

Ecofuture Bhd.

Company No. 628026-M
(Incorporated in Malaysia)

Interim Financial Report
30 September 2009

**Interim Report
Ecofuture Bhd.**

(Company No. 628026-M)
(Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Balance Sheet as at 30 September 2009

	Note	As at 30 September 2009 (unaudited) RM	As at 31 December 2008 (audited) RM
Non-current assets			
Property, plant and equipment		69,997,865	74,524,312
Estate development expenditure		243,145	253,322
Intangible assets		1,013,463	1,012,661
Goodwill on consolidation		2,042,236	2,042,236
Other investment		200,000	200,000
		<u>73,496,708</u>	<u>78,032,531</u>
Current assets			
Inventories		534,256	1,401,875
Trade receivables		1,942,052	1,371,821
Other receivables, deposits and prepayments		746,111	774,486
Tax refundable		176,046	183,565
Fixed deposits with licensed banks		-	642,203
Cash and bank balances		6,158	(93,067)
		<u>3,404,622</u>	<u>4,280,883</u>
Total assets		76,901,331	82,313,414
Equity			
Share capital		22,410,750	22,410,750
Reserves			
- Share Premium		7,424,161	7,424,161
- Accumulated losses		(14,509,466)	(6,438,784)
Total equity attributable to the shareholders of the Company		<u>15,325,445</u>	<u>23,396,127</u>
Non-current liabilities			
Long term borrowings	B9	24,397,742	21,698,813
Deferred income		481,087	565,985
Deferred taxation		770,474	770,474
		<u>25,649,303</u>	<u>23,035,272</u>
Current liabilities			
Trade payables		7,171,877	7,765,964
Other payables and accruals	A15	7,829,796	6,201,407
Advance from directors		4,000,827	1,070,917
Short term borrowings	B9	16,924,083	20,843,727
		<u>35,926,583</u>	<u>35,882,015</u>
Total liabilities		<u>61,575,886</u>	<u>58,917,287</u>
Total equity and liabilities		<u>76,901,331</u>	<u>82,313,414</u>
Net assets per share (sen) *		6.8	10.4

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

* The net assets per share is based on the computation of total asset (including intangibles) minus total liabilities divided by total number of ordinary shares in circulation

Interim Report**Ecofuture Bhd.**

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and its subsidiaries**Condensed Consolidated Income Statement for the period ended 30 September 2009
(unaudited)**

	<-----Individual Quarter----->		<-----Cumulative year to-date----->	
	Current year 3 months ended 30 September 2009	Preceeding year corresponding 3 months ended 30 September 2008	Current Year 9 months cumulative ended 30 September 2009	Preceeding year corresponding 9 months cumulative ended 30 September 2008
Note				
Revenue	1,795,903	19,335,710	5,750,900	84,274,793
Cost of sales	(2,512,351)	(20,696,108)	(9,569,585)	(85,762,808)
Gross loss	(716,448)	(1,360,398)	(3,818,685)	(1,488,015)
Operating expenses	(663,544)	(1,081,831)	(2,174,476)	(3,620,106)
Other operating income	29,724	45,370	184,822	161,548
Operating loss	(1,350,268)	(2,396,859)	(5,808,339)	(4,946,573)
Financing costs	(832,954)	(698,512)	(2,262,343)	(1,641,653)
Interest income	-	6,711	-	18,516
Loss before taxation	(2,183,222)	(3,088,660)	(8,070,682)	(6,569,710)
Tax expense	B5 -	-	-	(490)
Loss for the period from continuing operations attributable to equity holders of the Company	(2,183,222)	(3,088,660)	(8,070,682)	(6,570,200)
Basic loss per ordinary share (sen)	B13 (0.97)	(1.68)	(3.60)	(3.70)
Diluted earnings per ordinary share (sen)	B13 N/A	N/A	N/A	N/A

*Note:**N/A Not applicable as there are no dilutive shares.*

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the 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 30 September 2009
 (unaudited)

Note	← Attributable to shareholders of the Company →			Total
	Share capital	Non-distributable Share premium	Distributable Retained profits/ (Accumulated Losses)	
	RM	RM	RM	RM
At 1 January 2008	17,454,000	4,679,880	2,050,240	24,184,120
Issue of shares	4,956,750	2,744,281		7,701,031
Loss for the year from continuing operations	-	-	(8,489,024)	(8,489,024)
At 31 December 2008	<u>22,410,750</u>	<u>7,424,161</u>	<u>(6,438,784)</u>	<u>23,396,127</u>
Loss for the period from continuing operations	-	-	(8,070,682)	(8,070,682)
At 30 September 2009	<u><u>22,410,750</u></u>	<u><u>7,424,161</u></u>	<u><u>(14,509,466)</u></u>	<u><u>15,325,445</u></u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report
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**Condensed Consolidated Cash Flow Statement for the period ended 30 September 2009
(unaudited)**

	For the 9-month period ended 30 September 2009 RM	For the 9-month period ended 30 September 2008 RM
Cash flows from operating activities		
Loss before taxation	(8,070,682)	(6,569,710)
Adjustments for:		
Depreciation of property, plant and equipment	4,480,825	3,419,068
Amortisation of deferred income	(84,898)	(84,898)
Amortisation of estate development expenditure	10,177	10,177
Gain on disposal of property, plant and equipment	(73,205)	-
Interest expense	2,245,544	1,641,653
Interest income	-	(18,516)
Operating (loss)/profit before changes in working capital	<u>(1,492,239)</u>	<u>(1,602,226)</u>
Changes in working capital:		
- Inventories	867,619	2,135,875
- Trade and other receivables	(541,856)	4,882,198
- Trade and other payables	1,034,302	(5,984,134)
Cash (used in)/generated from operations	<u>(132,174)</u>	<u>(568,287)</u>
- Interest paid	(2,245,544)	(1,641,653)
- Income tax (paid)/refund from Inland Revenue Board	7,519	(119,904)
Net cash flow (used in)/generated from operating activities	<u>(2,370,198)</u>	<u>(2,329,844)</u>
Cash flows used in investing activities		
Interest received	-	18,516
Decrease / (Increase) for intangible assets	(802)	-
Purchase of property, plant and equipment	(10,209)	(3,547,310)
Proceed from disposal of property, plant and equipment	129,036	-
Net cash flow used in investing activities	<u>118,025</u>	<u>(3,528,794)</u>
Cash flows from financing activities		
Drawdown of hire purchase financing	-	852,886
Repayment of hire purchase	(659,490)	(1,041,900)
Drawdown of term loan and borrowing	9,273,881	5,793,761
Increase / (Decrease) in short term borrowings	-	-
Repayment of term loan and borrowing	(790,117)	(3,504,592)
Advances from directors	2,929,910	1,630,917
Net drawdown of bankers' acceptances and revolving credit	(7,233,966)	1,124,339
Proceed from issue of shares	-	2,410,000
Net cash flow from financing activities	<u>3,520,217</u>	<u>7,265,411</u>
Net increase in cash and cash equivalents	1,268,044	1,406,773
Cash and cash equivalents at 1 January	<u>(3,917,133)</u>	<u>(2,569,440)</u>
Cash and cash equivalents at 30 September	<u>(2,649,089)</u>	<u>(1,162,667)</u>

@ Cash and cash equivalents comprise the following balance sheet amounts:

Fixed deposits with licensed banks	-	637,437
Cash and bank balances	6,158	633,608
Bank overdrafts	(2,655,247)	(2,433,712)
	<u>(2,649,089)</u>	<u>(1,162,667)</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 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 30 September 2009

(unaudited)

For the 9 month period ended 30 September 2009 RM
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The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.