



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

**UNAUDITED 2<sup>nd</sup> QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2012 (RM'000)	Corresponding quarter ended 30.06.2011 (RM'000)	Current year-to-date ended 30.06.2012 (RM'000)	Corresponding year-to-date ended 30.06.2011 (RM'000)
1 Revenue	46,199	27,914	126,084	40,839
2 Cost of sales	(38,497)	(25,777)	(110,476)	(38,111)
3 Gross profit	7,702	2,137	15,608	2,728
4 Other income	178	4	247	6
5 Other expenses	(1,820)	(1,474)	(3,579)	(2,469)
6 Profit from operations	6,060	667	12,276	265
7 Finance cost	-	-	-	(3)
8 Profit before tax for the period	6,060	667	12,276	262
9 Taxation	(570)	(483)	(986)	(570)
10 Profit / (Loss) for the period	5,490	184	11,290	(308)
<b>Attributable to :</b>				
Equity holders of the Company	5,490	184	11,290	(308)
11 Profit / (Losses) per share attributable to equity holders of the Company:				
(i) Basic earnings per ordinary shares (sen)	6.05	0.31	12.44	(0.52)
(ii) Diluted earnings per 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 Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Corresponding quarter ended	Current year-to-date ended	Corresponding year-to-date ended
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
1 Profit / (Loss) for the period	5,490	184	11,290	(308)
2 Currency translation differences	43	(7)	19	(10)
3 Total comprehensive income for the period	5,533	177	11,309	(318)
<b>Attributable to :</b>				
Equity holders of the Company	5,533	177	11,309	(318)

**(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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**UNAUDITED 2<sup>nd</sup> QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) As at 30.06.2012 (RM'000)	(AUDITED) As at 31.12.2011 (RM'000)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	9,038	9,540
Other Investments	54	54
Intangible Assets	57	26
Trade Debtors	10,183	3,973
Deferred tax assets	1,719	2,447
	21,051	16,040
<b>Current Assets</b>		
Inventories	2,832	3,424
Trade Debtors	79,926	55,746
Other Debtors, Deposits and Prepayments	955	4,134
Cash and Bank Balances	37,136	13,652
	120,849	76,956
<b>TOTAL ASSETS</b>	<b>141,900</b>	<b>92,996</b>
<b>EQUITY and LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	45,369	45,369
Reserves		
Others	322	303
Accumulated Profits	14,820	3,530
	60,511	49,202
<b>Non-Current Liabilities</b>		
Trade Payables	1,781	2,003
Other Payables and Liabilities	-	20
	1,781	2,023
<b>Current Liabilities</b>		
Trade Payables	19,286	14,662
Other Payables and Liabilities	59,461	25,839
Provision for Taxation	861	1,270
	79,608	41,771
<b>Total Liabilities</b>	<b>81,389</b>	<b>43,794</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>141,900</b>	<b>92,996</b>
Net Assets Per Share (based on ordinary shares of RM0.50 each) (RM)	0.67	0.54

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Company			Total Equity RM'000
	----- Non-Distributable ----->			
	Share Capital RM'000	Non-Distributable Reserve RM'000	Accumulated Profits/(Losses) RM'000	
<b>6 MONTHS PERIOD ENDED 30 JUNE 2012</b>				
Balance as at 1 January 2012	45,369	303	3,530	49,202
Total Comprehensive Income for the period		19	11,290	11,309
Balance as at 30 June 2012	45,369	322	14,820	60,511
<b>6 MONTHS PERIOD ENDED 30 JUNE 2011</b>				
Balance as at 1 January 2011	58,726	276	(31,401)	27,601
Total Comprehensive Income for the period		(10)	(308)	(318)
Balance as at 30 June 2011	58,726	266	(31,709)	27,283

**(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)**



**UNAUDITED 2<sup>nd</sup> QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**

	<b>Current year-to-date ended 30.06.2012 (RM'000)</b>	<b>Corresponding year-to-date ended 30.06.2011 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	12,276	262
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	659	624
Non-cash items	(218)	-
Operating Profit Before Working Capital Changes	12,717	886
Changes in working capital :		
Net change in operating assets	(26,914)	(6,570)
Net change in operating liabilities	38,005	6,179
Net Cash Generated From Operations	23,808	495
Income tax paid	(383)	(171)
Interest received/(paid)	228	(3)
Net Cash Generated From Operating Activities	23,653	321
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Other investment	(188)	(410)
Net Cash Used In Investing Activity	(188)	(410)
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Repayment of borrowings, net	-	(215)
Net Cash Used In Financing Activity	-	(215)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	23,465	(304)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	19	(10)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	13,652	5,055
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	37,136	4,741

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)



**FUTUTECH BERHAD (122592-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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**INFORMATION REQUIRED BY FINANCIAL REPORTING STANDARD (FRS) 134**

**A1. Corporate Information**

Fututech Berhad is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1 (2nd Floor) Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

**A2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

These condensed consolidated interim financial statements, for the period ended 30 June 2012, have been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board. For the period up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The transition from FRS to MFRS has not had a material impact to the Group as the accounting policies adopted under the previous FRS Framework were already in line with the requirements of the MFRS framework.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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**A3. Audit Report**

The audited financial statements for the preceding financial year ended 31 December 2011 were not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

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

**A5. Unusual Items**

There were no unusual items for the current quarter under review and financial period that affecting the assets, liabilities, equity, net income or cashflow of the Group.

**A6. Changes in Estimates**

There were no significant changes in estimates that have a material effect to the current quarter under review and financial period.

**A7. Debt and Equity Securities**

There were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Group for the financial period.

**A8. Dividends Paid**

No dividend has been paid during the financial period.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

**A9. Segmental Information**

**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	Construction (RM'000)	Manufacturing (RM'000)	Others (RM'000)	Eliminated (RM'000)	Total (RM'000)
External Revenue	124,653	1,431	-	-	126,084
Inter Segment Revenue	54,933	2,950	-	(57,883)	-
	179,586	4,381	-	(57,883)	126,084

**RESULTS**

Segment Results	9,916	1,641	(267)	-	11,290
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**OTHER INFORMATION**

Segment Assets	111,175	119,725	34,324	(123,324)	141,900
Segment Liabilities	159,159	66,227	40,956	(184,953)	81,389

**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

	Construction (RM'000)	Manufacturing (RM'000)	Others (RM'000)	Eliminated (RM'000)	Total (RM'000)
External Revenue	38,077	2,762	-	-	40,839
Inter Segment Revenue	4,628	487	-	(5,115)	-
	42,705	3,249	-	(5,115)	40,839

**RESULTS**

Segment Results	1,717	(1,754)	(270)	-	(308)
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**OTHER INFORMATION**

Segment Assets	22,437	29,532	20,571	(31,189)	41,351
Segment Liabilities	20,039	45,101	40,969	(92,040)	14,069





NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

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**A9. Segmental Information (contd.)**

As the business of the Group is engaged entirely in Malaysia, no reporting by geographical location of operation is presented.

For management purposes, the Group is organised into business units based on their products and services, and has three (3) reportable operating segments as follow:

- (i) Construction - Supply and installation of aluminium and glazing works, stone works, interior fixtures, fittings, lightings, cabinetry and related products, provision of contract workmanship and general building works and related services.
- (ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.
- (iii) Others - Investment holding and dormant companies

**Segment performance for the current financial period ended June 2012 as compared to previous financial period ended June 2011**

**(i) Construction**

Construction segment recorded a significant increase in revenue by RM86.58 million due mainly to higher revenue recognised as projects reach full swing during current financial period as compared to previous financial period. With the growth in revenue, segment result improved from RM1.72 million in previous financial period ended June 2011 to RM9.92 million in current financial period ended June 2012, representing an increase of RM8.20 million.

**(ii) Manufacturing**

Manufacturing segment recorded a revenue of RM1.43 million for the current financial period as compared to previous financial period of RM2.76 million. Despite the reduction in revenue, with effective cost and resources management and better margin, the segment result improved from a loss of RM1.75 million in previous financial period ended June 2011 to a net profit of RM1.64 million in current financial period ended June 2012.

**(iii) Others**

Others refer to investment holding and dormant companies. Segmental loss of RM267 thousand during current financial period due to operating expenses incurred.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

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**A10. Profit Before Tax**

	Individual Quarter ended 30.06.2012 (RM'000)	Cumulative Quarter ended 30.06.2012 (RM'000)
Amortisation and depreciation of property, plant and equipment	327	659
Interest income	174	228
Realised foreign exchange loss	(25)	(10)

Other than the above items, there were no exceptional items, inventories written down and written off and allowance for impairment loss on investment properties for the current quarter under review.

**A11. Subsequent Events**

As at the date of this report, there were no material events subsequent to the balance sheet date that affect the results of the Group for the financial period.

**A12. Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial period except that on 29 May 2012, the Company has acquired two (2) ordinary shares of RM1.00 each in Bazarbayu Sdn Bhd ("Bazarbayu"), representing 100% of the issued and paid-up share capital of Bazarbayu for a total consideration of RM2.00. The acquisition would not have a material effect on the consolidated earnings and net assets for the financial year ending 31 December 2012.

**A13. Changes in Contingent Liabilities or Contingent Assets**

As at the date of this report, the Company has given corporate guarantees amounting to RM4.5 million for credit facilities granted to certain subsidiary companies.

Other than as disclosed above, there were no other changes in the contingent liabilities or assets since the last financial year ended 31 December 2011.

**A14. Capital Commitments**

As at the date of this report, the Group has no material capital commitments.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

**B1. Review of Performance**

For the current quarter under review, the Group posted a revenue of RM46.20 million as compared to RM27.91 million in the same corresponding quarter of 2011, representing an increase of RM18.29 million or 65.53%. The positive growth in revenue was driven by stronger performance from the construction segment on the back of higher revenue recognised, specifically from a project that is approaching its completion stage during the current quarter under review. In tandem with higher revenue recorded, the Group registered a pre-tax profit of RM6.06 million as compared to RM667 thousand in the same corresponding quarter of 2011, representing an increase of RM5.39 million.

As a result of the accelerated momentum of construction activities, the Group's pre-tax profit improved significantly from RM262 thousand for the six months ended 30 June 2011 to RM12.28 million for the six months ended 30 June 2012.

**B2. Material Change in Results of Current Quarter Compared with Preceding Quarter**

	<b>Current Quarter ended 30.06.2012 (RM'000)</b>	<b>Preceding Quarter ended 31.03.2012 (RM'000)</b>
Revenue	46,199	79,885
Profit before tax	6,060	6,216

For the current quarter under review, the Group posted a revenue of RM46.20 million and a pre-tax profit of RM6.06 million as compared to its immediate preceding quarter ended 31 March 2012 where revenue and pre-tax profit was RM79.89 million and RM6.22 million respectively. The decrease in revenue and pre-tax profit was due mainly to lower revenue recognised from one project that is near its completion stage.

**B3. Current Year Prospects**

With the Group's construction segment delivering positive growth. The Group will continue to explore other business and investment opportunities to improve its long term growth. Barring unforeseen circumstances and with the construction sector remaining generally optimistic in the country, the Group maintains a cautiously positive outlook in achieving satisfactory performance going forward.

**B4. Profit Forecast**

There were no profit forecast prepared or profit guarantee made by the Group.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

**B5. Taxation**

	Individual Quarter ended 30.06.2012 (RM'000)	Cumulative Quarter ended 30.06.2012 (RM'000)
Malaysia income tax		
- current year	127	543
- in respect of previous years	(285)	(285)
	<u>(158)</u>	<u>258</u>
Deferred tax	728	728
	<u>570</u>	<u>986</u>

The effective tax rate of the Group is lower than the statutory tax rate of 25% due mainly to the utilisation of tax losses brought forward. Deferred tax expense arose from the reversal of deferred tax assets that previously recognised on unabsorbed business losses brought forward.

**B6. Quoted Securities**

Investments in quoted securities as at 30 June 2012 are as follows:

	RM
At cost	19,800
At carrying value	2,310
At market value	2,310

**B7. Group Borrowings and Debt Securities**

There were no borrowings and debts securities as at the financial period.

**B8. Status of Corporate Proposals announced**

As at the date of this report, there were no corporate proposals announced but not completed.

**B9. Changes in Material Litigation**

As at the date of this report, there were no pending material litigation for the Group.

**B10. Dividends**

No interim dividend has been declared for the financial period.

**B11. Derivatives and Fair Value Changes of Financial Liabilities**

(a) There were no derivatives as at the financial period.

(b) There were no fair value gain/(loss) on fair value changes of financial liabilities for the current quarter under review and financial period.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

**B12. Earnings Per Share**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
<b>Earnings</b>				
Profit / (Loss) attributable to equity holders of the Company (RM'000)	5,490	184	11,290	(308)
<b>a) Basic</b>				
Weighted average number of ordinary shares ('000)	90,737	58,726	90,737	58,726
<b>Basic Profit/(losses) per share attributable to equity holders of the Company (Sen)</b>	6.05	0.31	12.44	(0.52)
<b>b) Diluted</b>				
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



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

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**B13. Realised and Unrealised Profits / Losses Disclosure**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") had issued directives to all listed issuers pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into unrealised profits or losses.

Bursa Securities, had on 20 December 2010 further issued guidance on the disclosure and the prescribed format of presentation.

Pursuant to the directives issued, the disclosure of the Group's realised and unrealised profits / losses is as follows:

	As at 31.06.2012 (RM'000)	As at 31.12.2011 (RM'000)
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(51,220)	(61,900)
- Unrealised	748	159
	<u>(50,472)</u>	<u>(61,741)</u>
Add: Consolidated Adjustments	65,292	65,271
Total Group accumulated profits	<u>14,820</u>	<u>3,530</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profit is solely for the purpose of complying with the disclosure requirements stipulated in the directives of Bursa Securities and not to be applied for any other purposes.