

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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2009 - UNAUDITED

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/06/09 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/08 RM'000	CURRENT YEAR TO DATE 30/06/09 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/08 RM'000
Revenue	A8	20,113	21,883	38,537	46,412
Cost of sales		(16,052)	(16,483)	(31,735)	(35,552)
Gross profit		4,061	5,400	6,802	10,860
Selling and marketing expenses		(657)	(762)	(1,326)	(1,443)
Administrative expenses		(2,774)	(2,609)	(5,379)	(5,229)
Other operating expenses		(286)	(103)	(1,011)	(561)
Other operating income		487	612	2,282	949
Operating profit	A8	831	2,538	1,368	4,576
Interest expenses		(230)	(408)	(727)	(782)
Interest income		58	124	112	201
Share of profit in a jointly controlled entity		143	108	233	65
Profit before taxation		802	2,362	986	4,060
Tax expenses	B5	(283)	(408)	(444)	(652)
Profit for the period		519	1,954	542	3,408
Attributable to:					
Equity holders of the parent		507	2,104	661	3,813
Minority interest		12	(150)	(119)	(405)
Profit for the period		519	1,954	542	3,408
Earnings per share		sen	sen	sen	sen
Basic (net)	B11	0.56	2.32	0.73	4.21
Diluted (net)	B11	0.56	2.32	0.73	4.20

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.

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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009 - UNAUDITED

	Notes	AS AT END OF CURRENT QUARTER 30/06/09 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/08 RM'000
Non-current assets			
Property, plant and equipment		38,947	39,959
Prepaid lease payments		4,008	4,049
Other investments	B7	-	-
Investment in a jointly controlled entity		978	746
Goodwill		1,924	1,924
Total non-current assets		<u>45,857</u>	<u>46,678</u>
Current assets			
Inventories		18,773	23,499
Trade and other receivables		16,477	17,936
Tax recoverable		441	308
Short term funds		102	102
Deposits with licensed banks		5,938	3,590
Cash and bank balances		14,050	14,263
Total current assets		<u>55,781</u>	<u>59,698</u>
Total assets		<u>101,638</u>	<u>106,376</u>
Equity			
Share capital		45,371	45,371
Reserves		28,471	27,812
Treasury shares		(87)	(87)
Total equity attributable to shareholders		<u>73,755</u>	<u>73,096</u>
Minority interest		446	561
Total equity		<u>74,201</u>	<u>73,657</u>
Non-current liabilities			
Borrowings	B8	10,194	10,400
Deferred tax liabilities		1,907	1,907
Total non-current liabilities		<u>12,101</u>	<u>12,307</u>
Current liabilities			
Trade and other payables		7,795	9,354
Borrowings	B8	7,233	10,887
Taxation		308	171
Total current liabilities		<u>15,336</u>	<u>20,412</u>
Total liabilities		<u>27,437</u>	<u>32,719</u>
Total equity and liabilities		<u>101,638</u>	<u>106,376</u>
Net assets per share attributable to equity holders of the parent (RM)	B12	0.8147	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.

FURNIWEB INDUSTRIAL PRODUCTS BERHAD

(Company No: 541706-V)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE SECOND QUARTER 2009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2009 - UNAUDITED

	Notes	Attributable to equity holders of the parent						Minority interest	Total equity
		Share capital	Share premium	Share compensation reserve	Exchange reserve	Treasury shares	Distributable		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008		45,355	363	185	(2,286)	(87)	26,534	70,064	70,862
Exercise of ESOS	16		5	(5)	-	-	-	16	16
Equity settled share-based transactions		-	-	28	-	-	-	28	28
Exchange differences on translation of the financial statements of overseas subsidiaries		-	-	-	(1,748)	-	-	(1,748)	(1,805)
Net profit for the period		-	-	-	-	-	3,813	3,813	3,408
At 30 June 2008		45,371	368	208	(4,034)	(87)	30,347	72,173	72,509
At 1 January 2009		45,371	368	237	(3,071)	(87)	30,278	73,096	73,657
Equity settled share-based transactions		-	-	1	-	-	-	1	1
Exchange differences on translation of the financial statements of overseas subsidiaries		-	-	-	(3)	-	-	(3)	4
Net profit for the period		-	-	-	-	-	661	661	542
At 30 June 2009		45,371	368	238	(3,074)	(87)	30,939	73,755	74,201

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.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2009 - UNAUDITED

	30/06/09	30/06/08
	RM'000	RM'000
Net cash generated from operating activities	7,889	5,334
Net cash used in investing activities	(566)	(2,625)
Net cash used in financing activities	(4,693)	(1,755)
Foreign translation differences	(495)	(1,748)
Net increase/(decrease) in cash and cash equivalents	2,135	(794)
Cash and cash equivalents at beginning of period	17,727	16,230
Cash and cash equivalents at end of period	19,862	15,436
Cash and cash equivalents comprise:		
Cash and bank balances	14,050	10,515
Deposits placed with licensed banks	5,938	5,042
	19,988	15,557
Deposits pledged	(126)	(121)
	19,862	15,436

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.

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 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 134₂₀₀₄, 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 134₂₀₀₄, 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.

A3. Seasonality of operations

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

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

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 were no dividends being declared during the current quarter and financial year-to-date under review in relation to the financial year ending 31 December 2009.

A final dividend for the financial year ended 31 December 2008 was approved by the shareholders at the Company's Eighth Annual General Meeting held on 23 June 2009 and was paid on 24 July 2009.

Details of the final dividend are as follows:

	Financial year ended	
	31 December	31 December
	2008	2007
	RM'000	RM'000
3.0 sen (2007: 3.0 sen) tax exempt	<u>2,716</u>	<u>2,716</u>

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

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 30 June	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	26,274	35,298	11,934	10,625	329	489	-	-	38,537	46,412
Inter-segment revenue	1,971	2,232	3	36	57	42	(2,031)	(2,310)	-	-
Total	28,245	37,530	11,937	10,661	386	531	(2,031)	(2,310)	38,537	46,412
Segment result	1,188	4,882	122	(100)	58	(206)	-	-	1,368	4,576
Unallocated operating income and expenses										
Operating profit									1,368	4,576

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

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 has not been reflected in the financial statements for the financial period ended 30 June 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 30 June 2009 RM'000	At 31 December 2008 RM'000
Authorised and contracted for	765	1,300

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

A15. Material related party transactions

	Quarter ended 30 June		Cumulative period ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(i) Rental expenses	45	45	90	90
(ii) Purchase of materials	7	-	35	-
(iii) Sale of goods	78	63	127	162

Notes:

- (i) and (ii) Transactions with a company in which a director of a subsidiary has an interest
- (iii) 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.

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

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

B1. Review of performance

The Group's revenue of RM20.1 million for the second quarter of 2009 was 8.1% lower compared to the revenue of RM21.9 million reported for the corresponding quarter of the previous year. Revenue for the first half of the year under review was RM38.5 million, 17.0% lower than the RM46.4 million recorded in the corresponding period of the preceding year. This is directly attributable to the global financial crisis that has deeply affected the Group's major export markets.

Consistent with the reduction in revenue, profit attributable to equity holders of the Company also decreased from the RM2.1 million reported in the preceding year's corresponding quarter to RM0.5 million in the current quarter, a reduction of RM1.6 million. Profit attributable to equity holders for the first half of 2009 was RM0.7 million, a reduction of 82.7% from the RM3.8 million announced for the first six months of the previous financial year.

B2. Variation of results against preceding quarter

Despite the on going economic crisis experienced in markets worldwide, there are signs that the global economy is slowly recovering. The Group's revenue of RM20.1 million for the current quarter was RM1.7 million or 9.2% higher than the RM18.4 million reported for the first quarter of the year as customer orders gradually increased.

Profit attributable to equity holders of the Company also increased from the RM0.2 million recorded in the previous quarter to RM0.5 million in the quarter under review, an increase of RM0.3 million.

B3. Current year prospects

The remainder of the year 2009 is expected to be very challenging as markets around the world attempt to recover from the economic crisis.

Under the current economic conditions, the Board is mindful that the Group's operations need to be managed with prudence and care in terms of capital expenditure, cash flow management, managing credit terms, stock holdings, as well as cost management.

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

B4. Profit forecast

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

B5. Income tax expenses

	Quarter ended 30 June 2009 RM'000	Cumulative period ended 30 June 2009 RM'000
Current tax – Malaysia	150	215
Current tax – Overseas	133	227
Under provision in prior year	-	2
	<u>283</u>	<u>444</u>

The effective tax rate of the Group for the period ended 30 June 2009 is 45.0%, 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.

B7. Quoted investments

	At 30 June 2009 RM'000	At 30 June 2008 RM'000
Quoted shares in Malaysia – at cost	83	83
Less: Allowance for diminution in value	<u>(83)</u>	<u>(83)</u>
	<u>-</u>	<u>-</u>
Market value	<u>-</u>	<u>-</u>

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

B8. Borrowings and debts securities

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

	At 30 June 2009 RM'000	At 30 June 2008 RM'000
Short term borrowings	7,233	10,220
Long term borrowings	10,194	7,999
	<u>17,427</u>	<u>18,219</u>
The borrowings are denominated in the following currencies:		
In Ringgit Malaysia	9,604	6,766
In US Dollars	3,562	7,620
In Vietnam Dong	4,261	3,833
	<u>17,427</u>	<u>18,219</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.

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

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.

	Quarter ended 30 June 2009	Cumulative period ended 30 June 2009
Profit for the period (RM'000)	519	542
Add: Amount attributable to minority interests (RM'000)	(12)	119
Profit attributable to shareholders of the Company (RM'000)	<u>507</u>	<u>661</u>
Weighted average number of ordinary shares in issue ('000)	<u>90,533</u>	<u>90,533</u>
Basic earnings per share (sen)	<u>0.56</u>	<u>0.73</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").

FURNIWEB INDUSTRIAL PRODUCTS BERHAD
(Company No: 541706-V)

Notes on the quarterly report – 30 June 2009

	Quarter ended 30 June 2009	Cumulative period ended 30 June 2009
Profit for the period (RM'000)	519	542
Add: Amount attributable to minority interests (RM'000)	(12)	119
Profit attributable to shareholders of the Company (RM'000)	<u>507</u>	<u>661</u>
Diluted weighted average number of ordinary shares in issue ('000)	<u>90,533</u>	<u>90,533</u>
Diluted earnings per share (sen)	<u>0.56</u>	<u>0.73</u>

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.

	At 30 June 2009	At 31 December 2008
Total equity attributable to shareholders of the Company (RM'000)	<u>73,755</u>	<u>73,096</u>
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)	<u>90,533</u>	<u>90,533</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.8147</u>	<u>0.8074</u>

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 14 August 2009.