



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

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current quarter ended 30.09.2007 (RM'000)	Corresponding quarter ended 30.09.2006 (RM'000)	Current year-to-date ended 30.09.2007 (RM'000)	Corresponding year-to-date ended 30.09.2006 (RM'000)
1 Revenue	7,581	13,808	25,612	38,205
2 Cost of sales	(6,461)	(12,403)	(22,801)	(32,090)
3 Gross profit	1,120	1,405	2,811	6,115
4 Other income	207	103	784	485
5 Other expenses	(1,951)	(5,434)	(6,746)	(15,170)
6 Loss from operations	(624)	(3,926)	(3,151)	(8,570)
7 Finance cost, net	(402)	(528)	(1,189)	(1,398)
8 Loss before tax	(1,026)	(4,454)	(4,340)	(9,968)
9 Taxation	(45)	(182)	(283)	(763)
10 Loss for the period	(1,071)	(4,636)	(4,623)	(10,731)
Attributable to :				
Equity holders of the parent	(1,071)	(4,683)##	(4,623)	(10,843)
Minority Interest	-	47 ##	-	112
	(1,071)	(4,636)##	(4,623)	(10,731)
11 Losses per share attributable to equity holders of the parent:				
(i) Basic - based on ordinary shares (sen)	(1.82)	(7.97)##	(7.87)	(18.46)
(ii) Fully diluted - based on ordinary shares (sen)	N/A*	N/A* ##	N/A*	N/A*

* There is no diluted losses per share as the Company does not have any option scheme or convertible financial instruments as at the end of the respective financial period.

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As at 30.09.2007 (RM'000)	(AUDITED) As at 31.12.2006 (RM'000)
ASSETS		
Property, Plant and Equipment	40,176	45,513
Long Term Investments	117	117
Goodwill on Consolidation	-	-
Intangible Assets	65	65
	40,358	45,695
Current Assets		
Inventories	10,137	10,250
Trade Debtors	8,708	12,843
Other Debtors, Deposits and Prepayments	4,534	6,859
Cash and Bank Balances	377	231
	23,756	30,183
TOTAL ASSETS	64,114	75,878
EQUITY and LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	58,726	58,726
Reserves		
Share Premium	10,042	10,042
Others	548	338
Retained Profits	(42,713)	(38,223)
	26,603	30,883
Minority Interest	-	133
Total Equity	26,603	31,016
Non-Current Liabilities		
Long Term Borrowings	4,069	4,790
Deferred Taxation	125	128
	4,194	4,918
Current Liabilities		
Trade Payables	8,453	9,672
Other Payables	2,280	8,662
Short Term Borrowings	22,281	21,093
Provision for Taxation	303	517
	33,317	39,944
Total Liabilities	37,511	44,862
TOTAL EQUITY and LIABILITIES	64,114	75,878
Net Assets Per Share (RM)	0.45	0.53
Net Tangible Assets Per Share (RM)	0.45	0.52

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements)



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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent			Minority Interest RM	Total RM
	Share Capital RM	Non-Distributable Reserve RM	Retained Profits RM		
9-MONTH PERIOD ENDED 30 SEPTEMBER 2007					
Balance as at 1 January 2007	58,726,357	10,380,339	(38,223,251)	-	30,883,445
Currency translation differences	-	210,320	-	-	210,320
Acquisition of minority interest	-	-	133,145	-	133,145
Deconsolidation of subsidiary company	-	-	(77,806)	-	(77,806)
Net loss for the period	-	-	(4,545,366)	-	(4,545,366)
Balance as at 30 September 2007	58,726,357	10,590,659	(42,713,278)	-	26,603,738
9-MONTH PERIOD ENDED 30 SEPTEMBER 2006					
Balance as at 1 January 2006 (restated)	58,726,357	10,706,414	3,546,497	611,490	73,590,758
Currency translation differences	-	146,143	-	-	146,143
Net loss for the period	-	-	(10,843,354)	169,247	(10,674,107)
Balance as at 30 September 2006	58,726,357	10,852,557	(7,296,857)	780,737	63,062,794

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

CONDENSED CONSOLIDATED CASHFLOW STATEMENTS

	Current year-to-date ended 30.09.2007 (RM'000)	Corresponding year-to-date ended 30.09.2006 (RM'000)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Loss before tax	(4,340)	(9,968)
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	2,991	3,327
Non-cash items	2,625	1,528
Operating Loss Before Working Capital Changes	1,276	(5,113)
Changes in working capital :		
Net change in current assets	7,509	1,398
Net change in current liabilities	(7,605)	8,468
Net Cash From Operations	1,180	4,753
Income tax paid	(475)	(957)
Interest paid	(1,191)	(1,344)
Net Cash Generated From / (Used In) Operating Activities	(486)	2,452
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Equity investment	-	-
Other investment	165	(3,708)
Net Cash Generated From / (Used In) Investing Activities	165	(3,708)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Share issued	-	-
Repayment of borrowings, net	792	737
Net Cash Generated From / (Used In) Financing Activities	792	737
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	471	(519)
EFFECT OF EXCHANGE RATE CHANGES	-	19
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	(3,371)	(2,977)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	(2,900)	(3,477)
CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF :		
Cash and bank balances	377	1,366
Fixed deposits with licensed banks	-	-
Less : Bank Overdraft	(3,277)	(4,843)
	(2,900)	(3,477)

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2007**

INFORMATION REQUIRED BY FINANCIAL REPORTING STANDARDS (FRS) 134

A1. Basis of Preparation

This interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2006. The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2006.

A2. Audit Report

The audited financial statements of the Company for the preceding financial year ended 31 December 2006 were not subject to any qualification.

A3. Seasonal or Cyclical Factors

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

A4. Unusual Items

There were no unusual items during the current financial quarter affecting the assets, liabilities, equity, net income or cashflow of the Group.

A5. Changes in Estimates

There were no estimation of amount used in the previous interim reports having a material impact in the current interim report.

A6. Debt and Equity Securities

There were no issuance or repayment of any debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year-to-date.

A7. Dividends Paid

No dividend has been paid during the current financial year-to-date.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2007**

A8. Segmental Information

The Group's operations are substantially in the manufacturing sector. The following analysis of activities are based on geographical basis.

	Quarter ended 30.09.2007 (RM'000)	Year-to-Date ended 30.09.2007 (RM'000)
Segment Revenue		
-- Malaysia	8,842	32,543
-- Other Countries	620	1,617
	9,462	34,160
Elimination of Inter-Segment Sales	(1,881)	(8,548)
Group Revenue	7,581	25,612
Segment Results		
-- Malaysia	(563)	(2,493)
-- Other Countries	(61)	(580)
	(624)	(3,073)
Elimination	-	(78)
Loss from Operations	(624)	(3,151)

A9. Valuations of Property, Plant and Equipment

There were no amendments in the valuation amount of revalued assets brought forward from the previous audited financial statements.

A10. Subsequent Material Events

a) On 3 October 2007, the Company announced that the Securities Commission has approved the Proposed Exemption From Obligation to Undertake a Mandatory Offer and that the Proposed Capital Reduction has been confirmed by the High Court of Malaya.

b) On 26 October 2007, the Company announced the fixing of price for the issuance of Rights Shares and exercise of Fututech Warrants at RM1.00 respectively.

c) On 12 November 2007, the Company announced the following developments of its corporate proposals :-

i) the execution of an underwriting agreement with AmInvestment Bank Berhad for the underwriting of 5,000,000 new ordinary shares of RM1.00 each to be issued pursuant to the Rights Issue.



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30 SEPTEMBER 2007**

- ii) the entitlement date of the Capital Reduction, Share Consolidation and Rights Issue on 26 November 2007 and the suspension of trading of the Company's shares with effect from 20 November 2007.
 - iii) other important dates in relation to the Rights Issue
- d) On 27 November 2007, the Company issued the Abridged Prospectus in respect of the Rights Issue.
- e) On 28 November 2007, the Company announced the implementation of the Capital Reduction and Share Consolidation. The issued and paid-up share capital of the Company had since reduced to RM29,363,178 comprising 29,363,178 ordinary shares of RM1.00 each.

There were no material events in the interval between the end of the current financial quarter and 28 November 2007.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2007**

A11. Changes in Composition of the Group

There were no material effect of changes in the composition of the Group during the current financial year-to-date.

A12. Changes in Contingent Liabilities or Contingent Assets

As at 30 September 2007, the Company has given corporate guarantees amounting to RM11.1 million (as at 31 December 2006 : RM13.6 million) to financial institutions for credit facilities granted to certain subsidiary companies.

A13. Capital Commitments

As at 30 September 2007, the Group has no material capital commitments.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2007**

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

**B1. Review of Performance**

The Group recorded a revenue of RM7.6 million in the current quarter, about 45% lower than that of RM13.8 million recorded in the corresponding quarter 2006. The decline was due to lower lighting, kitchen and point-of-sale projects secured and primarily, the discontinued revenue contribution after the disposal of the subsidiary company in December 2006 ("UK subsidiary"), although overseas sales of POS products had improved.

Revenue for the current year-to-date ("YTD") had also reduced by about 33% as compared to the corresponding YTD 2006, from RM38.2 million to RM25.6 million. The reduction was mainly caused by the discontinued revenue contribution from UK subsidiary, coupled with lower lighting and completion of kitchen projects, although overseas sales for POS products had improved.

Although revenue for both current quarter and YTD were lower as compared to the respective corresponding periods in 2006, it was encouraging to note that the loss before tax was reduced by about 77%, from RM4.5 million in 2006 quarter to RM1.0 million in the current quarter, and about 56% from RM10.0 million in the corresponding YTD 2006 to RM4.3 million in current YTD. The lower losses were a result of various on going cost reduction and control measures implemented, including the disposal of the UK subsidiary.

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

|                              | Current<br>Quarter ended<br>30.09.2007<br>(RM'000) | Preceding<br>Quarter ended<br>30.06.2007<br>(RM'000) |
|------------------------------|----------------------------------------------------|------------------------------------------------------|
| Revenue                      | 7,581                                              | 9,111                                                |
| Consolidated Loss Before Tax | (1,026)                                            | (1,564)                                              |

Revenue of RM7.6 million was recorded in the current quarter as compared to RM9.1 million registered in the preceding quarter. The decline of 17% was attributed mainly to the completion of certain kitchen and POS projects although lighting sales had improved in the current quarter. Nevertheless, lower operating expenses had helped to reduce the loss before tax of RM1.6 million in the preceding quarter to RM1.0 million in the current quarter.

**B3. Prospects**



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**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2007**

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The Group believes that it will be able to undertake more challenging opportunities after the completion of the corporate exercise. The Group will endeavour to strengthen its overall financial and operational performance by continuing to review and implement measures to improve its businesses.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2007**

**B4. Profit Forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

|                  | Quarter ended<br>30.09.2007<br>(RM'000) | Year-to-Date<br>ended<br>30.09.2007<br>(RM'000) |
|------------------|-----------------------------------------|-------------------------------------------------|
| Current Taxation | 45                                      | 283                                             |

Although the Group recorded a loss, taxation was incurred as certain expenses are disallowed for tax purposes and losses recorded by certain subsidiaries are not allowed to be set-off against taxable profits of other subsidiaries as group tax relief is not available.

**B6. Profit on Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investments and/or properties during the current financial quarter.

**B7. Quoted Securities**

Investments in quoted securities as at 30 September 2007 are as follows :-

|                   | RM     |
|-------------------|--------|
| At cost           | 19,800 |
| At carrying value | 5,400  |
| At market value   | 2,400  |

**B8. Status of Corporate Proposals**

As at 28 November 2007, the Company has effected the increase in Authorised Share Capital, the Capital Reduction and the Share Consolidation. The Abridged Prospectus in respect of the Rights Issue will be despatched to the entitled shareholders of the Company on 29 November 2007.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2007**

**B9. Group Borrowings and Debt Securities**

|                           | As at<br>30.09.2007<br>(RM'000) |
|---------------------------|---------------------------------|
| a) Secured borrowings     | 25,815                          |
| Unsecured borrowings      | 535                             |
|                           | 26,350                          |
| b) Short term             |                                 |
| - bank overdraft          | 3,277                           |
| - trade facilities        | 1,168                           |
| - hire purchase creditors | 997                             |
| - term loans              | 16,839                          |
|                           | 22,281                          |
| Long term                 |                                 |
| - hire purchase creditors | 1,465                           |
| - term loans              | 2,604                           |
|                           | 4,069                           |
| Total Borrowings          | 26,350                          |

**B10. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at 28 November 2007.

**B11. Material Litigation**

There is no pending material litigation as at 28 November 2007.

**B12. Dividends**

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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2007**

**B13. Earnings Per Share**

|                                                                                                       | Quarter Ended |            | Year-to-Date Ended |            |
|-------------------------------------------------------------------------------------------------------|---------------|------------|--------------------|------------|
|                                                                                                       | 30.09.2007    | 30.09.2006 | 30.09.2007         | 30.09.2006 |
| <b>Earnings</b>                                                                                       |               |            |                    |            |
| Loss attributable to equity holders of the parent (RM'000)                                            | (1,071)       | (4,683)    | (4,623)            | (10,843)   |
| <b>a) Basic</b>                                                                                       |               |            |                    |            |
| Issued ordinary shares at the beginning of the period ('000)                                          | 58,726        | 58,726     | 58,726             | 58,726     |
| Effect of shares issued ('000)                                                                        | -             | -          | -                  | -          |
| Weighted average number of ordinary shares ('000)                                                     | 58,726        | 58,726     | 58,726             | 58,726     |
| <b>Basic losses per share attributable to equity holders of the parent (Sen)</b>                      | (1.82)        | (7.97)     | (7.87)             | (18.46)    |
| <b>b) Diluted</b>                                                                                     |               |            |                    |            |
| Weighted average number of ordinary shares ('000)                                                     | N/A*          | N/A*       | N/A*               | N/A*       |
| Effect of share options ('000)                                                                        | N/A*          | N/A*       | N/A*               | N/A*       |
| Weighted average number of ordinary shares (diluted) ('000)                                           | N/A*          | N/A*       | N/A*               | N/A*       |
| <b>Fully diluted earnings / (losses) per share attributable to equity holders of the parent (Sen)</b> | N/A*          | N/A*       | N/A*               | N/A*       |

\* There is no diluted losses per share as the Company does not have any option scheme or convertible financial instruments as at the end of the respective financial period.