



**FUTUTECH BERHAD (122592-U)**

(Incorporated in Malaysia)

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

|                                                                    | Individual Quarter                              |                                                       | Cumulative Quarter                                                  |                                                                          |
|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------|
|                                                                    | Current quarter ended<br>31.12.2013<br>(RM'000) | Corresponding quarter ended<br>31.12.2012<br>(RM'000) | Current year-to-date ended<br>31.12.2013<br>(RM'000)<br>(UNAUDITED) | Corresponding year-to-date ended<br>31.12.2012<br>(RM'000)<br>(RESTATED) |
| 1 Revenue                                                          | 10,551                                          | 10,023                                                | 41,996                                                              | 158,174                                                                  |
| 2 Cost of sales                                                    | (6,528)                                         | (2,634)                                               | (25,971)                                                            | (129,407)                                                                |
| 3 Gross profit                                                     | 4,023                                           | 7,389                                                 | 16,025                                                              | 28,767                                                                   |
| 4 Other income                                                     | 621                                             | 1,471                                                 | 2,517                                                               | 1,968                                                                    |
| 5 Other expenses                                                   | (878)                                           | (2,466)                                               | (3,217)                                                             | (5,907)                                                                  |
| 6 Profit from operations                                           | 3,766                                           | 6,394                                                 | 15,325                                                              | 24,828                                                                   |
| 7 Finance cost                                                     | (337)                                           | (1,005)                                               | (337)                                                               | (1,005)                                                                  |
| 8 Profit before tax                                                | 3,429                                           | 5,389                                                 | 14,988                                                              | 23,823                                                                   |
| 9 Taxation                                                         | (905)                                           | 804                                                   | (3,807)                                                             | (401)                                                                    |
| 10 Profit for the year                                             | 2,524                                           | 6,193                                                 | 11,181                                                              | 23,422                                                                   |
| <b>Attributable to :</b>                                           |                                                 |                                                       |                                                                     |                                                                          |
| Equity holders of the Company                                      | 2,524                                           | 6,193                                                 | 11,181                                                              | 23,422                                                                   |
| 11 Profit per share attributable to equity holders of the Company: |                                                 |                                                       |                                                                     |                                                                          |
| (i) Basic earnings per ordinary shares (sen)                       | 2.78                                            | 6.83                                                  | 12.32                                                               | 25.81                                                                    |
| (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 2012 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|                                            | Individual Quarter                              |                                                       | Cumulative Quarter                                   |                                                            |
|--------------------------------------------|-------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------|
|                                            | Current quarter ended<br>31.12.2013<br>(RM'000) | Corresponding quarter ended<br>31.12.2012<br>(RM'000) | Current year-to-date ended<br>31.12.2013<br>(RM'000) | Corresponding year-to-date ended<br>31.12.2012<br>(RM'000) |
| 1 Profit for the year                      | 2,524                                           | 6,193                                                 | 11,181                                               | 23,422                                                     |
| 2 Other Comprehensive Income/(Expense):    |                                                 |                                                       |                                                      |                                                            |
| - Foreign currency translation differences | 11                                              | 30                                                    | (3)                                                  | 8                                                          |
| 3 Total comprehensive income for the year  | <u>2,535</u>                                    | <u>6,223</u>                                          | <u>11,178</u>                                        | <u>23,430</u>                                              |
| <b>Attributable to :</b>                   |                                                 |                                                       |                                                      |                                                            |
| Equity holders of the Company              | <u>2,535</u>                                    | <u>6,223</u>                                          | <u>11,178</u>                                        | <u>23,430</u>                                              |

**(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 2012 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|                                                             | <b>As at<br/>31.12.2013<br/>(RM'000)<br/>(UNAUDITED)</b> | <b>As at<br/>31.12.2012<br/>(RM'000)<br/>(AUDITED)</b> |
|-------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|
| <b>ASSETS</b>                                               |                                                          |                                                        |
| <b>Non Current Assets</b>                                   |                                                          |                                                        |
| Property, Plant and Equipment                               | 6,663                                                    | 7,075                                                  |
| Other Investments                                           | 43                                                       | 43                                                     |
| Intangible Assets                                           | 37                                                       | 51                                                     |
| Trade Debtors                                               | 7,667                                                    | 6,854                                                  |
| Deferred tax assets                                         | 377                                                      | 2,184                                                  |
|                                                             | 14,787                                                   | 16,207                                                 |
| <b>Current Assets</b>                                       |                                                          |                                                        |
| Inventories                                                 | 2,769                                                    | 2,389                                                  |
| Trade Debtors                                               | 10,036                                                   | 48,215                                                 |
| Property Development Costs                                  | 10,607                                                   | -                                                      |
| Other Debtors, Deposits and Prepayments                     | 9,959                                                    | 2,283                                                  |
| Tax Recoverables                                            | 487                                                      | 805                                                    |
| Cash and Bank Balances                                      | 59,114                                                   | 60,759                                                 |
|                                                             | 92,972                                                   | 114,451                                                |
| <b>TOTAL ASSETS</b>                                         | <b>107,759</b>                                           | <b>130,658</b>                                         |
| <b>EQUITY AND LIABILITIES</b>                               |                                                          |                                                        |
| <b>Equity Attributable to Equity Holders of the Company</b> |                                                          |                                                        |
| Share Capital                                               | 45,369                                                   | 45,369                                                 |
| Other Reserves                                              | 308                                                      | 311                                                    |
| Accumulated Profit                                          | 35,411                                                   | 26,952                                                 |
|                                                             | 81,088                                                   | 72,632                                                 |
| <b>Non Current Liabilities</b>                              |                                                          |                                                        |
| Trade Payables                                              | 4,433                                                    | 3,616                                                  |
| Deferred tax liabilities                                    | 445                                                      | -                                                      |
| Other Payables                                              | -                                                        | 20                                                     |
|                                                             | 4,878                                                    | 3,636                                                  |
| <b>Current Liabilities</b>                                  |                                                          |                                                        |
| Trade Payables                                              | 7,783                                                    | 19,932                                                 |
| Other Payables, Accruals and Liabilities                    | 14,010                                                   | 34,434                                                 |
| Provision for Taxation                                      | -                                                        | 24                                                     |
|                                                             | 21,793                                                   | 54,390                                                 |
| <b>Total Liabilities</b>                                    | <b>26,671</b>                                            | <b>58,026</b>                                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         | <b>107,759</b>                                           | <b>130,658</b>                                         |

|                                                                     |      |      |
|---------------------------------------------------------------------|------|------|
| Net Assets Per Share (based on ordinary shares of RM0.50 each) (RM) | 0.89 | 0.80 |
|---------------------------------------------------------------------|------|------|

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|                                         | <b>Attributable to Equity Holders of the Company</b> |                                      |                                           | <b>Total Equity<br/>RM'000</b> |
|-----------------------------------------|------------------------------------------------------|--------------------------------------|-------------------------------------------|--------------------------------|
|                                         | <b>&lt;----- Non-Distributable -----&gt;</b>         |                                      |                                           |                                |
|                                         | <b>Share Capital<br/>RM'000</b>                      | <b>Other<br/>Reserves<br/>RM'000</b> | <b>Accumulated<br/>Profits<br/>RM'000</b> |                                |
| Balance as at 1 January 2013            | 45,369                                               | 311                                  | 26,952                                    | 72,632                         |
| Total Comprehensive Income for the year | -                                                    | (3)                                  | 11,181                                    | 11,178                         |
| Dividend paid during the year           | -                                                    | -                                    | (2,722)                                   | (2,722)                        |
| Balance as at 31 December 2013          | 45,369                                               | 308                                  | 35,411                                    | 81,088                         |
| Balance as at 1 January 2012            | 45,369                                               | 303                                  | 3,530                                     | 49,202                         |
| Total Comprehensive Income for the year | -                                                    | 8                                    | 23,422                                    | 23,430                         |
| Balance as at 31 December 2012          | 45,369                                               | 311                                  | 26,952                                    | 72,632                         |

**(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012 and the accompanying explanatory notes attached to the Interim Financial Statements)**



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

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**

|                                                                 | <b>Current<br/>year-to-date<br/>ended<br/>31.12.2013<br/>(RM'000)</b> | <b>Corresponding<br/>year-to-date<br/>ended<br/>31.12.2012<br/>(RM'000)</b> |
|-----------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                                                                       |                                                                             |
| Profit before tax                                               | 14,988                                                                | 23,823                                                                      |
| Adjustment for :                                                |                                                                       |                                                                             |
| Amortisation and depreciation of property, plant and equipments | 1,077                                                                 | 1,298                                                                       |
| Non-cash items                                                  | (1,353)                                                               | 397                                                                         |
| Operating Profit Before Working Capital Changes                 | <u>14,712</u>                                                         | <u>25,518</u>                                                               |
| Changes in working capital :                                    |                                                                       |                                                                             |
| Net change in operating assets                                  | 23,680                                                                | 5,554                                                                       |
| Net change in operating liabilities                             | (37,068)                                                              | 16,746                                                                      |
| Net Cash Generated From Operations                              | <u>1,324</u>                                                          | <u>47,818</u>                                                               |
| Income tax paid                                                 | (1,739)                                                               | (1,801)                                                                     |
| Income tax refunded                                             | 480                                                                   | 518                                                                         |
| Interest received                                               | 1,754                                                                 | 790                                                                         |
| Net Cash Generated From Operating Activities                    | <u>1,819</u>                                                          | <u>47,325</u>                                                               |
| <b>CASH FLOW FROM INVESTING ACTIVITY</b>                        |                                                                       |                                                                             |
| Acquisition of property, plant and equipments                   | (739)                                                                 | (226)                                                                       |
| Net Cash Used In Investing Activity                             | <u>(739)</u>                                                          | <u>(226)</u>                                                                |
| <b>CASH FLOW FROM FINANCING ACTIVITY</b>                        |                                                                       |                                                                             |
| Dividend paid during the year                                   | (2,722)                                                               | -                                                                           |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>     | <u>(1,642)</u>                                                        | <u>47,099</u>                                                               |
| <b>EFFECT OF EXCHANGE RATE CHANGES</b>                          | (3)                                                                   | 8                                                                           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>           | 60,759                                                                | 13,652                                                                      |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                 | <u>59,114</u>                                                         | <u>60,759</u>                                                               |

**(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012 and the accompanying explanatory notes attached to the Interim Financial Statements)**



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**INFORMATION REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 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. Malaysian Financial Reporting Standards ("MFRS")**

These condensed consolidated interim financial statements, for the year ended 31 December 2013, 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.

These condensed consolidated interim financial statements have been prepared by applying accounting policies and method of computation consistent with those used in the preparation of the audited financial statements of the Group as at 31 December 2012, except for the adoption of the following new and revised Standards and Amendments.

| <u>Description</u>                                                                                                               | <u>Effective for annual period<br/>beginning on or after</u> |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| MFRS 7 Financial Instruments : Disclosures [Amendments relating to Mandatory Effective Date of MFRS 9 and Transition Disclosure] | 1 March 2012                                                 |
| MFRS 7 Financial instruments : Disclosures [Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities]    | 1 January 2013                                               |
| MFRS 10 Consolidated Financial Statements                                                                                        | 1 January 2013                                               |
| MFRS 10 Consolidated Financial Statements [Amendments relating to Transition Guidance]                                           | 1 January 2013                                               |
| MFRS 11 Joint Arrangements                                                                                                       | 1 January 2013                                               |
| MFRS 11 Joint Arrangements [Amendments relating to Transition Guidance]                                                          | 1 January 2013                                               |
| MFRS 12 Disclosures of Interests in Other Entities                                                                               | 1 January 2013                                               |
| MFRS 12 Disclosures of Interests in Other Entities [Amendments relating to Transition Guidance]                                  | 1 January 2013                                               |
| MFRS 13 Fair Value Measurement                                                                                                   | 1 January 2013                                               |
| MFRS 101 Presentation of Financial Statements [Amendments relating to Presentation of Items of Other Comprehensive Income]       | 1 July 2012                                                  |
| MFRS 119 Employee Benefits [IAS 19 as amended by IASB in June 2011]                                                              | 1 January 2013                                               |
| MFRS 127 Separate Financial Statements [IAS 27 as amended by IASB in May 2011]                                                   | 1 January 2013                                               |



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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**A2. Malaysian Financial Reporting Standards ("MFRS") (cont'd)**

| <u>Description</u>                                                                            | <u>Effective for annual period beginning on or after</u> |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|
| MFRS 128 Investments in Associates and Joint Ventures [IAS 28 as amended by IASB in May 2011] | 1 January 2013                                           |
| Amendments to MFRS contained in the document entitled Annual Improvements 2009 - 2011 cycle   | 1 January 2013                                           |

The adoption of abovementioned Standards and Amendments does not have material impact on the financial statements of the Group and of the Company excepts for more extensive disclosures in the financial statements.

**A3. Audit Report**

The audited financial statements for the preceding financial year ended 31 December 2012 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 in the current quarter under review and financial year 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 the financial year.

**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 during the financial year.

**A8. Dividends Paid**

On 19 November 2013, the Board of Directors has approved an interim dividend of 8% per ordinary share (based on ordinary share of RM0.50 each), less taxation of 25%, in respect of the financial year ending 31 December 2013. The total net amount of RM2.72 million was paid on 13 December 2013.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**A9. Segmental Information**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

|                       | <b>Construction<br/>(RM'000)</b> | <b>Manufacturing<br/>(RM'000)</b> | <b>Others<br/>(RM'000)</b> | <b>Elimination<br/>(RM'000)</b> | <b>Total<br/>(RM'000)</b> |
|-----------------------|----------------------------------|-----------------------------------|----------------------------|---------------------------------|---------------------------|
| External Revenue      | 36,071                           | 5,925                             | -                          | -                               | 41,996                    |
| Inter Segment Revenue | 28,524                           | 6,076                             | -                          | (34,600)                        | -                         |
|                       | 64,595                           | 12,001                            | -                          | (34,600)                        | 41,996                    |

**RESULTS**

|                   |        |     |       |   |        |
|-------------------|--------|-----|-------|---|--------|
| Segmental Results | 10,785 | 830 | (434) | - | 11,181 |
|-------------------|--------|-----|-------|---|--------|

**OTHER INFORMATION**

|                       |        |        |        |           |         |
|-----------------------|--------|--------|--------|-----------|---------|
| Segmental Assets      | 64,660 | 87,593 | 47,448 | (91,942)  | 107,759 |
| Segmental Liabilities | 66,094 | 60,808 | 53,523 | (153,754) | 26,671  |

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

|                       | <b>Construction<br/>(RM'000)</b> | <b>Manufacturing<br/>(RM'000)</b> | <b>Others<br/>(RM'000)</b> | <b>Elimination<br/>(RM'000)</b> | <b>Total<br/>(RM'000)</b> |
|-----------------------|----------------------------------|-----------------------------------|----------------------------|---------------------------------|---------------------------|
| External Revenue      | 155,309                          | 2,865                             | -                          | -                               | 158,174                   |
| Inter Segment Revenue | 116,487                          | 14,750                            | -                          | (131,237)                       | -                         |
|                       | 271,796                          | 17,615                            | -                          | (131,237)                       | 158,174                   |

**RESULTS**

|                   |        |       |       |   |        |
|-------------------|--------|-------|-------|---|--------|
| Segmental Results | 24,693 | (821) | (450) | - | 23,422 |
|-------------------|--------|-------|-------|---|--------|

**OTHER INFORMATION**

|                       |         |         |        |           |         |
|-----------------------|---------|---------|--------|-----------|---------|
| Segmental Assets      | 95,206  | 113,009 | 36,149 | (113,706) | 130,658 |
| Segmental Liabilities | 128,661 | 62,333  | 42,191 | (175,159) | 58,026  |

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



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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

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, properties development and dormant companies.

**Segment performance for the financial year ended 31 December 2013 as compared to corresponding preceding year ended 31 December 2012**

**(i) Construction**

The construction segment recorded a revenue of RM36.07 million for the current financial year under review as compared to the corresponding preceding financial year of RM155.31 million. Decrease in revenue recognised in current financial year was mainly due to lower construction activities as two projects have been completed whilst other projects are nearing finalisation or had commenced at the beginning of the current financial year. This is compared to the corresponding preceding year where all projects were in full swing. Segmental profit decreased from RM24.69 million in the corresponding preceding year to segmental profit of RM10.79 million for the current year, representing a decrease of RM13.91 million.

**(ii) Manufacturing**

Manufacturing segment recorded a revenue of RM5.93 million for the current financial year as compared to the corresponding preceding year of RM2.87 million. Coupled with the increase in revenue, the segmental result has improved from a loss of RM821 thousand in the corresponding preceding year to a profit of RM830 thousand in the current financial year, representing an increase of approximately RM1.65 million. The inter-segment revenue was derived from progressive revenue of manufacturing of kitchen cabinetry and related products to inter-company for construction purpose. These have been eliminated at the group level.

**(iii) Others**

Others refer to investment holding, properties development and dormant companies. Segmental loss of RM434 thousand being the operating expenses incurred during the year.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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**A10. Profit Before Tax**

|                                                                | <b>Individual<br/>Quarter<br/>31.12.2013<br/>(RM'000)</b> | <b>Cumulative<br/>Quarter<br/>31.12.2013<br/>(RM'000)</b> |
|----------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Amortisation and depreciation of property, plant and equipment | 275                                                       | 1,077                                                     |
| Interest income                                                | 372                                                       | 1,754                                                     |
| Realised foreign exchange (gain)/loss                          | (23)                                                      | 7                                                         |
| Stocks written off                                             | 181                                                       | 181                                                       |

Other than the above items, there were no exceptional items that affecting the assets, liabilities, equity, net income or cashflow of the Group during the current quarter under review and the financial year.

**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 year.

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

Saved as disclosed below, there were no changes in the composition of the Group during the financial year.

- a) On 2 July 2013, the Company has acquired two (2) ordinary shares of USD1.00 each in Aurizon Investments Limited ("Aurizon") that incorporated and domiciled in British Virgin Islands, representing 100% of the issued and paid-up share capital of Aurizon for a total consideration of USD2.00.
- b) On 28 August 2013, the Company has incorporated its wholly-owned subsidiary namely, FutuProp Sdn Bhd ("FutuProp"). The authorised share capital of FutuProp is RM400,000 divided into 400,000 ordinary shares of RM1.00 each with a total issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. The intended business activity of FutuProp is investment holding. On the same day, FutuProp has acquired two (2) ordinary shares of RM1.00 each in Segi Rancak Sdn Bhd ("SRSB"), representing 100% of the issued and paid-up share capital of SRSB for a total consideration of RM2.00.

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

As at the date of this report, the Company has given corporate guarantees amounting to RM9.26 million for credit facilities granted to certain subsidiary companies or in lieu of performance bond requested by client.

Other than as disclosed above, there were no other changes in the contingent liabilities or assets since the last financial year ended 31 December 2012.

**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 YEAR ENDED 31 DECEMBER 2013**

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

**B1. Review of Performance**

For the current individual quarter under review, the Group recorded a revenue of RM10.55 million as compared to the corresponding preceding year individual quarter of RM10.02 million. Profit Before Tax ("PBT") in the corresponding preceding year quarter was higher than PBT in current quarter under review of RM3.43 million by approximately RM1.96 million, as a result of better margin achieved from deliverables of kitchen cabinetry works in the corresponding preceding year quarter.

PBT of the Group for financial year ended 31 December 2013 stood at RM15.00 million, representing a reduction of RM8.83 million as compared to its previous year to date PBT of RM23.83 million. Finalisation of a few construction projects have contributed profits to the current financial year. However, lower construction activities from on-going projects and preliminary expenses incurred in preparation for securing prospective projects has lowered the overall PBT of the current financial year.

**B2. Change in Results of Current Quarter Compared to Preceding Quarter**

|                   | <b>Current<br/>Quarter ended<br/>31.12.2013<br/>(RM'000)</b> | <b>Preceding<br/>Quarter ended<br/>30.09.2013<br/>(RM'000)</b> |
|-------------------|--------------------------------------------------------------|----------------------------------------------------------------|
| Revenue           | 10,551                                                       | 7,044                                                          |
| Profit before tax | 3,429                                                        | 2,719                                                          |

For the current quarter under review, the Group recorded a revenue of RM10.55 million as compared to RM7.04 million in its immediate preceding quarter. PBT has increased marginally by approximately RM710 thousand as a result of preliminary expenses being incurred in preparation for securing prospective projects, amongst others, has lowered the overall PBT.

**B3. Current Year Prospects**

The Group's performance remains satisfactory for the year 2013 notwithstanding that the overall Group's revenue and profitability had declined due to the completion and nearing completion of many previous construction projects.

With main activities in 2013 centered on pre-development works on the earlier announced land purchases, we will continue to explore new construction and property development opportunities whilst targeting the launch of the Group's maiden property development projects in 2014.

Barring any unforeseen circumstances, the Group is cautiously optimistic of its overall business 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 YEAR ENDED 31 DECEMBER 2013**

**B5. Taxation**

|                                | <b>Individual<br/>Quarter<br/>31.12.2013<br/>(RM'000)</b> | <b>Cumulative<br/>Quarter<br/>31.12.2013<br/>(RM'000)</b> |
|--------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Malaysia income tax            |                                                           |                                                           |
| - current year                 | 859                                                       | 1,550                                                     |
| - in respect of previous years | -                                                         | 5                                                         |
|                                | <u>859</u>                                                | <u>1,555</u>                                              |
| Deferred tax                   |                                                           |                                                           |
| - current year                 | 46                                                        | 2,286                                                     |
| - in respect of previous years | -                                                         | (34)                                                      |
|                                | <u>905</u>                                                | <u>3,807</u>                                              |

The effective tax rate of the Group for income tax in the current financial year is lower than the statutory tax rate of 25% due mainly to the utilisation of tax losses and capital allowances brought forward.

**B6. Quoted Securities**

There were no quoted securities as at the financial year.

**B7 Group Borrowings and Debt Securities**

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

**B8. Status of Corporate Proposals announced**

On 28 March 2013, the shareholders of the Company have at the Extraordinary General Meeting passed the resolution on proposed acquisition of land by Senandung Raya Sdn Bhd, a wholly-owned subsidiary of the Company, which measuring approximately 35,310 square metres held under PN 48543 Lot 10333 Mukim Bukit Raja, Daerah Petaling Jaya Selangor for a total purchase consideration of RM16,500,000 by way of a show of hands. The details of the proposal was previously disclosed in the interim financial report of the financial year ended 31 December 2012.

Saved as disclosed above, there is no other corporate proposal announced but not complete.

**B9. Changes in Material Litigation**

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

**B10. Dividends**

No dividend has been declared subsequent to 19 November 2013.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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

- (a) There were no derivatives as at the current quarter under review and financial year.
- (b) There were no fair value gain/(loss) on fair value changes of financial liabilities for the current quarter under review and financial year.

**B12. Sales of unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties as at the financial year.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**B13. Earnings Per Share**

|                                                                                                       | Individual Quarter Ended |            | Cumulative Quarter Ended |            |
|-------------------------------------------------------------------------------------------------------|--------------------------|------------|--------------------------|------------|
|                                                                                                       | 31.12.2013               | 31.12.2012 | 31.12.2013               | 31.12.2012 |
| <b>Earnings</b>                                                                                       |                          |            |                          |            |
| Profit attributable to equity holders of the Company (RM'000)                                         | 2,524                    | 6,193      | 11,181                   | 23,422     |
| <b>a) Basic</b>                                                                                       |                          |            |                          |            |
| Weighted average number of ordinary shares ('000)                                                     | 90,737                   | 90,737     | 90,737                   | 90,737     |
| <b>Basic Profit per share attributable to equity holders of the Company (Sen)</b>                     | 2.78                     | 6.83       | 12.32                    | 25.81      |
| <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



**FUTUTECH BERHAD (122592-U)**

**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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**B14. Realised and Unrealised Profit / 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 profit / losses is as follows:

|                                        | <b>As at<br/>31.12.2013<br/>(RM'000)</b> | <b>As at<br/>31.12.2012<br/>(RM'000)</b> |
|----------------------------------------|------------------------------------------|------------------------------------------|
| Total accumulated losses of the Group: |                                          |                                          |
| - Realised                             | (26,921)                                 | (38,295)                                 |
| - Unrealised                           | 2,340                                    | 205                                      |
|                                        | <u>(24,581)</u>                          | <u>(38,090)</u>                          |
| Less: Consolidated Adjustments         | 59,992                                   | 65,042                                   |
| Total accumulated profits              | <u>35,411</u>                            | <u>26,952</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.