

UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2014 (RM'000) (UNAUDITED)	Corresponding quarter ended 30.06.2013 (RM'000) (UNAUDITED)	Current year-to-date ended 30.06.2014 (RM'000) (UNAUDITED)	Corresponding year-to-date ended 30.06.2013 (RM'000) (UNAUDITED)
1 Revenue	18,611	10,114	30,068	24,401
2 Cost of sales	(11,849)	(6,501)	(18,949)	(15,125)
3 Gross profit	6,762	3,613	11,119	9,276
4 Other income	430	945	960	1,299
5 Administrative and staffs expenses	(1,102)	(945)	(1,980)	(1,735)
6 Profit from operations	6,090	3,613	10,099	8,840
7 Finance cost	-	-	-	-
8 Profit before tax	6,090	3,613	10,099	8,840
9 Taxation	(1,648)	(1,141)	(2,705)	(2,349)
10 Profit for the period	4,442	2,472	7,394	6,491
Attributable to :				
Equity holders of the Company	4,442	2,472	7,394	6,491
11 Profit per share attributable to equity holders of the Company:				
(i) Basic earnings per ordinary shares (sen)	4.90	2.72	8.15	7.15
(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 2013 and the accompanying explanatory notes attached to the Interim Financial Statements)



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

UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2014 (RM'000)	Corresponding quarter ended 30.06.2013 (RM'000)	Current year-to-date ended 30.06.2014 (RM'000)	Corresponding year-to-date ended 30.06.2013 (RM'000)
1 Profit for the period	4,442	2,472	7,394	6,491
2 Other Comprehensive Income/(Expense):				
- Foreign currency translation differences	(4)	3	(14)	(14)
3 Total comprehensive income for the period	<u>4,438</u>	<u>2,475</u>	<u>7,380</u>	<u>6,477</u>
Attributable to :				
Equity holders of the Company	<u>4,438</u>	<u>2,475</u>	<u>7,380</u>	<u>6,477</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)



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

UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30.06.2014 (RM'000) (UNAUDITED)	As at 31.12.2013 (RM'000) (RESTATED)
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ASSETS

Non Current Assets

Property, Plant and Equipment	8,100	6,721
Other Investments	43	43
Intangible Assets	30	37
Trade Debtors	5,324	7,667
Deferred tax assets	308	334
	13,805	14,802

Current Assets

Inventories	3,465	2,769
Trade Debtors	28,261	15,554
Property Development Costs	27,307	10,607
Other Debtors, Deposits and Prepayments	7,652	4,442
Tax Recoverables	130	707
Cash and Bank Balances	30,428	59,114
	97,243	93,193

TOTAL ASSETS	111,048	107,995
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EQUITY AND LIABILITIES

Equity Attributable to Equity Holders of the Company

Share Capital	45,369	45,369
Other Reserves	293	307
Accumulated Profit	43,118	35,724
	88,780	81,400

Non Current Liabilities

Trade Payables	7,442	4,155
Deferred tax liabilities	585	368
	8,027	4,523

Current Liabilities

Trade Payables	12,230	21,019
Other Payables, Accruals and Liabilities	701	1,053
Provision for Taxation	1,310	-
	14,241	22,072

Total Liabilities	22,268	26,595
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TOTAL EQUITY AND LIABILITIES	111,048	107,995
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Net Assets Per Share (based on ordinary shares of RM0.50 each) (RM)	0.98	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)



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

UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	
6 MONTHS PERIOD ENDED 30 JUNE 2014				
Balance as at 1 January 2014	45,369	307	35,724	81,400
Total Comprehensive Income for the period	-	(14)	7,394	7,380
Balance as at 30 June 2014	45,369	293	43,118	88,780
6 MONTHS PERIOD ENDED 30 JUNE 2013				
Balance as at 1 January 2013	45,369	311	26,951	72,631
Total Comprehensive Income for the period	-	(14)	6,491	6,477
Balance as at 30 June 2013	45,369	297	33,442	79,108

(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)



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

UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	Current year-to-date ended 30.06.2014 (RM'000)	Corresponding year-to-date ended 30.06.2013 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,099	8,840
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	502	447
Non-cash items	(824)	(921)
Operating Profit Before Working Capital Changes	<u>9,777</u>	<u>8,366</u>
Changes in working capital :		
Net change in operating assets	(19,762)	17,775
Net change in operating liabilities	(17,061)	(17,478)
Net Cash (Used in)/Generated From Operations	<u>(27,046)</u>	<u>8,663</u>
Income tax paid	(678)	(201)
Income tax refunded	102	111
Interest received	824	951
Net Cash (Used in)/Generated From Operating Activities	<u>(26,798)</u>	<u>9,524</u>
CASH FLOW FROM INVESTING ACTIVITY		
Acquisition of property, plant and equipments	(1,874)	(119)
Net Cash Used In Investing Activity	<u>(1,874)</u>	<u>(119)</u>
CASH FLOW FROM FINANCING ACTIVITY		
	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(28,672)</u>	<u>9,405</u>
EFFECT OF EXCHANGE RATE CHANGES	(14)	(14)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59,114	60,759
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>30,428</u>	<u>70,150</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)



UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 No.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 30 June 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 2ND QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 and the 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 the 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 during the financial period.

A8. Dividends Paid

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	26,614	3,454	-	-	-	30,068
Inter Segment Revenue	11,626	1,801	-	-	(13,427)	-
	38,240	5,255	-	-	(13,427)	30,068

RESULTS

Segmental Results	7,139	1,329	(42)	(224)	(808)	7,394
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OTHER INFORMATION

Segmental Assets	57,232	81,661	27,857	35,191	(90,893)	111,048
Segmental Liabilities	47,855	58,297	27,416	40,597	(151,897)	22,268

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	23,002	1,399	-	-	-	24,401
Inter Segment Revenue	17,629	3,130	-	-	(20,759)	-
	40,631	4,529	-	-	(20,759)	24,401

RESULTS

Segmental Results	6,525	271	-	(305)	-	6,491
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OTHER INFORMATION

Segmental Assets	66,271	100,764	3,557	34,485	(82,861)	122,216
Segmental Liabilities	83,530	58,344	3,561	40,173	(144,301)	41,307

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 30 JUNE 2014

A9. Segmental Information (contd.)

For management purposes, the Group is organised into business units based on their products and services, and has four (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 and/or commercial properties.
- (iv) Others - Investment holding, properties development and dormant companies.

Segment performance for the financial period ended 30 June 2014 as compared to corresponding preceding period ended 30 June 2013

(i) Construction

The construction segment recorded a revenue of RM26.61 million for the current financial period as compared to the corresponding preceding financial period of RM23.00 million. Increase in revenue recognised in current financial period as on going projects have accelerated their momentum. This is compared to the corresponding preceding financial period where few projects were nearing finalisation stage, thus lesser workdone. Segmental profit increased from RM6.53 million in the corresponding preceding financial period to segmental profit of RM7.14 million for the current period, representing an increase of RM0.61 million.

(ii) Manufacturing

Manufacturing segment recorded a revenue of RM3.45 million for the current financial period as compared to the corresponding preceding period of RM1.40 million. The increase in revenue had lead to the increase in segmental result from a profit of RM271 thousand in the corresponding preceding financial period to RM1.34 million in the current financial period. 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 RM42 thousand being the operating expenses incurred during the financial period 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 RM224 thousand being the operating expenses incurred during the financial period.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

A10. Profit Before Tax

	Individual Quarter 30.06.2014 (RM'000)	Cumulative Quarter 30.06.2014 (RM'000)
Amortisation and depreciation of property, plant and equipment	253	502
Interest income	297	824
Realised foreign exchange loss	8	8

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 and as at the financial period.

A13. Changes in Contingent Liabilities or Contingent Assets

As at the date of this report, the Company has given corporate guarantees amounting to RM8.71 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 30 JUNE 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 RM18.61 million as compared to the corresponding preceding year individual quarter of RM10.11 million. Coupled with the increase in revenue, Profit Before Tax ("PBT") of current individual quarter under review was RM6.09 million, representing an increase of RM2.48 million from its corresponding preceding year individual quarter of RM3.61 million.

PBT of the Group for financial period ended 30 June 2014 stood at RM10.10 million as compared to previous year to date of RM8.84 million. The overall increase in PBT was due to the accelerated progression of on going projects despite that the increase in administrative and staff related costs, had amongst others, soften the overall profit margin.

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

	Current Quarter ended 30.06.2014 (RM'000)	Preceding Quarter ended 31.03.2014 (RM'000)
Revenue	18,611	11,457
Profit before tax	6,090	4,009

For the current quarter under review, the Group recorded a revenue and PBT of RM18.61 million and RM6.09 million respectively as compared to RM11.46 million and RM4.01 million respectively in its immediate preceding quarter. Revenue and PBT have increased 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 continue its construction activities with an added business of property development this year. The Group is targeting to launch its maiden property development project in the second half of the year whilst 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 30 JUNE 2014

B5. Taxation

	Individual Quarter 30.06.2014 (RM'000)	Cumulative Quarter 30.06.2014 (RM'000)
Malaysia income tax		
- current year	1,443	2,471
- in respect of previous years	(9)	(9)
	<u>1,434</u>	<u>2,462</u>
Deferred tax		
- current year	214	249
- in respect of previous years	-	(6)
	<u>1,648</u>	<u>2,705</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 and the financial period.

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 and financial period.

On 26 August 2014, the Board of Directors has approved a single-tier interim dividend of 6% per ordinary share (based on ordinary share of RM0.50 each), in respect of the current financial year ending 31 December 2014. The total amount payable is approximately RM2.72 million. The payment date for the said dividend has been set on 10 October 2014.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

B11. Derivatives and Fair Value Changes of Financial Liabilities

- (a) There were no derivatives as at the current quarter under review and 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.

B12. Sales of unquoted investments and/or properties

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

B13. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Earnings				
Profit attributable to equity holders of the Company (RM'000)	4,442	2,472	7,394	6,491
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)	4.90	2.72	8.15	7.15
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



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 30.06.2014 (RM'000)	As at 31.12.2013 (RM'000)
Total accumulated losses of the Group:		
- Realised	(21,875)	(26,597)
- Unrealised	243	2,329
	<u>(21,632)</u>	<u>(24,268)</u>
Less: Consolidated Adjustments	64,750	59,992
Total accumulated profits	<u>43,118</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.

