



FUTUTECH BERHAD (122592-U)
(Incorporated in Malaysia)

**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Individual Period | | Cumulative Period | |
|---|---|---|--|--|
| | Current quarter ended 30.06.2009 (RM'000) | Corresponding quarter ended 30.06.2008 (RM'000) | Current year-to-date ended 30.06.2009 (RM'000) | Corresponding year-to-date ended 30.06.2008 (RM'000) |
| 1 Revenue | 4,450 | 6,640 | 9,027 | 12,080 |
| 2 Cost of sales | (4,102) | (5,282) | (8,116) | (11,116) |
| 3 Gross profit | 348 | 1,358 | 911 | 964 |
| 4 Other income | 1,047 | 165 | 1,292 | 642 |
| 5 Other expenses | (1,034) | (1,954) | (2,584) | (4,505) |
| 6 Profit / (Loss) from operations | 361 | (431) | (381) | (2,899) |
| 7 Finance cost, net | (59) | (84) | (113) | (237) |
| 8 Loss before tax | 302 | (515) | (494) | (3,136) |
| 9 Taxation | (105) | (65) | (254) | (147) |
| 10 Loss for the period | 197 | (580) | (748) | (3,283) |
| Attributable to : | | | | |
| Equity holders of the parent | 197 | (580) | (748) | (3,283) |
| Minority Interest | - | - | - | - |
| | 197 | (580) | (748) | (3,283) |
| 11 Losses per share attributable to equity holders of the parent: | | | | |
| (i) Basic - based on ordinary shares (sen) | 0.33 | (0.99) | (1.27) | (5.59) |
| (ii) Fully diluted - based on ordinary shares (sen) | N/A* | N/A* | N/A* | N/A* |

*

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

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

CONDENSED CONSOLIDATED BALANCE SHEET

| | (UNAUDITED) As at 30.06.2009 (RM'000) | (AUDITED) As at 31.12.2008 (RM'000) |
|--|--|--|
| ASSETS | | |
| Property, Plant and Equipment | 22,098 | 37,795 |
| Long Term Investments | 73 | 116 |
| Goodwill on Consolidation | - | - |
| Intangible Assets | 61 | 65 |
| | 22,232 | 37,976 |
| Current Assets | | |
| Inventories | 7,591 | 9,486 |
| Trade Debtors | 5,093 | 6,887 |
| Other Debtors, Deposits and Prepayments | 2,215 | 2,777 |
| Cash and Bank Balances | 8,405 | 1,464 |
| | 23,304 | 20,614 |
| TOTAL ASSETS | 45,536 | 58,590 |
| EQUITY and LIABILITIES | | |
| Equity Attributable to Equity Holders of the Parent | | |
| Share Capital | 58,726 | 58,726 |
| Reserves | | |
| Share Premium | - | - |
| Others | 221 | 415 |
| Retained Profits | (21,394) | (13,035) |
| | 37,553 | 46,106 |
| Minority Interest | - | - |
| Total Equity | 37,553 | 46,106 |
| Non-Current Liabilities | | |
| Long Term Borrowings | 1,628 | 2,360 |
| Deferred Taxation | - | - |
| | 1,628 | 2,360 |
| Current Liabilities | | |
| Trade Payables | 2,046 | 3,173 |
| Other Payables | 2,018 | 5,546 |
| Short Term Borrowings | 1,991 | 1,395 |
| Provision for Taxation | 300 | 10 |
| | 6,355 | 10,124 |
| Total Liabilities | 7,983 | 12,484 |
| TOTAL EQUITY and LIABILITIES | 45,536 | 58,590 |
| Net Assets Per Share (RM) | 0.78 | 0.79 |
| Net Tangible Assets Per Share (RM) | 0.77 | 0.79 |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Attributable to Equity Holders of the Parent | | | |
|--|---|---|------------------------------------|---------------------|
| | Share Capital RM | Non-Distributable Reserve RM | Retained Profits RM | Total RM |
| 6-MONTH PERIOD ENDED 30 JUNE 2009 | | | | |
| Balance as at 1 January 2009 | 58,726,357 | 314,942 | (20,645,680) | 38,395,619 |
| Currency translation differences | - | (93,714) | | (93,714) |
| Net loss for the period | - | | (748,532) | (748,532) |
| Balance as at 30 June 2009 | 58,726,357 | 221,228 | (21,394,212) | 37,553,373 |
| 6-MONTH PERIOD ENDED 30 June 2008 | | | | |
| Balance as at 1 January 2008 | 58,726,357 | 500,916 | (9,751,559) | 49,475,714 |
| Currency translation differences | | (85,003) | | (85,003) |
| Net loss for the period | | | (3,283,842) | (3,283,842) |
| Balance as at 30 June 2008 | 58,726,357 | 415,913 | (13,035,401) | 46,106,869 |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

CONDENSED CONSOLIDATED CASHFLOW STATEMENTS

| | Current year-to-date ended 30.06.2009 (RM'000) | Corresponding year-to-date ended 30.06.2008 (RM'000) |
|--|---|---|
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | |
| Loss before tax | (749) | (3,284) |
| Adjustment for : | | |
| Amortisation and depreciation of property, plant and equipment | 1,450 | 1,912 |
| Non-cash items | (646) | 178 |
| Operating Loss Before Working Capital Changes | 55 | (1,194) |
| Changes in working capital : | | |
| Net change in current assets | 1,164 | 630 |
| Net change in current liabilities | (2,355) | (3,827) |
| Net Cash From Operations | (1,136) | (4,391) |
| Income tax paid | (255) | |
| Interest paid | (113) | (293) |
| Net Cash Generated From / (Used In) Operating Activities | (1,504) | (4,684) |
| CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES | | |
| Equity investment | - | - |
| Other investment | 7,220 | 39 |
| Net Cash Generated From / (Used In) Investing Activities | 7,220 | 39 |
| CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES | | |
| Share issued | - | - |
| Repayment of borrowings, net | (414) | (19,858) |
| Net Cash Generated From / (Used In) Financing Activities | (414) | (19,858) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 5,302 | (24,503) |
| EFFECT OF EXCHANGE RATE CHANGES | - | - |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 1,752 | 25,690 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 7,054 | 1,187 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF : | | |
| Cash and bank balances | 8,405 | 1,464 |
| Fixed deposits with licensed banks | | - |
| Less : Bank Overdraft | (1,351) | (277) |
| | 7,054 | 1,187 |

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)



FUTUTECH BERHAD (122592-U)
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 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.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2009

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 30.06.2009 (RM'000) | Year-to-Date ended 30.06.2009 (RM'000) |
|------------------------------------|---|---|
| Segment Revenue | | |
| -- Malaysia | 5,368 | 10,958 |
| -- Other Countries | 397 | 631 |
| | 5,765 | 11,589 |
| Elimination of Inter-Segment Sales | (1,315) | (2,562) |
| Group Revenue | 4,450 | 9,027 |
| Segment Results | | |
| -- Malaysia | 380 | (274) |
| -- Other Countries | (19) | (107) |
| | 361 | (381) |
| Elimination | - | |
| Profit/(Loss) from Operations | 361 | (381) |

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 28 August 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 30 June 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.

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. As per our announcement on 26.06.2009, the disposal of land was completed on 23 June 2009.

A13. Capital Commitments

As at 30 June 2009 the Group has no material capital commitments.

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**FUTUTECH BERHAD (122592-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED  
30 JUNE 2009**

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

**B1. Review of Performance**

Group sales for the current quarter fell about 33% against sales from the previous quarter. Total sales for the current quarter was RM4.45 million as compared to RM6.64 million in the corresponding quarter of 2008 due primarily to the substantial decline in sales of the Lighting and Point-of-Sales ("POS") divisions. However, the Kitchen division managed to record a significant improvement due to higher roll out of on-going local projects in the current quarter.

For the current year-to-date ("YTD") June 2009, the Group recorded total revenue of RM9.03 million as compared to RM12.08 in YTD June 2008. Such performance was the direct impact of the current economic slowdown which took its toll on the Lighting and POS business despite the Kitchen business having achieved very substantial increase in its sales due to increased roll-out for local projects in the current period.

Although overall sales were lower for Q2 2009 and YTD June 2009 respectively, the Group managed to achieved a net profit before tax of RM302 thousand in Q2 2009 and a small loss of RM494 thousand for YTD June 2009. The overall results were much improved by comparison to a loss before tax of RM515 thousand and RM3.14 million for Q2 2008 and YTD June 2008 respectively.

The above results were mainly attributed to gains resulted from the disposal of assets by the Group and the recovery of a debt in addition to on-going costs cutting measures.

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

|                                         | Current<br>Quarter<br>ended<br>30.06.2009<br>(RM'000) | Preceding<br>Quarter ended<br>31.03.2009<br>(RM'000) |
|-----------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Revenue                                 | 4,450                                                 | 4,577                                                |
| Consolidated Profit / (Loss) Before Tax | 302                                                   | (795)                                                |

The Group revenue fell by about 3% from RM4.577 million (Q1 2009) to RM4.449 million (Q2 2009) as the decline in POS and Kitchen sales were higher than the increase of 31% in Lighting sales during the current period. However, the Group managed to achieve a profit before tax of RM302 thousand for Q2 2009 due to the sale of assets and the recovery of a debt at its subsidiaries' level in addition to reduce costs under administration expenditures.

**B3. Prospects**

Whilst the current economic outlook seems to have improved from the previous quarter, general uncertainty as to a sustainable recovery in many major economies still prevails. Globally, businesses particularly the manufacturing sector is still very cautious as many factories are still under capacity. The Group will continue to explore opportunities cautiously and adopt a prudent stand moving forward.

**B4. Profit Forecast**

Not applicable as no profit forecast was published.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED  
30 JUNE 2009**

**B5. Taxation**

|                  | Quarter ended<br>30.06.2009<br>(RM'000) | Year-to-Date ended<br>30.06.2009<br>(RM'000) |
|------------------|-----------------------------------------|----------------------------------------------|
| Current Taxation | 105                                     | 255                                          |

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 30 June 2009 are as follows :-

|                   | RM     |
|-------------------|--------|
| At cost           | 19,800 |
| At carrying value | 4,500  |
| At market value   | 1,800  |

**B8 Group Borrowings and Debt Securities**

|                           | As at<br>30.06.2009<br>(RM'000) |
|---------------------------|---------------------------------|
| a) Secured borrowings     | 3,619                           |
| Unsecured borrowings      | -                               |
|                           | 3,619                           |
| b) Short term             |                                 |
| - bank overdraft          | 1,351                           |
| - trade facilities        |                                 |
| - hire purchase creditors | 286                             |
| - term loans              | 354                             |
|                           | 1,991                           |
| Long term                 |                                 |
| - hire purchase creditors | 698                             |
| - term loans              | 930                             |
|                           | 1,628                           |
| Total Borrowings          | 3,619                           |





NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED  
30 JUNE 2009

**B9. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at 28 August 2009.

**B10. Material Litigation**

There is no pending material litigation as at 28 August 2009.

**B11. Dividends**

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

**B12. Earnings Per Share**

|                                                                                                       | Quarter Ended |            | Year-to-Date Ended |            |
|-------------------------------------------------------------------------------------------------------|---------------|------------|--------------------|------------|
|                                                                                                       | 30.06.2009    | 30.06.2008 | 30.06.2009         | 30.06.2008 |
| <b>Earnings</b>                                                                                       |               |            |                    |            |
| Profit / (Loss) attributable to equity holders of the parent (RM'000)                                 | 196           | (580)      | (748)              | (3,283)    |
| <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>                      | 0.33          | (0.99)     | (1.27)             | (5.59)     |
| <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*