



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

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2014 (RM'000) (UNAUDITED)	Corresponding quarter ended 31.03.2013 (RM'000) (UNAUDITED)	Current year-to-date ended 31.03.2014 (RM'000) (UNAUDITED)	Corresponding year-to-date ended 31.03.2013 (RM'000) (UNAUDITED)
1 Revenue	11,457	14,287	11,457	14,287
2 Cost of sales	(7,100)	(8,624)	(7,100)	(8,624)
3 Gross profit	4,357	5,663	4,357	5,663
4 Other income	530	354	530	354
5 Administrative and staffs expenses	(878)	(790)	(878)	(790)
6 Profit from operations	4,009	5,227	4,009	5,227
7 Finance cost	-	-	-	-
8 Profit before tax	4,009	5,227	4,009	5,227
9 Taxation	(1,057)	(1,208)	(1,057)	(1,208)
10 Profit for the period	2,952	4,019	2,952	4,019
Attributable to :				
Equity holders of the Company	2,952	4,019	2,952	4,019
11 Profit per share attributable to equity holders of the Company:				
Basic earnings per ordinary shares				
(i) (sen)	3.25	4.43	3.25	4.43
Diluted earnings per ordinary shares				
(ii) (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 2013 and the accompanying explanatory notes attached to the Interim Financial Statements)



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UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2014 (RM'000)	Corresponding quarter ended 31.03.2013 (RM'000)	Current year-to-date ended 31.03.2014 (RM'000)	Corresponding year-to-date ended 31.03.2013 (RM'000)
1 Profit for the period	2,952	4,019	2,952	4,019
2 Other Comprehensive Income/(Expense):				
- Foreign currency translation differences	(10)	(17)	(10)	(17)
3 Total comprehensive income for the period	<u>2,942</u>	<u>4,002</u>	<u>2,942</u>	<u>4,002</u>
Attributable to :				
Equity holders of the Company	<u>2,942</u>	<u>4,002</u>	<u>2,942</u>	<u>4,002</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 2013 and the accompanying explanatory notes attached to the Interim Financial Statements)



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UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2014 (RM'000) (UNAUDITED)	As at 31.12.2013 (RM'000) (AUDITED)
ASSETS		
Non Current Assets		
Property, Plant and Equipment	7,299	6,721
Other Investments	43	43
Intangible Assets	34	37
Trade Debtors	7,667	7,667
Deferred tax assets	344	334
	15,387	14,802
Current Assets		
Inventories	3,607	2,769
Trade Debtors	12,655	10,036
Property Development Costs	27,353	10,607
Other Debtors, Deposits and Prepayments	14,387	9,960
Tax Recoverables	189	707
Cash and Bank Balances	32,844	59,114
	91,035	93,193
TOTAL ASSETS	106,422	107,995
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	45,369	45,369
Other Reserves	297	307
Accumulated Profit	38,676	35,724
	84,342	81,400
Non Current Liabilities		
Trade Payables	4,851	4,155
Deferred tax liabilities	407	368
Other Payables	-	-
	5,258	4,523
Current Liabilities		
Trade Payables	8,077	8,060
Other Payables, Accruals and Liabilities	8,505	14,012
Provision for Taxation	240	-
	16,822	22,072
Total Liabilities	22,080	26,595
TOTAL EQUITY AND LIABILITIES	106,422	107,995

Net Assets Per Share (based on ordinary shares of RM0.50 each) (RM)	0.93	0.90
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(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013 and the accompanying explanatory notes attached to the Interim Financial Statements)



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UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company			Total Equity RM'000
	<----- Non-Distributable ----->			
	Share Capital RM'000	Other Reserves RM'000	Accumulated Profits RM'000	
3 MONTHS PERIOD ENDED 31 MARCH 2014				
Balance as at 1 January 2014	45,369	307	35,724	81,400
Total Comprehensive Income for the period	-	(10)	2,952	2,942
Balance as at 31 March 2014	45,369	297	38,676	84,342
3 MONTHS PERIOD ENDED 31 MARCH 2013				
Balance as at 1 January 2013	45,369	311	26,951	72,631
Total Comprehensive Income for the period	-	(17)	4,019	4,002
Balance as at 31 March 2013	45,369	294	30,970	76,633

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013 and the accompanying explanatory notes attached to the Interim Financial Statements)



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UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	Current year-to-date ended 31.03.2014 (RM'000)	Corresponding year-to-date ended 31.03.2013 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,009	5,227
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	249	262
Non-cash items	(396)	(338)
Operating Profit Before Working Capital Changes	<u>3,862</u>	<u>5,151</u>
Changes in working capital :		
Net change in operating assets	(20,479)	5,309
Net change in operating liabilities	(9,076)	(7,006)
Net Cash (Used in)/Generated From Operations	<u>(25,693)</u>	<u>3,454</u>
Income tax paid	(373)	(99)
Income tax refunded	102	110
Interest received	527	341
Net Cash (Used in)/Generated From Operating Activities	<u>(25,437)</u>	<u>3,806</u>
CASH FLOW FROM INVESTING ACTIVITY		
Acquisition of property, plant and equipments	(823)	(108)
Net Cash Used In Investing Activity	<u>(823)</u>	<u>(108)</u>
CASH FLOW FROM FINANCING ACTIVITY		
	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(26,260)</u>	<u>3,698</u>
EFFECT OF EXCHANGE RATE CHANGES	(10)	(17)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59,114	60,759
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>32,844</u></u>	<u><u>64,440</u></u>

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013 and the accompanying explanatory notes attached to the Interim Financial Statements)



FUTUTECH BERHAD (122592-U)
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UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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 period ended 31 March 2014, 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 2013, except for the adoption of the following new and revised Standards and Amendments.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
MFRS 132 Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)	1st January, 2014
MFRS 136 Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)	1st January, 2014
MFRS 139 Financial Instruments: Recognition and Measurement (Novation of Derivatives and Continuation of Hedge Accounting)	1st January, 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127	1st January, 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127 relating to Investment Entities	1st January, 2014



UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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

The adoption of abovementioned Standards and Amendments will have no material impact to 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 2013 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 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.

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 period.

A8. Dividends Paid

No dividend has been paid during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	11,398	59	-	-	-	11,457
Inter Segment Revenue	4,377	1,603	-	-	(5,980)	-
	15,775	1,662	-	-	(5,980)	11,457

RESULTS

Segmental Results	3,455	(368)	(3)	(113)	(19)	2,952
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OTHER INFORMATION

Segmental Assets	55,039	84,893	27,484	35,617	(96,611)	106,422
Segmental Liabilities	50,395	60,778	27,005	41,797	(157,895)	22,080

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	13,760	527	-	-	-	14,287
Inter Segment Revenue	15,367	1,470	-	-	(16,837)	-
	29,127	1,997	-	-	(16,837)	14,287

RESULTS

Segmental Results	4,438	(278)	-	(141)	-	4,019
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OTHER INFORMATION

Segmental Assets	74,999	105,117	2,512	45,823	(99,317)	129,134
Segmental Liabilities	110,547	59,359	-	43,349	(160,754)	52,501

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 PERIOD ENDED 31 MARCH 2014

A9. Segmental Information (contd.)

For management purposes, the Group is organised into business units based on their products and services, and has three (4) 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) Property Development - Development of residential or commercial properties.

(iv) Others - Investment holding, properties development and dormant companies.

Segment performance for the financial period ended 31 March 2014 as compared to corresponding preceding period ended 31 March 2013

(i) Construction

The construction segment recorded a revenue of RM11.40 million for the current quarter under review as compared to the corresponding preceding financial quarter of RM13.76 million. Slight decrease in revenue recognised in current financial quarter was mainly due to on going projects were just started to accelerate their momentum since the end of previous financial year. This is compared to the corresponding preceding financial quarter where heavier construction activities being carried out in achieving the target completion date of most of the projects. Segmental profit decreased from RM4.44 million in the corresponding preceding financial quarter to segmental profit of RM3.46 million for the current quarter, representing a decrease of RM0.98 million.

(ii) Manufacturing

Manufacturing segment recorded a revenue of RM59 thousand for the current financial quarter as compared to the corresponding preceding quarter of RM527 thousand. The decrease in revenue had lead to the decrease in segmental result from a loss of RM278 thousand in the corresponding preceding financial quarter to a loss of RM368 thousand in the current financial quarter. 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) Property Development

Segmental loss of RM3 thousand being the operating expenses incurred during the financial quarter which were not eligible to be capitalised as property development cost in the statement of financial position.

(iv) Others

Others refer to investment holding and dormant companies. Segmental loss of RM113 thousand being the operating expenses incurred during the financial quarter.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

A10. Profit Before Tax

	Individual Quarter 31.03.2014 (RM'000)	Cumulative Quarter 31.03.2014 (RM'000)
Amortisation and depreciation of property, plant and equipment	249	249
Interest income	527	527
Realised foreign exchange (gain)/loss	-	-

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.

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 quarter under review.

A13. Changes in Contingent Liabilities or Contingent Assets

As at the date of this report, the Company has given corporate guarantees amounting to RM8.55 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 2013.

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 31 MARCH 2014

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 RM11.46 million as compared to the corresponding preceding year individual quarter of RM14.29 million. Coupled with the decrease in revenue, Profit Before Tax ("PBT") of current quarter ended 31 March 2014 was RM4.01 million, representing a decrease of RM1.22 million from its corresponding preceding year individual quarter ended 31 March 2013 of RM5.23 million. Lower margin works from on-going projects and increase in administrative and staff related costs, had amongst others, lead to the overall decrease in PBT of the current financial period.

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

	Current Quarter ended 31.03.2014 (RM'000)	Preceding Quarter ended 31.12.2013 (RM'000)
Revenue	11,457	10,551
Profit before tax	4,009	3,429

For the current quarter under review, the Group recorded a revenue and PBT of RM11.45 million and RM4.01 million respectively as compared to RM10.55 million and RM3.43 million respectively in its immediate preceding quarter. Revenue and PBT have increased marginally in current quarter under review as on going projects have started to accelerate their momentum.

B3. Current Year Prospects

With the completion and nearing completion of many previous construction projects in year 2012/2013, the Group will focus its main activities on property development this year. The Group is targeting to launch its maiden project in the second half of this year and will continue to grow its construction segment while exploring new opportunities to diversify its business prospects.

Barring any unforeseen circumstances, the Group is positive and 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 PERIOD ENDED 31 MARCH 2014

B5. Taxation

	Individual Quarter 31.03.2014 (RM'000)	Cumulative Quarter 31.03.2014 (RM'000)
Malaysia income tax		
- current year	1,028	1,028
- in respect of previous years	-	-
	<u>1,028</u>	<u>1,028</u>
Deferred tax		
- current year	35	35
- in respect of previous years	(6)	(6)
	<u>1,057</u>	<u>1,057</u>

The effective tax rate of the Group for income tax in the current financial period is higher than the statutory tax rate of 25% due mainly to certain expenses not deductible. Accumulated tax losses brought forward from previous years have been fully utilised in financial year 2012/2013.

B6. Quoted Securities

There were no quoted securities as at the financial period.

B7. Group Borrowings and Debt Securities

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

B8. Status of Corporate Proposals announced

There is no corporate proposal announced but not complete as at current quarter under review.

B9. Changes in Material Litigation

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

B10. Dividend

No interim dividend has been declared for the current quarter under review.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

B11. Derivatives and Fair Value Changes of Financial Liabilities

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

B12. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties as at current quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

B13. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Earnings				
Profit attributable to equity holders of the Company (RM'000)	2,952	4,019	2,952	4,019
a) Basic				
Weighted average number of ordinary shares ('000)	90,737	90,737	90,737	90,737
Basic Profit per share attributable to equity holders of the Company (Sen)	3.25	4.43	3.25	4.43
b) Diluted				
Weighted average number of ordinary shares (diluted) ('000)	N/A*	N/A*	N/A*	N/A*
Fully diluted earnings / (losses) per share attributable to equity holders of the parent (Sen)	N/A*	N/A*	N/A*	N/A*

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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:

	As at 31.03.2014 (RM'000)	As at 31.12.2013 (RM'000)
Total accumulated losses of the Group:		
- Realised	(26,407)	(26,597)
- Unrealised	60	2,329
	<u>(26,347)</u>	<u>(24,268)</u>
Less: Consolidated Adjustments	65,023	59,992
Total accumulated profits	<u>38,676</u>	<u>35,724</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.