, capital requirements, general financial condition and any other factors considered relevant by the Board of Directors. In addition, as a holding company, its income, and therefore its ability to pay dividends is dependent upon the dividends it receives from its subsidiaries, associated company and other factors deemed relevant by the Board of Directors of the Company. Based on the forecast consolidated post-acquisition PAT of RM5.408 million for the financial year ending 31 December 2003, the Directors of FIPB anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a gross dividend of 1.5 sen for the financial year ending 31 December 2003, based on the enlarged and issued share capital of 80,000,000 ordinary shares of RM0.50 each.

FVN, Trunet and PEWA are expected to contribute an aggregate of RM380,000 to the gross dividend of RM1,200,000.

**9. FINANCIAL INFORMATION (Cont'd)**

**9.12 Pro forma Consolidated Balance Sheet as at 30 April 2003 together with the notes relating thereto.**

*(Prepared for the purpose of inclusion in this Prospectus)*



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Selangor Darul Ehsan.

Our ref: A8/CKS/SYL/KLA/MCLEE

12 September 2003

Dear Sirs,

**PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2003**

We have reviewed the Proforma Consolidated Balance Sheet of the Furniweb Industrial Products Berhad ("FIPB") as at 30 April 2003 together with the notes thereto, of which the Directors are solely responsible, prepared for the purpose of inclusion in the Prospectus to be dated 17 September 2003. In our opinion, the Proforma Consolidated Balance Sheet of FIPB as at 30 April 2003, have been properly compiled on the bases consistent with the notes thereon.

Yours faithfully

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Siew Chin Kiang @ Seow Chin Kiang**  
Partner  
Approval Number: 2012/11/04(J)





## 9. FINANCIAL INFORMATION (Cont'd)

*Furniweb Industrial Products Berhad*  
(Company No. 541706-V)  
(Incorporated in Malaysia)

Appendix 1

**FURNIWEB INDUSTRIAL PRODUCTS BERHAD  
AND ITS SUBSIDIARIES  
PROFORMA CONSOLIDATED BALANCE SHEET  
AS AT 30 APRIL 2003**



The Proforma Consolidated Balance Sheet set out below have been prepared for illustrative purposes only and are based on audited financial statements of FIPB, FMSB Group, Webtex, Texstrip and FEC as at 30 April 2003.

		(a)	(b)	(c)
				After (b), the Split of Shares and the Proposed IPO
	At 30 April 2003	After the Corporate Reorganisation Exercise	After (a) and the Restructuring Exercise	Exercise
Note	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	32,856	32,856	39,356
Investment in jointly controlled entity	-	1,064	1,064	1,064
Other investment	-	18	18	18
Deferred tax asset	-	61	61	61
Deferred expenditure	20	20	20	20
Current assets	*	35,480	42,316	42,656
Current liabilities	(27)	24,560	24,560	24,560
Net current (liabilities)/ assets	(27)	10,920	17,756	18,096
	(7)	44,939	51,775	58,615
Financed by:				
Share capital	5	*	29,164	36,000
Share premium	5	-	2,333	2,333
Reserves	(7)	7,161	7,161	7,161
Shareholders' funds	(7)	38,658	45,494	52,334
Minority interests	-	1,738	1,738	1,738
Long term liabilities	-	4,543	4,543	4,543
	(7)	44,939	51,775	58,615
Net tangible assets (RM'000)	(27)	38,638	45,474	52,314
Number of ordinary shares of RM1.00 each/ RM0.50 each **	***	29,164	36,000	80,000**
Net tangible assets per share (RM)	(13,500)	1.32	1.26	0.65

\* Denotes RM2.00

\*\*\* Denotes 2 ordinary shares of RM1 each

**9. FINANCIAL INFORMATION (Cont'd)**

*Furniweb Industrial Products Berhad*  
 (Company No. 541706-V)  
 (Incorporated in Malaysia)

Appendix 2

**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET**

AS AT 30 APRIL 2003

1. The Proforma Consolidated Balance Sheet have been prepared for illustration purposes only based on the accounting principles and bases consistent with those previously adopted in the preparation of the FIPB audited consolidated financial statements.
2. The Proforma Consolidated Balance Sheet incorporate the following transactions:

**(a) Corporate reorganisation scheme**

The acquisition by FIPB of the entire equity interest of the following companies from the respective vendors for a total purchase consideration of RM31,497,638 satisfied by the issuance of 29,164,480 new ordinary shares of RM1.00 each in FIPB at an issue price of approximately RM1.08 per share:

- Furniweb Manufacturing Sdn Bhd ("FMSB") and its subsidiaries:
  - Furniweb-VOA Safety Webbing Sdn Bhd ("FVOA"),
  - Furniweb Manufacturing (Vietnam) Co. Ltd. ("FVN"), and
  - Syarikat Sri Kepong Sdn Bhd ("SSKSB").

and its jointly controlled entity, Trunet (Vietnam) Co. Ltd. ("Trunet");

- Webtex Trading Sdn Bhd ("Webtex");
- Texstrip Manufacturing Sdn Bhd ("Texstrip"); and
- First Elastic Corporation (M) Sdn Bhd ("FEC").

Acquisition by FIPB of the entire equity interest of Premier Gesture Sdn Bhd ("PGSB") from FMSB and FEC for a total purchase consideration of RM10.00 satisfied by way of cash.

Acquisition by FIPB of the entire legal capital of Premier Elastic Webbing & Accessories (Vietnam) Co. Ltd. ("PEWA") from PGSB for a total purchase consideration of RM4,081,000 satisfied by way of cash.

**(b) Restructuring exercise**

The rights issue of 6,835,518 new ordinary shares of RM1.00 each in FIPB at par to the shareholders of FIPB to be credited as fully paid-up on the basis of approximately two hundred thirty four (234) new ordinary shares of RM1.00 each for every one thousand (1,000) existing ordinary shares of RM1.00 each held in FIPB.

Renunciation of a portion of the proposed rights issue of 6,835,518 new ordinary shares of RM1.00 each in FIPB by certain shareholders of FIPB.



**9. FINANCIAL INFORMATION (Cont'd)**

*Furniweb Industrial Products Berhad*  
 (Company No. 541706-V)  
 (Incorporated in Malaysia)

**Appendix 2****(c) Split of shares**

The splitting of the par value of the ordinary shares from RM1.00 each to RM0.50 each. The reduction of RM0.50 for every ordinary share of RM1.00 par value would increase the number of ordinary shares from 36,000,000 to 72,000,000.

**(d) Proposed initial public offering and offer for sale**

Proposed private placement and public issue of 8,000,000 new ordinary shares of RM0.50 each in FIPB at an issue price of RM1.08 per share.

Proposed offer for sale of 22,400,000 ordinary shares of RM0.50 each in FIPB at an offer price of RM1.08 per share.

Corporate exercise (a), (b) and (c) were assumed to have been completed on 30 April 2003.

4. The funds raised by the rights issue and proposed private placement and public issue will be utilised as follows:-

<b>Funds raised</b>	<b>RM'000</b>
Rights issue of 6,835,518 new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share	6,835
Proposed private placement and public issue of 8,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.08 per ordinary share	8,640
	15,475
	=====
<b>Utilisation</b>	<b>RM'000</b>
i) Factory expansion	3,500
ii) Purchase of machinery	3,000
iii) Working capital	7,175
iv) Estimated listing expenses	1,800
<b>Total</b>	15,475
	=====



## 9. FINANCIAL INFORMATION (Cont'd)

*Furniweb Industrial Products Berhad*  
 (Company No. 541706-V)  
 (Incorporated in Malaysia)

Appendix 2

5. The movement in the share capital and share premium accounts are as follows:-

	Number of ordinary shares of RM1.00 each/ RM0.50 each** '000	Share capital RM'000	Share premium RM'000
As at 30 April 2003	^	*	-
Add: Corporate Reorganisation Exercise	29,164	29,164	2,333
	29,164	29,164	2,333
Add: Restructuring Exercise	6,836	6,836	-
	36,000	36,000	2,333
Add: Split of shares	36,000**	-	-
	72,000**	36,000	2,333
Add: Proposed IPO Exercise	8,000**	4,000	4,640
	80,000**	40,000	6,973
Less: Listing and corporate exercise expenses	-	-	(1,800)
	80,000**	40,000	5,173
	=====	=====	=====

^ Denotes 2 shares

\* Denotes RM2.00

