



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2009**

INFORMATION REQUIRED BY FINANCIAL REPORTING STANDARDS (FRS) 134

A1. Basis of Preparation

This interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2008.

A2. Audit Report

The audited financial statements of the Company for the preceding financial year ended 31 December 2008 were not subject to any qualification.

A3. Seasonal or Cyclical Factors

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual items during the current financial quarter affecting the assets, liabilities, equity, net income or cashflow of the Group.

A5. Changes in Estimates

There were no estimation of amount used in the previous interim reports having a material impact in the current interim report.

A6. Debt and Equity Securities

There were no other issuance or repayment of any debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year-to-date.

A7. Dividends Paid

No dividend has been paid during the current financial year-to-date.



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A8. Segmental Information

The Group's operations are substantially in the manufacturing sector. The following analysis of activities are based on geographical basis.

	Quarter ended 31.03.2009 (RM'000)	Year-to-Date ended 31.03.2009 (RM'000)
Segment Revenue		
-- Malaysia	5,590	5,590
-- Other Countries	234	234
	5,824	5,824
Elimination of Inter-Segment Sales	(1,247)	(1,247)
Group Revenue	4,577	4,577
Segment Results		
-- Malaysia	(652)	(652)
-- Other Countries	(89)	(89)
	(741)	(741)
Elimination	-	-
Loss from Operations	(741)	(741)

A9. Valuations of Property, Plant and Equipment

There were no amendments in the valuation amount of revalued assets brought forward from the previous audited financial statements.

A10. Subsequent Material Events

There were no material events in the interval between the end of the current financial quarter and 27 May 2009.

A11. Changes in Composition of the Group

There were no material effect of changes in the composition of the Group during the current financial year-to-date.

A12. Changes in Contingent Liabilities or Contingent Assets

As at 31 March 2009, the Company has given corporate guarantees amounting to RM3.6 million (as at 31 December 2008 : RM2.7 million) to financial institutions for credit facilities granted to certain subsidiary companies.



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A13 Non-Current Asset held for disposal

Futumed Sdn Bhd ("Futumed"), a wholly-owned subsidiary of Fututech Berhad, entered into a conditional sale and purchase agreement on 24.02.2009 with e-Beauty Group Sdn Bhd ("e-Beauty") to dispose of a piece of land held under its Geran 123682, Lot 65111, Pekan Puchong Perdana, Daerah Petaling, Negeri Selangor together with a 4 storey factory/office complex erected thereon and certain fixtures and fittings for a total cash consideration of RM6.5 million. The completion of the disposal is subject to e-Beauty procuring the approval of the Foreign Investment Committee to acquire the Property and is expected to be completed by the Third Quarter 2009.

A14 Capital Commitments

As at 31 March 2009, the Group has no material capital commitments.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Performance**

For the current quarter, the Group's turnover declined 16% from RM4.58 million as compared to the corresponding quarter of RM5.44 million in 2008. With the global economic uncertainties and overall restraint demand for goods and services, our lighting and POS divisions were significantly and negatively affected although the kitchen division had more than doubled its sales compared to the corresponding quarter as higher kitchen billings were registered towards end of 2008.

Although overall sales in Quarter 1, 2009 had dropped compared to its corresponding quarter, the Group had managed to achieve a gross profit of RM564 thousand as compared to a loss RM395 thousand as cost of sales fell by 31%. In addition, other expenses and finance cost had also declined 39% and 65% respectively due to continuous and prudent cost management which helped to reduce loss before tax from RM2.662 million to RM795 thousand accordingly.

**B2. Comparison of Profit Before Taxation for the Current Quarter with Immediate Preceding Quarter**

|                              | Current<br>Quarter<br>ended<br>31.03.2009<br>(RM'000) | Preceding<br>Quarter ended<br>31.12.2008<br>(RM'000) |
|------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Revenue                      | 4,577                                                 | 6,674                                                |
| Consolidated Loss Before Tax | (795)                                                 | (6,767)                                              |

By comparison to the immediate preceding quarter, revenue had dropped from RM6.67 million in the preceding quarter to RM4.58 million in the current quarter attributed mainly to the substantial decline in lighting sales in addition to lower kitchen billings even though POS sales had increased.

Gross profit in the current quarter improved significantly against the preceding quarter from RM251 thousand to RM564 thousand respectively as the cost of sales were higher in the preceding quarter due mainly to a slow moving stock provision of RM1.4 million, amongst others, being taken up in the preceding quarter. Loss before tax in the current quarter at RM795 thousand also improved against the loss before tax of RM5.82 million registered in the preceding quarter. However, it should be noted that such substantial difference was attributed primarily to a once-off impairment loss of about RM5.0 million, amongst others, incurred from the disposal of a land & building by our subsidiary; Futumeds Sdn Bhd, which was taken up in the preceding quarter.

**B3. Prospects**

Due to the current uncertain global outlook, the market is very challenging. In the face of such challenges, the Group is reviewing its level of operations and costs to mitigate the situation.

**B4. Profit Forecast**

Not applicable as no profit forecast was published.



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**B5. Taxation**

|                  | Quarter<br>ended<br>31.03.2009<br>(RM'000) | Year-to-Date<br>ended<br>31.03.2009<br>(RM'000) |
|------------------|--------------------------------------------|-------------------------------------------------|
| Current Taxation | (149)                                      | (149)                                           |

Although the Group recorded a loss, taxation was incurred as certain expenses are disallowed for tax purposes and losses recorded by certain subsidiaries are not allowed to be set-off against taxable profits of other subsidiaries as group tax relief is not available.

**B6. Profit on Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investments and/or properties during the current financial quarter.

**B7. Quoted Securities**

Investments in quoted securities as at 31 March 2009 are as follows :-

|                   | RM     |
|-------------------|--------|
| At cost           | 19,800 |
| At carrying value | 4,500  |
| At market value   | 4,356  |

**B8. Corporate Proposals**

**a) Status of Corporate Proposals**

As at 19 May 2008, the Company has completed the increase in Authorised Share Capital, the Capital Reduction, the Share Consolidation and the Rights Issue. The Right Shares and Warrants were granted listing and quotation on the Second Board of Bursa Malaysia Securities Berhad on 31 December 2007. As announced by AmInvestment Bank Berhad on 27 May 2009, the Board of Directors of Fututech have resolved not to proceed with the Proposed Private Placement.



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**B9. Group Borrowings and Debt Securities**

|                           | As at<br>31.03.2009<br>(RM'000) |
|---------------------------|---------------------------------|
| a) Secured borrowings     | 3,559                           |
| Unsecured borrowings      | -                               |
|                           | <u>3,559</u>                    |
| b) Short term             |                                 |
| - bank overdraft          | 647                             |
| - trade facilities        | 439                             |
| - hire purchase creditors | 286                             |
| - term loans              | 348                             |
|                           | <u>1,720</u>                    |
| Long term                 |                                 |
| - hire purchase creditors | 818                             |
| - term loans              | 1,021                           |
|                           | <u>1,839</u>                    |
| Total Borrowings          | <u>3,559</u>                    |

**B10. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at 27 May 2009.

**B11. Material Litigation**

There is no pending material litigation as at 27 May 2009.

**B12. Dividends**

No interim dividend has been declared for the current financial quarter.

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**B13. Earnings Per Share**

|                                                                                                       | Quarter Ended |            | Year-to-Date Ended |            |
|-------------------------------------------------------------------------------------------------------|---------------|------------|--------------------|------------|
|                                                                                                       | 31.03.2009    | 31.03.2008 | 31.03.2009         | 31.03.2008 |
| <b>Earnings</b>                                                                                       |               |            |                    |            |
| Loss attributable to equity holders of the parent (RM'000)                                            | (944)         | (2,704)    | (944)              | (2,704)    |
| <b>a) Basic</b>                                                                                       |               |            |                    |            |
| Issued ordinary shares at the beginning of the period ('000)                                          | 58,726        | 58,726     | 58,726             | 58,726     |
| Effect of shares issued ('000)                                                                        | -             | -          | -                  | -          |
| Weighted average number of ordinary shares ('000)                                                     | 58,726        | 58,726     | 58,726             | 58,726     |
| <b>Basic losses per share attributable to equity holders of the parent (Sen)</b>                      | (1.61)        | (4.60)     | (1.61)             | (4.60)     |
| <b>b) Diluted</b>                                                                                     |               |            |                    |            |
| Weighted average number of ordinary shares ('000)                                                     | N/A*          | N/A*       | N/A*               | N/A*       |
| Effect of share options ('000)                                                                        | N/A*          | N/A*       | N/A*               | N/A*       |
| Weighted average number of ordinary shares (diluted) ('000)                                           | N/A*          | N/A*       | N/A*               | N/A*       |
| <b>Fully diluted earnings / (losses) per share attributable to equity holders of the parent (Sen)</b> | N/A*          | N/A*       | N/A*               | N/A*       |

\*

*Fully diluted EPS is not calculated as the impact is anti-dilutive*