

**FURNIWEB INDUSTRIAL PRODUCTS BERHAD**  
**(Company No: 541706-V)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FIRST QUARTER 2009**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2009 - UNAUDITED**

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR 31/03/09 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/08 RM'000	CURRENT YEAR TO DATE 31/03/09 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/08 RM'000
<b>Revenue</b>	A8	18,424	24,529	18,424	24,529
Cost of sales		(15,683)	(19,069)	(15,683)	(19,069)
<b>Gross profit</b>		2,741	5,460	2,741	5,460
Selling and marketing expenses		(669)	(681)	(669)	(681)
Administrative expenses		(2,605)	(2,620)	(2,605)	(2,620)
Other operating expenses		(725)	(458)	(725)	(458)
Other operating income		1,795	337	1,795	337
<b>Operating profit</b>	A8	537	2,038	537	2,038
Interest expenses		(497)	(347)	(497)	(347)
Interest income		54	77	54	77
Share of profit in a jointly controlled entity		90	(43)	90	(43)
<b>Profit before taxation</b>		184	1,725	184	1,725
Tax expenses	B5	(161)	(244)	(161)	(244)
<b>Profit for the period</b>		23	1,481	23	1,481
<b>Attributable to:</b>					
Equity holders of the parent		154	1,709	154	1,709
Minority interest		(131)	(255)	(131)	(255)
<b>Profit for the period</b>		23	1,454	23	1,454
<b>Earnings per share</b>		sen	sen	sen	sen
Basic (net)	B11	0.17	1.89	0.17	1.89
Diluted (net)	B11	0.17	1.88	0.17	1.88

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2009 - UNAUDITED**

	Notes	AS AT END OF CURRENT QUARTER 31/03/09 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/08 RM'000
<b>Non-current assets</b>			
Property, plant and equipment		40,003	39,959
Prepaid lease payments		4,029	4,049
Other investments	B7	-	-
Investment in a jointly controlled entity		855	746
Goodwill		1,924	1,924
<b>Total non-current assets</b>		<u>46,811</u>	<u>46,678</u>
<b>Current assets</b>			
Inventories		20,652	23,499
Trade and other receivables		15,653	17,936
Tax recoverable		337	308
Short term funds		102	102
Deposits with licensed banks		5,516	3,590
Cash and bank balances		13,235	14,263
<b>Total current assets</b>		<u>55,495</u>	<u>59,698</u>
<b>Total assets</b>		<u>102,306</u>	<u>106,376</u>
<b>Equity</b>			
Share capital		45,371	45,371
Reserves		28,288	27,812
Treasury shares		(87)	(87)
<b>Total equity attributable to shareholders</b>		<u>73,572</u>	<u>73,096</u>
Minority interest		446	561
<b>Total equity</b>		<u>74,018</u>	<u>73,657</u>
<b>Non-current liabilities</b>			
Borrowings	B8	10,590	10,400
Deferred tax liabilities		1,907	1,907
<b>Total non-current liabilities</b>		<u>12,497</u>	<u>12,307</u>
<b>Current liabilities</b>			
Trade and other payables		7,414	9,354
Borrowings	B8	8,254	10,887
Taxation		123	171
<b>Total current liabilities</b>		<u>15,791</u>	<u>20,412</u>
<b>Total liabilities</b>		<u>28,288</u>	<u>32,719</u>
<b>Total equity and liabilities</b>		<u>102,306</u>	<u>106,376</u>
Net assets per share attributable to equity holders of the parent (RM)	B12	0.8126	0.8074

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2009 - UNAUDITED**

Notes	Attributable to equity holders of the parent						Total equity	
	Share capital RM'000	Share premium RM'000	Share compensation reserve RM'000	Exchange reserve RM'000	Treasury shares RM'000	Retained profits RM'000		
	Distributable						Minority interest	Total equity
	Non distributable						Equity	
<b>At 1 January 2008</b>	45,355	363	185	(2,286)	(87)	26,534	798	70,862
Exercise of ESOS	16	5	(5)	-	-	-	-	16
Equity settled share-based transactions	-	-	14	-	-	-	-	14
Exchange differences on translation of the financial statements of overseas subsidiaries	-	-	-	(1,004)	-	-	(33)	(1,037)
Net profit for the period	-	-	-	-	-	1,709	(255)	1,454
<b>At 31 March 2008</b>	<u>45,371</u>	<u>368</u>	<u>194</u>	<u>(3,290)</u>	<u>(87)</u>	<u>28,243</u>	<u>510</u>	<u>71,309</u>
<b>At 1 January 2009</b>	45,371	368	237	(3,071)	(87)	30,278	561	73,657
Equity settled share-based transactions	-	-	1	-	-	-	-	1
Exchange differences on translation of the financial statements of overseas subsidiaries	-	-	-	321	-	-	16	337
Net profit for the period	-	-	-	-	-	154	(131)	23
<b>At 31 March 2009</b>	<u>45,371</u>	<u>368</u>	<u>238</u>	<u>(2,750)</u>	<u>(87)</u>	<u>30,432</u>	<u>446</u>	<u>74,018</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2009 - UNAUDITED**

	<b>31/03/09</b>	<b>31/03/08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net cash generated from operating activities</b>	4,863	950
<b>Net cash used in investing activities</b>	(562)	(255)
<b>Net cash used in financing activities</b>	(3,172)	(1,215)
Foreign translation differences	(231)	(1,004)
Net increase/(decrease) in cash and cash equivalents	<u>898</u>	<u>(1,524)</u>
<b>Cash and cash equivalents at beginning of period</b>	17,727	16,230
<b>Cash and cash equivalents at end of period</b>	<u><u>18,625</u></u>	<u><u>14,706</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	13,235	10,188
Deposits placed with licensed banks	<u>5,516</u>	<u>4,639</u>
	18,751	14,827
Deposits pledged	<u>(126)</u>	<u>(121)</u>
	<u><u>18,625</u></u>	<u><u>14,706</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**Notes on the quarterly report – 31 March 2009**

**PART A: EXPLANATORY NOTES AS PER FRS 134**

**A1. Basis of preparation**

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard 134<sub>2004</sub>, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (“MASB”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements.

The preparation of an interim financial report in conformity with FRS 134<sub>2004</sub>, Interim Financial Reporting requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements to be prepared in accordance with FRSs.

The financial information relating to the financial year ended 31 December 2008 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2008 are available from the Company’s registered office.

**A2. Auditors’ report on preceding annual financial statements**

The auditors have expressed an unqualified opinion on the Company’s statutory financial statements for the year ended 31 December 2008 in their report dated 23 April 2009.

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**A3. Seasonality of operations**

The Group's results were not materially affected by any major seasonal or cyclical factors.

**A4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

**A5. Changes in estimates**

There were no changes in estimates that have had material effect in the current quarter and financial year-to-date results.

**A6. Capital and reserves**

**(a) Capitalisation issue**

There were no capitalisation issues during the current quarter and financial year-to-date under review.

**(b) Repurchase of own shares**

There were no repurchase by the Company of its own shares during the current quarter and financial year-to-date under review.

**(c) Equity settled share-based transactions**

There were no options being exercised during the current quarter and financial year-to-date under review.

**A7. Dividends**

There was no dividend being declared during the current quarter and financial year-to-date under review.

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**A8. Segment reporting**

The Company's primary format for reporting segment information is business segments. Revenue from external customers represents the sales value of goods supplied to customers.

For the period ended 31 March	Webbing, yarn & furniture components		Rubber strips & fabrics		Others		Eliminations		Consolidated	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue from external customers	12,767	18,780	5,497	5,542	160	207	-	-	18,424	24,529
Inter-segment revenue	822	1,010	-	15	79	27	(901)	(1,052)	-	-
<b>Total</b>	<b>13,589</b>	<b>19,790</b>	<b>5,497</b>	<b>5,557</b>	<b>239</b>	<b>234</b>	<b>(901)</b>	<b>(1,052)</b>	<b>18,424</b>	<b>24,529</b>
Segment result	493	2,146	(248)	77	292	(185)	-	-	537	2,038
Unallocated operating income and expenses										
Operating profit									537	2,038

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**A9. Property, plant and equipment**

**(a) Acquisitions and disposals**

There were no material acquisitions and disposals during the current quarter and financial year-to-date under review.

**(b) Impairment losses**

There were no impairment losses during the current quarter and financial year-to-date under review.

**(c) Valuation**

The valuation of land and buildings has been brought forward, without amendment from the previous annual report.

**A10. Post balance sheet events**

There were no material events after the financial period that have not been reflected in the financial statements for the financial period ended 31 March 2009.

**A11. Changes in composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year-to-date under review.

**A12. Contingent assets**

There were no contingent assets for the Group as at the date of this announcement.

**A13. Contingent liabilities**

There were no contingent liabilities for the Group as at the date of this announcement.

**A14. Capital commitments outstanding not provided for in the interim financial report**

	At 31 March 2009 RM'000	At 31 December 2008 RM'000
Authorised and contracted for	800	1,300



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**Notes on the quarterly report – 31 March 2009**

**A15. Material related party transactions**

	Quarter ended 31 March		Cumulative period ended 31 March	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(i) Rental expenses	45	45	45	45
(ii) Sale of goods	<u>49</u>	<u>99</u>	<u>49</u>	<u>99</u>

Notes:

- (i) Transactions with a company in which a director of a subsidiary has an interest
- (ii) Transactions with a joint venture partner

Other than as disclosed above, there were no other material related party transactions entered into during the current quarter and financial year-to-date under review.

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**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA  
MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review of performance**

The Group's revenue of RM18.4 million for the quarter under review was 24.9% lower compared to the revenue of RM24.5 million reported for the corresponding quarter of the previous year. This is a direct result of the global financial crisis that saw a plunge in the demand side of the economy as overall consumer confidence plummeted.

In line with the reduction in revenue, profit attributable to equity holders of the Company decreased from the RM1.7 million reported in the preceding year's corresponding quarter to RM0.2 million in the current quarter, a reduction of RM1.5 million.

**B2. Variation of results against preceding quarter**

The Group's revenue of RM18.4 million for the current quarter was RM3.6 million or 16.3% lower than the RM22.0 million reported for the preceding quarter.

Profit attributable to equity holders of the Company amounting to RM0.2 million recorded in the current quarter was also lower than the RM0.5 million recorded in the previous quarter.

The impact of the global economic crisis that had started in the second half of 2008 was immensely felt during the current quarter. As the Group's products are being exported to more than 40 countries worldwide, it is unavoidable that its performance will be affected.

In the past, the Group's market risks were mitigated to an extent that when a market in one region declined we could draw on the strength of another area. However, the global nature of the current crisis has had a significant impact on the revenue of the Group.

**B3. Current year prospects**

The current year is expected to be filled with many hurdles and will be one of the most challenging the Group has ever faced.

The outlook for the remainder of the year is gloomy as economies worldwide are anticipated to be sluggish with most regional economies forecasting negative to minimal GDP growth. Countries in the Group's major export markets are deeply affected by the global recession and the speed of recovery

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will very much depend on the success of the governmental stimulus efforts and their concerted effort to repair and restructure the global financial system.

The general consensus is that this recession will linger well into the early 2010. However, the Board is confident that the Group's strong foundation built over the years will most certainly see us through the volatility of the coming year.

The Group is currently exploring the possibility of consolidating our narrow fabrics operations in order to maintain a lean organization structure by down sizing activities in Malaysia and transferring the business over to the facilities that are already in existence in Vietnam.

This will enable the Group to focus on operational agility in its effort to pursue improvements in productivity, reduce cost, rationalize manpower, as well as to streamline operations. The consolidation of the narrow fabrics operations is expected to have minimal financial impact to the Group.

**B4. Profit forecast**

Not applicable as the Group did not publish any profit forecast.

**B5. Income tax expenses**

	<b>Quarter ended 31 March 2009 RM'000</b>	<b>Cumulative period ended 31 March 2009 RM'000</b>
Current tax – Malaysia	65	65
Current tax – Overseas	94	94
Under provision in prior year	2	2
	<u>161</u>	<u>161</u>

The effective tax rate of the Group for the period ended 31 March 2009 is 87.5%, which is higher than the statutory income tax rate as certain subsidiaries within the Group experienced losses during the current quarter and financial year-to-date under review.

**B6. Unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties for the current quarter and financial year-to-date under review.

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**B7. Quoted investments**

	<b>At 31 March 2009 RM'000</b>	<b>At 31 March 2008 RM'000</b>
Quoted shares in Malaysia - at cost	83	83
Less: Allowance for diminution in value	(83)	(83)
	<u>-</u>	<u>-</u>
Market value	<u>-</u>	<u>-</u>

**B8. Borrowings and debts securities**

The Group's borrowings as at the end of the reporting quarter are as follows:

	<b>At 31 March 2009 RM'000</b>	<b>At 31 March 2008 RM'000</b>
Short term borrowings	8,254	8,828
Long term borrowings	10,590	8,323
	<u>18,844</u>	<u>17,151</u>
The borrowings are denominated in the following currencies:		
In Ringgit Malaysia	10,388	6,316
In US Dollars	3,779	6,701
In Vietnam Dong	4,677	4,134
	<u>18,844</u>	<u>17,151</u>

The bank borrowings are secured by way of debentures on the fixed and floating assets of the Group and corporate guarantees of the Company.

**B9. Off balance sheet financial instruments**

As at the reporting date, the Group does not have any off balance sheet financial instruments.

**B10. Changes in material litigation**

There is no material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group.

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**B11. Earnings per share**

**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company for the period by the weighted average number of ordinary shares in issue during the period after share buy back.

	<b>Quarter ended 31 March 2009</b>	<b>Cumulative period ended 31 March 2009</b>
Profit for the period (RM'000)	23	23
Add: Amount attributable to minority interests (RM'000)	131	131
Profit attributable to shareholders of the Company (RM'000)	<u>154</u>	<u>154</u>
Weighted average number of ordinary shares in issue ('000)	<u>90,533</u>	<u>90,533</u>
Basic earnings per share (sen)	<u>0.17</u>	<u>0.17</u>

**(b) Diluted earnings per share**

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue during the period after share buy back has to be adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees via the Company's Employees' Share Option Scheme ("ESOS").

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	<b>Quarter ended 31 March 2009</b>	<b>Cumulative period ended 31 March 2009</b>
Profit for the period (RM'000)	23	23
Add: Amount attributable to minority interests (RM'000)	131	131
Profit attributable to shareholders of the Company (RM'000)	154	154
Diluted weighted average number of ordinary shares in issue ('000)	90,533	90,533
Diluted earnings per share (sen)	0.17	0.17

**B12. Net assets per share**

Net assets per share attributable to equity holders of the parent is arrived at by dividing the total equity attributable to shareholders of the Company at the end of the period by the number of ordinary shares in issue at the end of the period after share buy back.

	<b>At 31 March 2009</b>	<b>At 31 December 2008</b>
Total equity attributable to shareholders of the Company (RM'000)	73,572	73,096
Number of ordinary shares in issue (‘000)	90,742	90,742
Number of shares repurchased (‘000)	(209)	(209)
Number of ordinary shares in issue after share buy back (‘000)	90,533	90,533
Net assets per share attributable to equity holders of the parent (RM)	0.8126	0.8074

**B13. Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 26 May 2009.