



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

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current quarter ended 31.03.2010 (RM'000)	Corresponding quarter ended 31.03.2009 (RM'000)	Current year-to-date ended 31.03.2010 (RM'000)	Corresponding year-to-date ended 31.03.2009 (RM'000)
1 Revenue	3,613	4,577	3,613	4,577
2 Cost of sales	(2,451)	(4,013)	(2,451)	(4,013)
3 Gross profit	1,162	564	1,162	564
4 Other income	(45)	245	(45)	245
5 Other expenses	(1,336)	(1,550)	(1,336)	(1,550)
6 Loss from operations	(219)	(741)	(219)	(741)
7 Finance cost, net	(29)	(54)	(29)	(54)
8 Loss before tax	(248)	(795)	(248)	(795)
9 Taxation	(97)	(149)	(97)	(149)
10 Loss for the period	(345)	(944)	(345)	(944)
Attributable to :				
Equity holders of the parent	(345)	(944)	(345)	(944)
Minority Interest	-	-	-	-
	(345)	(944)	(345)	(944)
11 Losses per share attributable to equity holders of the parent:				
(i) Basic - based on ordinary shares (sen)	(0.59)	(1.61)	(0.59)	(1.61)
(ii) Fully diluted - based on 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 2009 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Period		Cumulative Period	
	Current quarter ended	Corresponding quarter ended	Current year-to-date ended	Corresponding year-to-date ended
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
1 Loss for the period	(345)	(944)	(345)	(944)
2 Currency translation differences	(8)	(70)	(8)	(70)
3 Total comprehensive income for the period	(353)	(1,014)	(353)	(1,014)
Attributable to :				
Equity holders of the parent	(353)	(1,014)	(353)	(1,014)
Minority Interest	-	-	-	-
	(353)	(1,014)	(353)	(1,014)

(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 2009 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31.03.2010 (RM'000)	(AUDITED) As at 31.12.2009 (RM'000)
NON CURRENT ASSETS		
Property, Plant and Equipment	9,681	10,185
Prepaid Land Lease Payments	917	917
Other Investments	71	71
Other Intangible Assets	-	-
	10,669	11,173
Current Assets		
Inventories	2,729	2,917
Trade Debtors	4,749	5,731
Other Debtors, Deposits and Prepayments	2,178	1,473
Cash and Bank Balances	7,156	6,529
	16,812	16,650
Non-Current Assets Held for Sale	7,115	7,115
	23,927	23,765
TOTAL ASSETS	34,596	34,938
EQUITY and LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	58,726	58,726
Reserves		
Others	224	232
Accumulated Losses	(29,293)	(28,948)
	29,657	30,010
Minority Interest	-	-
Total Equity	29,657	30,010
Non-Current Liabilities		
Long Term Borrowings	734	958
Deferred Taxation	-	-
	734	958
Current Liabilities		
Trade Payables	976	911
Other Payables	2,255	2,094
Short Term Borrowings	895	886
Provision for Taxation	79	79
	4,205	3,970
Total Liabilities	4,939	4,928
TOTAL EQUITY and LIABILITIES	34,596	34,938
Net Assets Per Share (RM)	0.51	0.51
Net Tangible Assets Per Share (RM)	0.51	0.51

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company			Total Equity RM'000
	<----- Non-Distributable ----->			
3-MONTH PERIOD ENDED 31 MARCH 2010	Share Capital RM'000	Non-Distributable Reserve RM'000	Accumulated Losses RM'000	
Balance as at 1 January 2010	58,726	232	(28,948)	30,010
Total Comprehensive Income for the period	-	(8)	(345)	(353)
Balance as at 31 March 2010	58,726	224	(29,293)	29,657
3-MONTH PERIOD ENDED 31 MARCH 2009				
Balance as at 1 January 2009	58,726	315	(20,646)	38,395
Total Comprehensive Income for the period	-	(70)	(944)	(1,014)
Balance as at 31 March 2009	58,726	245	(21,590)	37,381

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	Current year-to-date ended 31.03.2010 (RM'000)	Corresponding year-to-date ended 31.03.2009 (RM'000)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Loss before tax	(248)	(944)
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	504	800
Non-cash items	29	(16)
Operating Profit / (Loss) Before Working Capital Changes	285	(160)
Changes in working capital :		
Net change in current assets	113	2,345
Net change in current liabilities	226	(2,658)
Net Cash From / (Used In) Operations	624	(473)
Net income tax paid	255	(252)
Interest paid	(29)	(54)
Net Cash Generated From / (Used In) Operating Activities	850	(779)
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Other investment	-	650
Net Cash Generated From / (Used In) Investing Activities	-	650
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Repayment of borrowings, net	(215)	230
Net Cash Generated (Used In) / From Financing Activities	(215)	230
NET INCREASE IN CASH AND CASH EQUIVALENTS	635	101
EFFECT OF EXCHANGE RATE CHANGES	(8)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	6,529	1,752
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	7,156	1,853

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2010**

INFORMATION REQUIRED BY FINANCIAL REPORTING STANDARD (FRS) 134

A1. Basis of Preparation

The quarterly consolidated 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 and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective 1 January 2010 as disclosed below:

FRSs, Amendment to FRSs and Interpretations	Effective for financial year beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 101: Presentation of Financial Statements (Revised 2009)	1 January 2010
FRS 123 : Borrowing Costs (Revised 2009)	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Costs of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures, and IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interpretation	1 January 2010
TR 1 - 3: Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010
Improvements to FRSs (2009)	1 January 2010

A1. Basis of Preparation (Cont'd)

The adoption of the above pronouncements does not have significant impact to the Group, except as described below:

(b) FRS 101 (revised): Presentation of Financial Statement

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. Pursuant to the revised standard, the Group presents all non-owner changes in equity separately in the consolidated statement of comprehensive income.

Comparative information has also been re-presented in conformity with the revised standard.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2010**

A2. Audit Report

The audited financial statements of the Company for the preceding financial year ended 31 December 2009 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 other 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.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2010**

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 31.03.2010 (RM'000)	Year-to-date ended 31.03.2010 (RM'000)
Segment Revenue		
-- Malaysia	4,344	4,344
-- Other Countries	-	-
	4,344	4,344
Elimination of Inter-Segment Sales	(731)	(731)
Group Revenue	3,613	3,613
Segment Results		
-- Malaysia	(219)	(219)
-- Other Countries	-	-
	(219)	(219)
Elimination	-	-
Profit/(Loss) from Operations	(219)	(219)

A9. Subsequent Material Events

There were no material events in the interval between the end of the current financial quarter and 31 May 2010 other than disclosed in Note A12.

A10. Changes in Composition of the Group

There were no material effect of changes in the composition of the Group during the current financial year under review.

A11. Changes in Contingent Liabilities or Contingent Assets

As at 31 March 2010, the Company has given corporate guarantees amounting to RM1.6 million (as at 31 December 2009 : RM1.8 million) to financial institutions for credit facilities granted to certain subsidiary companies.

A12. Non-Current Asset held for disposal

Advance Industries Sdn Bhd, a wholly owned subsidiary of Fututech Berhad, entered into a conditional sale and purchase agreement on 21.10.2009 with one Lau Boon Liang and one Cheng Pei Pei to dispose of a piece of land held under its Geran 54070, Lot 2, Pekan Puchong Perdana, Daerah Petaling, Negeri Selangor together with a single storey factory building with an annexed double-storey office building erected thereon and certain fixtures and fittings for a total cash consideration of RM10.0 million. The approval of the shareholders of Fututech was obtained in the Extraordinary General Meeting held on 29 December 2009. The transaction was completed in second quarter 2010. The Group realised a gain of approximately RM2.7 million from the disposal. Proceeds from the disposal will be used to repay borrowings and as working capital for the Group.

A13. Capital Commitments

As at 31 March 2010 the Group has no material capital commitments.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2010

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

Qtr 1 2010 vs Qtr 1 2009

For the current quarter, the Group registered a lower turnover of RM3.61 million as compared to RM4.58 million in the same corresponding quarter of 2009. The lower revenue in the current quarter was attributed to the substantially lower kitchen sales due to completion of certain projects although the lighting division managed a 52% increase in its revenue on the back of stronger project sales demand.

Notwithstanding that overall sales in Q1, 2010 had dropped about 21% compared to its corresponding quarter in 2009, the Group continued to cut its loss before tax from RM0.795 million in Q. 1, 2009 to a loss before tax of RM0.248 million in the current quarter as fixed manufacturing costs and other fixed overhead expenses were cut by 43% and 35% respectively due to the earlier scaling down of the Group's operations.

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

	Current Quarter ended 31.03.2010 (RM'000)	Preceding Quarter ended 31.12.2009 (RM'000)
Revenue	3,613	4,720
Consolidated Profit / (Loss) Before Tax	(248)	(6,571)

By comparison to the turnover in the immediate preceding quarter of RM4.72 million, revenue in the current quarter declined about 24% to RM3.61 million as export lighting sales and kitchen sales registered significantly lower billings.

A loss before tax of RM0.248 million was registered in the current quarter as compared to a loss before tax of RM6.571 million in the immediate preceding quarter due mainly to inventories of RM3.56 million and property, plant & equipment (PPE) of RM2.54 million being written off for year ending December 31, 2009.

B3. Prospects

Although the Malaysian economy continues to recover along with the rest of Asia, a cautious outlook due to the recent European debt crisis will still pose an uncertainty over global growth. Going forward, the Group will also continue to seek areas of growth whilst managing its resources prudently to achieve positive results.

The Group is seeking shareholders' approval to enter into recurrent related party transactions to supply and install aluminium and glazing works, stones works, interior fixtures, fittings, lightings, cabinetry and related products and provision of contract workmanship and other related services for a related party.

Further details on the nature of these transactions are contained in our Circular to Shareholders dated 27 May 2010.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2010**

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter ended 31.03.2010 (RM'000)	Year-to-Date ended 31.03.2010 (RM'000)
Current Taxation	97	97

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 31 March 2010 are as follows :-

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

B8. Group Borrowings and Debt Securities

	As at 31.03.2010 (RM'000)
a) Secured borrowings	1,628
Unsecured borrowings	-
	1,628
b) Short term	
- hire purchase creditors	521
- term loans	372
	893
Long term	
- hire purchase creditors	86
- term loans	649
	735
Total Borrowings	1,628



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2010

B9. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at 31 May 2010

B10. Material Litigation

There is no pending material litigation as at 31 May 2010

B11. Dividends

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

B12. Earnings Per Share

	Quarter Ended		Year-to-Date Ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Earnings				
Loss attributable to equity holders of the Company (RM'000)	(345)	(944)	(345)	(944)
a) Basic				
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
Basic losses per share attributable to equity holders of the parent (Sen)	(0.59)	(1.61)	(0.59)	(1.61)
b) Diluted				
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*
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