



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

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2007**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Individual Period		Cumulative Period	
	Current quarter ended 31.12.2007 (RM'000)	Corresponding quarter ended 31.12.2006 (RM'000)	Current year-to-date ended 31.12.2007 (RM'000)	Corresponding year-to-date ended 31.12.2006 (RM'000)
		(restated)		(restated)
1 Revenue	8,991	14,604	34,603	52,809
2 Cost of sales	(7,596)	(13,176)	(30,397)	(45,266)
3 Gross profit	1,395	1,428	4,206	7,543
4 Other income	418	390	1,202	875
5 Other expenses	(6,191)	(33,481)	(12,937)	(48,651)
6 Loss from operations	(4,378)	(31,663)	(7,529)	(40,233)
7 Finance cost, net	(659)	(637)	(1,848)	(2,035)
8 Loss before tax	(5,037)	(32,300)	(9,377)	(42,268)
9 Taxation	(65)	3,141	(348)	2,378
10 Loss for the period	(5,102)	(29,159)	(9,725)	(39,890)
<b>Attributable to :</b>				
Equity holders of the parent	(5,102)	(29,223)	(9,725)	(40,066)
Minority Interest	-	64	-	176
	(5,102)	(29,159)	(9,725)	(39,890)
<sup>11</sup> Losses per share attributable to equity holders of the parent:				
(i) Basic - based on ordinary shares (sen)	(8.69)	(49.76)	(16.56)	(68.23)
(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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**CONDENSED CONSOLIDATED BALANCE SHEET**

	(UNAUDITED) As at 31.12.2007 (RM'000)	(AUDITED) As at 31.12.2006 (RM'000)
<b>ASSETS</b>		
Property, Plant and Equipment	39,716	45,513
Long Term Investments	91	117
Goodwill on Consolidation	-	-
Intangible Assets	65	65
	39,872	45,695
<b>Current Assets</b>		
Inventories	9,158	10,250
Trade Debtors	7,441	12,843
Other Debtors, Deposits and Prepayments	2,462	6,859
Cash and Bank Balances	33,528	231
	52,589	30,183
<b>TOTAL ASSETS</b>	92,461	75,878
<b>EQUITY and LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	58,726	58,726
Reserves		
Share Premium	-	10,042
Others	4,560	338
Retained Profits	(9,592)	(38,223)
	53,694	30,883
Minority Interest	-	133
<b>Total Equity</b>	53,694	31,016
<b>Non-Current Liabilities</b>		
Long Term Borrowings	3,673	4,790
Deferred Taxation	125	128
	3,798	4,918
<b>Current Liabilities</b>		
Trade Payables	6,892	9,672
Other Payables	4,427	8,662
Short Term Borrowings	23,341	21,093
Provision for Taxation	309	517
	34,969	39,944
<b>Total Liabilities</b>	38,767	44,862
<b>TOTAL EQUITY and LIABILITIES</b>	92,461	75,878
Net Assets Per Share (RM)	0.91	0.53
Net Tangible Assets Per Share (RM)	0.91	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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**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Parent			Minority Interests RM	Total RM
	Share Capital RM	Non-Distributable Reserve RM	Retained Profits RM		
<b>12-MONTH PERIOD ENDED 31 DECEMBER 2007</b>					
Balance as at 1 January 2007 (restated)	58,726,357	10,380,339	(38,223,251)	-	30,883,445
Currency translation differences	-	62,213	-	-	62,213
Issue of shares through exercise of share options	-	(5,882,304)	38,223,251	-	32,340,947
Net loss for the period	-	-	(9,725,246)	133,145	(9,592,101)
Balance as at 31 December 2007	58,726,357	4,560,248	(9,725,246)	133,145	53,694,504
<b>12-MONTH PERIOD ENDED 31 DECEMBER 2006</b>					
Balance as at 1 January 2006	58,726,357	10,706,414	1,843,378	-	71,276,149
Currency translation differences	-	(39,948)	-	-	(39,948)
Disposal of subsidiary company	-	(286,127)	-	-	(286,127)
Net loss for the period	-	-	(40,066,629)	-	(40,066,629)
Balance as at 31 December 2006	58,726,357	10,380,339	(38,223,251)	-	30,883,445

(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)



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2007**

**CONDENSED CONSOLIDATED CASHFLOW STATEMENTS**

	<b>Current year-to-date ended 31.12.2007 (RM'000)</b>	<b>Corresponding year-to-date ended 31.12.2006 (RM'000)</b>
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Loss before tax	(9,377)	(42,268)
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	3,792	4,397
Non-cash items	2,797	33,203
Operating Loss Before Working Capital Changes	(2,788)	(4,668)
Changes in working capital :		
Net change in current assets	11,826	7,506
Net change in current liabilities	(7,019)	2,263
Net Cash From Operations	2,019	5,101
Income tax paid	(143)	(787)
Interest paid	(1,852)	(2,036)
Net Cash Generated From / (Used In) Operating Activities	24	2,278
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Equity investment	-	-
Other investment	184	1,938
Net Cash Generated From / (Used In) Investing Activities	184	1,938
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Share issued	31,957	-
Repayment of borrowings, net	1,025	(4,590)
Net Cash Generated From / (Used In) Financing Activities	32,982	(4,590)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>33,190</b>	<b>(374)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>-</b>	<b>(20)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>(3,371)</b>	<b>(2,977)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>29,819</b>	<b>(3,371)</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF :</b>		
Cash and bank balances	33,528	231
Fixed deposits with licensed banks	-	-
Less : Bank Overdraft	(3,709)	(3,602)
	29,819	(3,371)

(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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**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**

On 28 November 2007, the issued and paid-up share capital of the Company was reduced to RM29,363,178 comprising 29,363,178 ordinary shares of RM1.00 each, via the implementation of the Capital Reduction and Share Consolidation.

On 21 December 2007, the Company allotted 29,363,178 new ordinary shares of RM1.00 each, via the Rights Issue. The issued and paid-up share capital of the Company had since increased to RM58,726,356 comprising 58,726,356 ordinary shares of RM1.00 each.



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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.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 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 31.12.2007 (RM'000)	Year-to-Date ended 31.12.2007 (RM'000)
<b>Segment Revenue</b>		
-- Malaysia	11,431	43,974
-- Other Countries	407	2,024
	11,838	45,998
Elimination of Inter-Segment Sales	(2,847)	(11,395)
Group Revenue	8,991	34,603
<b>Segment Results</b>		
-- Malaysia	(6,030)	(8,523)
-- Other Countries	(6)	(586)
	(6,036)	(9,109)
Elimination	1,658	1,580
Loss from Operations	(4,378)	(7,529)

**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**

There were no material events in the interval between the end of the current financial quarter and 26 February 2008.

**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 31 December 2007, the Company has given corporate guarantees amounting to RM10.5 million (as at 31 December 2006 : RM13.6 million) to financial institutions for credit facilities granted to certain subsidiary companies.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
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**A13. Capital Commitments**

As at 31 December 2007, the Group has no material capital commitments.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2007**

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

**B1. Review of Performance**

The Group registered a revenue of RM8.99 million in the current quarter as compared to RM14.6 million in the corresponding quarter in 2006. Although the lighting division managed a 15% sales increase, the overall decline of 38% in current quarter revenue was primarily attributed to lower sales in POS as its projects were accepted on more selective basis in 2007.

For the current year-to-date ("YTD"), the Group's revenue was reduced to RM34.6 million from RM52.8 million (YTD 2006) due to the decline in export lighting and kitchen sales in 2007 despite achieving higher sales in local lighting and POS in the current YTD.

Losses before tax in both current quarter and YTD 2007 were RM 5.04 million and RM 9.38 million respectively; a substantial reduction of RM 27.3 million and RM 32.9 million respectively less than their corresponding periods due to higher impairments and write-offs being made in YTD 2006. In addition, such lower losses in the current quarter and YTD 2007 were also achieved through the streamlining of operations, cost rationalization and cost reduction programs implemented throughout 2007.

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

|                              | Current<br>Quarter ended<br>31.12.2007<br>(RM'000) | Preceding<br>Quarter ended<br>30.09.2007<br>(RM'000) |
|------------------------------|----------------------------------------------------|------------------------------------------------------|
| Revenue                      | 8,991                                              | 7,581                                                |
| Consolidated Loss Before Tax | (5,037)                                            | (1,026)                                              |

The Group recorded an improvement of RM 1.41 million in revenue in the current quarter compared to its immediate preceding quarter; mainly due to the increase of 32% and 42% in lighting and kitchen sales respectively as some deferred lighting projects were realized and completion of certain kitchen projects in the current quarter. However, consolidated loss before tax was also higher as some provisions were made in the current quarter.

**B3. Prospects**



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Going forward, with the completion of the Group's corporate exercise at the end of December 2007, the Group is currently in a stronger financial position to increase its marketing and sales base with the expectation of improved performance.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
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**B4. Profit Forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

|                  | Quarter ended<br>31.12.2007<br>(RM'000) | Year-to-Date<br>ended<br>31.12.2007<br>(RM'000) |
|------------------|-----------------------------------------|-------------------------------------------------|
| Current Taxation | 65                                      | 348                                             |

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 December 2007 are as follows :-

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

**B8. Corporate Proposals**

**a) Status of Corporate Proposals**

As at 26 February 2008, the Company has completed the increase in Authorised Share Capital, the Capital Reduction, the Share Consolidation and the Rights Issue. The Right Shares and Warrants were granted listing and quotation on the Second Board of Bursa Malaysia Securities Berhad on 31 December 2007. The Proposed Private Placement is pending implementation.



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**b) Status of Utilisation of Proceeds**

As at 22 February 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the utilisation of the proceeds from the Rights Issue of 29,363,178 new ordinary shares of RM1.00 each at an issue price of RM1.00 were as follows :-

|                                                                  | Proposed<br>Utilisation<br>(RM) | Actual<br>Utilisation<br>(RM) | Unutilised<br>/(Over<br>Utilised)<br>(RM) | Intended<br>Utilisation<br>Period from<br>completion | Explanations |
|------------------------------------------------------------------|---------------------------------|-------------------------------|-------------------------------------------|------------------------------------------------------|--------------|
| Repayment of Bank Borrowings                                     | 21,700,000                      | 12,495,000                    | 9,205,000                                 | within 2 months                                      |              |
| Working Capital                                                  | 6,063,178                       | 3,143,610                     | 2,919,568                                 | within 3 months                                      |              |
| Payment of Expenses for Corporate Exercise and Related Proposals | 1,600,000                       | 1,258,455                     | 341,545                                   | within 2 months                                      |              |

**B9. Group Borrowings and Debt Securities**

|                           | As at<br>31.12.2007<br>(RM'000) |
|---------------------------|---------------------------------|
| a) Secured borrowings     | 26,083                          |
| Unsecured borrowings      | 931                             |
|                           | <b>27,014</b>                   |
| b) Short term             |                                 |
| - bank overdraft          | 3,709                           |
| - trade facilities        | 1,754                           |
| - hire purchase creditors | 1,036                           |
| - term loans              | 16,842                          |
|                           | <b>23,341</b>                   |
| Long term                 |                                 |
| - hire purchase creditors | 2,252                           |
| - term loans              | 1,421                           |
|                           | <b>3,673</b>                    |
| Total Borrowings          | <b>27,014</b>                   |

**B10. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at 26 February 2008.

**B11. Material Litigation**



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There is no pending material litigation as at 26 February 2008.

**B12. Dividends**

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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2007**

**B13. Earnings Per Share**

|                                                                                                       | Quarter Ended |            | Year-to-Date Ended |            |
|-------------------------------------------------------------------------------------------------------|---------------|------------|--------------------|------------|
|                                                                                                       | 31.12.2007    | 31.12.2006 | 31.12.2007         | 31.12.2006 |
| <b>Earnings</b>                                                                                       |               |            |                    |            |
| Loss attributable to equity holders of the parent (RM'000)                                            | (5,102)       | (29,223)   | (9,725)            | (40,066)   |
| <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>                      | (8.69)        | (49.76)    | (16.56)            | (68.23)    |
| <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.*