

Ecofuture Bhd.

Company No. 628026-M
(Incorporated in Malaysia)

Interim Financial Report
30 June 2010

Interim Report
Ecofuture Bhd.
(Company No. 628026-M)
(Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Statement of Financial Position as at 30 June 2010

	Note	As at 30 June 2010 (unaudited) RM	As at 31 December 2009 (audited) RM
Non-current assets			
Property, plant and equipment		66,846,867	68,596,054
Estate development expenditure		225,381	234,703
Intangible assets		759,012	875,875
Goodwill on consolidation		992,030	992,030
		68,823,290	70,698,662
Current assets			
Inventories		868,241	843,746
Trade receivables		1,529,933	1,345,854
Other receivables, deposits and prepayments		1,113,560	634,598
Tax refundable		35,205	48,098
Cash and bank balances		259,586	79,637
		3,806,525	2,951,933
Total assets		72,629,815	73,650,595
Equity			
Share capital		24,651,825	24,651,825
Reserves			
- Share Premium		7,820,326	7,820,326
- Accumulated losses		(21,569,253)	(17,737,987)
Total equity attributable to the shareholders of the Company		10,902,898	14,734,164
Non-current liabilities			
Long term borrowings	B9	32,875,936	31,169,499
Deferred income		396,189	452,788
Deferred taxation		195,314	195,314
		33,467,439	31,817,601
Current liabilities			
Trade payables		5,116,380	5,549,709
Other payables and accruals		11,328,238	6,754,111
Advance from directors		5,067,327	4,917,011
Short term borrowings	B9	6,747,533	9,877,999
		28,259,478	27,098,830
Total liabilities		61,726,917	58,916,431
Total equity and liabilities		72,629,815	73,650,595
Net assets per share (sen) *		4.4	6.0

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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

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Condensed Consolidated Statement of Comprehensive Income for the period ended 30 June 2010
 (unaudited)

	<-----Individual Quarter----->		<-----Cumulative year to-date----->		
	Current year 3 months ended 30 June 2010	Preceeding year corresponding 3 months ended 30 June 2009	Current Year 6 months cummulative 30 June 2010	Preceeding year corresponding 6 months cummulative 30 June 2009	
Revenue	1,555,598	1,799,286	3,293,544	3,954,997	
Cost of sales	(2,160,056)	(2,847,141)	(4,001,264)	(7,057,234)	
Gross loss	(604,458)	(1,047,855)	(707,720)	(3,102,237)	
Operating expenses	(925,924)	(659,007)	(1,627,945)	(1,510,908)	
Other operating income	68,275	112,606	108,742	155,098	
Operating loss	(1,462,107)	(1,594,256)	(2,226,923)	(4,458,047)	
Financing costs	(830,788)	(782,260)	(1,604,343)	(1,429,389)	
Interest income	-	-	-	-	
Loss before taxation	(2,292,895)	(2,376,516)	(3,831,266)	(5,887,436)	
Tax expense	B5	-	-	-	
Loss for the period from continuing operations attributable to equity holders of the Company		(2,376,516)	(3,831,266)	(5,887,436)	
Basic loss per ordinary share (sen)	B13	(0.93)	(1.06)	(1.55)	(2.63)
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 2009 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 June 2010
 (unaudited)

Note	Share capital RM	Non- distributable Share premium RM	(Accumulated Losses) RM	Total RM
At 1 January 2010	24,651,825	7,820,326	(17,737,987)	14,734,164
Net Loss for the period	-	-	(3,831,266)	(3,831,266)
At 30 June 2010	<u>24,651,825</u>	<u>7,820,326</u>	<u>(21,569,253)</u>	<u>10,902,898</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
At 1 January 2009	22,410,750	7,424,161	(6,438,784)	23,396,127
Net Loss for the year	-	-	(5,887,436)	(5,887,436)
At 30 June 2009	<u>22,410,750</u>	<u>7,424,161</u>	<u>(12,326,220)</u>	<u>17,508,691</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 2009 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 June 2010
(unaudited)**

	For the 6-month period ended 30 June 2010 RM	For the 6-month period ended 30 June 2009 RM
Cash flows from operating activities		
Loss before taxation	(3,831,266)	(5,887,436)
Adjustments for:		
Depreciation of property, plant and equipment	1,749,187	2,991,252
Amortisation of deferred income	(56,599)	(56,599)
Amortisation of intangible assets	116,853	6,784
Amortisation of estate development expenditure	9,322	(73,205)
Interest expense	1,604,343	1,429,389
Operating loss before changes in working capital	<u>(408,160)</u>	<u>(1,589,815)</u>
Changes in working capital:		
- Inventories	(24,495)	942,748
- Trade and other receivables	(663,041)	(750,649)
- Trade and other payables	4,140,768	2,280,698
Cash (used in)/ generated from operations	<u>3,045,072</u>	<u>882,982</u>
- Interest paid	(1,604,343)	(1,429,389)
- Income tax refund from Inland Revenue Board	12,893	7,575
Net cash flow used in operating activities	<u>1,453,622</u>	<u>(538,832)</u>
Cash flows used in investing activities		
Purchase of property, plant and equipment	-	(7,269)
Proceed from disposal of property, plant and equipment	-	129,036
Net cash flow used in investing activities	<u>-</u>	<u>121,767</u>
Cash flows from financing activities		
Hire purchase financing obtained, net of repayments	(352,316)	(435,067)
Drawdown of term loan, net of repayments	1,706,437	6,929,776
Increase/ (decrease) in short term bank borrowings	(2,977,774)	(8,006,468)
Advance from directors	150,316	1,599,200
Net cash flow generated from/ (used in) financing activities	<u>(1,473,337)</u>	<u>87,441</u>
Net decrease in cash and cash equivalents	(19,715)	(329,624)
Cash and cash equivalents at 1 January	<u>(4,063,090)</u>	<u>(3,917,133)</u>
Cash and cash equivalents at 30 June	<u>(4,082,805)</u>	<u>(4,246,757)</u>

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

Cash and bank balances	259,586	6,073
Bank overdrafts	(4,342,391)	(4,252,830)
	<u>(4,082,805)</u>	<u>(4,246,757)</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.