

Furniweb Industrial Products

Recommendation: **NOT RANKED**

Stock Code: **7168**

Bloomberg: **FURN MK**

Price: **MYR0.41**

12-Month Target Price: **NA**

Date: **July 13, 2010**

Board: Main

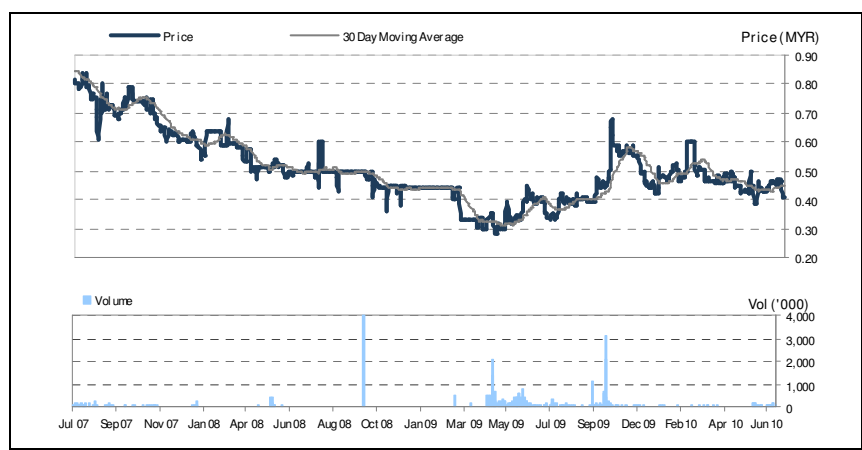
Sector: Industrial Products

GICS: Consumer Discretionary/Textiles

Market Value - Total: MYR37.1 mln

Summary: Listed on the Second Board of Bursa Malaysia in Oct. 2003, Furniweb Industrial Products (Furniweb) is an industrial textile manufacturer which supplies semi-finished products to the furniture, apparel, food, medical and auto industries.

Analyst: Sharon Wong, CFA



Recent Developments

Recommendation & Investment Risks

- We are suspending coverage of Furniweb pending a universe coverage change, as the CBRS II scheme is completing. Our last call and target price are Hold and MYR0.51 respectively.
- Please note that our recommendation and target price may no longer represent our current view on the company. If readers have any queries, please direct them to asiaequityresearch@standardandpoors.com. For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng or Ching Wah Tam in our K.L. office.

Key Stock Statistics

FY Dec.	2009	2010E
Reported EPS (sen)	4.1	5.0
PER (x)	10.0	8.3
Dividend/Share (sen)	3.0	3.0
NTA/Share (MYR)	0.80	0.81
Book Value/Share (MYR)	0.82	0.84
No. of Outstanding Shares (mln)	90.5	
52-week Share Price Range (MYR)	0.33 - 0.68	
Major Shareholders:	%	
Cheah Eng Chuan	28.8	
Carmen Chua	9.5	

* Stock deemed Shariah compliant by the Securities Commission

Per Share Data

FY Dec.	2007	2008	2009	2010E
Book Value (MYR)	0.77	0.81	0.82	0.84
Cash Flow (sen)	14.8	11.6	8.5	11.0
Reported Earnings (sen)	9.7	7.1	4.1	5.0
Dividend (sen)	3.0	3.0	3.0	3.0
Payout Ratio (%)	30.9	42.1	73.1	46.9
PER (x)	4.2	5.7	10.0	8.3
P/Cash Flow (x)	2.8	3.5	4.8	3.7
P/Book Value (x)	0.5	0.5	0.5	0.5
Dividend Yield (%)	7.3	7.3	7.3	7.3
ROE (%)	13.1	9.0	5.1	7.7
Net Gearing (%)	3.1	4.7	0.0	0.0

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FY Dec. / MYR mln	2008	2009	2010E	2011E
Reported Revenue	93.6	80.7	90.4	99.4
Reported Operating Profit	8.9	4.8	5.4	8.7
Depreciation & Amortization	-4.0	-4.0	-4.2	-4.3
Net Interest Income / (Expense)	-1.3	-1.0	-0.7	-0.5
Reported Pre-tax Profit	7.8	4.4	5.4	8.9
Effective Tax Rate (%)	22.8	17.5	16.0	16.0
Reported Net Profit	6.5	3.7	4.5	7.4
Reported Operating Margin (%)	9.5	5.9	6.0	8.8
Reported Pre-tax Margin (%)	8.3	5.5	5.9	8.9
Reported Net Margin (%)	6.9	4.6	5.0	7.5

Source: Company data, S&P Equity Research

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Glossary

Strong Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months, with shares rising in price on an absolute basis.

Hold: Total return is expected to closely approximate the total return of the KLCI or KL Emas Index respectively, over the coming 12 months with shares generally rising in price on an absolute basis.

Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months and share price is not anticipated to show a gain.

Strong Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months by a wide margin, with shares falling in price on an absolute basis.

S&P 12 Month Target Price – The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Shariah-compliant stock - As defined by the Shariah Advisory Council of Malaysia's Securities Commission

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Required Disclosures

Recommendation and Target Price History

Date	Recommendation	Target Price
New	Not Ranked	
27-May-10	Hold	0.51
23-Feb-10	Hold	0.67
25-Nov-09	Hold	0.61
24-Aug-09	Hold	0.43
29-May-09	Hold	0.37
25-Feb-09	Hold	0.46
13-Jun-08	Hold	0.51

