



**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current quarter ended 30.09.2008 (RM'000) | Corresponding quarter ended 30.09.2007 (RM'000) | Current year-to-date ended 30.09.2008 (RM'000) | Corresponding year-to-date ended 30.09.2007 (RM'000) |
| 1 Revenue | 6,303 | 7,581 | 18,383 | 25,612 |
| 2 Cost of sales | (5,384) | (6,461) | (16,500) | (22,801) |
| 3 Gross profit | 919 | 1,120 | 1,883 | 2,811 |
| 4 Other income | 57 | 207 | 754 | 784 |
| 5 Other expenses | (1,676) | (1,951) | (6,182) | (6,746) |
| 6 Loss from operations | (700) | (624) | (3,545) | (3,151) |
| 7 Finance cost, net | (94) | (402) | (386) | (1,189) |
| 8 Loss before tax | (794) | (1,026) | (3,931) | (4,340) |
| 9 Taxation | (104) | (45) | (252) | (283) |
| 10 Loss for the period | (898) | (1,071) | (4,183) | (4,623) |
| Attributable to : | | | | |
| Equity holders of the parent | (898) | (1,071)## | (4,183) | (4,623) |
| Minority Interest | - | - ## | - | - |
| | (898) | (1,071)## | (4,183) | (4,623) |
| ¹¹ Losses per share attributable to equity holders of the parent: | | | | |
| (i) Basic - based on ordinary shares (sen) | (1.53) | (1.82)## | (7.12) | (7.87) |
| (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 Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements)



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

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

CONDENSED CONSOLIDATED BALANCE SHEET

| | (UNAUDITED) As at 30.09.2008 (RM'000) | (AUDITED) As at 31.12.2007 (RM'000) |
|--|--|--|
| ASSETS | | |
| Property, Plant and Equipment | 36,824 | 39,716 |
| Long Term Investments | 116 | 116 |
| Goodwill on Consolidation | - | - |
| Intangible Assets | 65 | 65 |
| | 37,005 | 39,897 |
| Current Assets | | |
| Inventories | 9,866 | 9,194 |
| Trade Debtors | 6,303 | 7,858 |
| Other Debtors, Deposits and Prepayments | 2,572 | 2,729 |
| Cash and Bank Balances | 1,510 | 33,461 |
| | 20,251 | 53,242 |
| TOTAL ASSETS | 57,256 | 93,139 |
| EQUITY and LIABILITIES | | |
| Equity Attributable to Equity Holders of the Parent | | |
| Share Capital | 58,726 | 58,726 |
| Reserves | | |
| Share Premium | - | - |
| Others | 171 | 501 |
| Retained Profits | (13,934) | (9,752) |
| | 44,963 | 49,475 |
| Minority Interest | - | - |
| Total Equity | 44,963 | 49,475 |
| Non-Current Liabilities | | |
| Long Term Borrowings | 2,199 | 2,729 |
| Deferred Taxation | - | - |
| | 2,199 | 2,729 |
| Current Liabilities | | |
| Trade Payables | 3,790 | 5,951 |
| Other Payables | 4,880 | 10,380 |
| Short Term Borrowings | 1,124 | 24,219 |
| Provision for Taxation | 300 | 385 |
| | 10,094 | 40,935 |
| Total Liabilities | 12,293 | 43,664 |
| TOTAL EQUITY and LIABILITIES | 57,256 | 93,139 |
| Net Assets Per Share (RM) | 0.77 | 0.84 |
| Net Tangible Assets Per Share (RM) | 0.76 | 0.84 |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements)



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

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

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 2008 | | | | | |
| Balance as at 1 January 2008 | 58,726,357 | 500,916 | (9,751,559) | - | 49,475,714 |
| Currency translation differences | - | (330,028) | - | - | (330,028) |
| Net loss for the period | - | - | (4,182,579) | - | (4,182,579) |
| Balance as at 30 September 2008 | 58,726,357 | 170,888 | (13,934,138) | - | 44,963,107 |
| 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 |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements)



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

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

CONDENSED CONSOLIDATED CASHFLOW STATEMENTS

| | Current year-to-date ended 30.09.2008 (RM'000) | Corresponding year-to-date ended 30.09.2007 (RM'000) |
|--|---|---|
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | |
| Loss before tax | (4,183) | (4,340) |
| Adjustment for : | | |
| Amortisation and depreciation of property, plant and equipment | 2,882 | 2,991 |
| Non-cash items | 83 | 2,625 |
| Operating Loss Before Working Capital Changes | (1,218) | 1,276 |
| Changes in working capital : | | |
| Net change in current assets | 1,041 | 7,509 |
| Net change in current liabilities | (3,334) | (7,605) |
| Net Cash From Operations | (3,511) | 1,180 |
| Income tax paid | (252) | (475) |
| Interest paid | (386) | (1,191) |
| Net Cash Generated From / (Used In) Operating Activities | (4,149) | (486) |
| CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES | | |
| Equity investment | - | - |
| Other investment | (17) | 165 |
| Net Cash Generated From / (Used In) Investing Activities | (17) | 165 |
| CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES | | |
| Share issued | - | - |
| Repayment of borrowings, net | (20,014) | 792 |
| Net Cash Generated From / (Used In) Financing Activities | (20,014) | 792 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (24,180) | 471 |
| EFFECT OF EXCHANGE RATE CHANGES | - | - |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 25,690 | (3,371) |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 1,510 | (2,900) |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF : | | |
| Cash and bank balances | 1,510 | 377 |
| Fixed deposits with licensed banks | - | - |
| Less : Bank Overdraft | - | (3,277) |
| | 1,510 | (2,900) |

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements)



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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008**

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 2007. 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 2007.

A2. Audit Report

The audited financial statements of the Company for the preceding financial year ended 31 December 2007 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.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008

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 30.09.2008 (RM'000) | Year-to-Date ended 30.09.2008 (RM'000) |
|------------------------------------|---|---|
| Segment Revenue | | |
| -- Malaysia | 7,807 | 21,784 |
| -- Other Countries | 59 | 752 |
| | 7,866 | 22,536 |
| Elimination of Inter-Segment Sales | (1,563) | (4,153) |
| Group Revenue | 6,303 | 18,383 |
| Segment Results | | |
| -- Malaysia | (568) | (3,160) |
| -- Other Countries | (132) | (440) |
| | (700) | (3,600) |
| Elimination | - | - |
| Loss from Operations | (700) | (3,600) |

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 28 November 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 30 September 2008, the Company has given corporate guarantees amounting to RM3.32 million (as at 31 December 2007 : RM10.5 million) to financial institutions for credit facilities granted to certain subsidiary companies.

A13. Capital Commitments

As at 30 September 2008, the Group has no material capital commitments.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

Qtr 3 2008 vs Qtr 3 2007

Total sales achieved by the Group in Q. 3 2008 was RM6.30 million as compared to RM7.58 million in the corresponding quarter of 2007. Main decline in sales were attributed to much lower POS sales as a result of our selective approach although the kitchen business had doubled its sales in the current quarter. Lighting division too had mitigated the drop in sales with its 22% increase from both local and export fronts in the current quarter.

YTD September 2008 vs YTD September 2007

The Group recorded revenues of RM18.4 million for the current year-to-date ("YTD") September 2008 as compared to RM25.6 million for YTD September 2007 due primarily to the decline in POS sales. However, the lighting business as the main revenue driver was promising which had increased 21% in the current YTD September 2008.

Loss before tax for Q3 2008 and YTD 2008 were RM794 thousand and RM3.93 million respectively. By comparison, loss before tax for Q3 2007 and YTD 2007 were RM1.03 million and RM4.34 million respectively. Such improvement was mainly attributed to savings in interest cost and continuing cost control measures.

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

| | Current Quarter ended 30.09.2008 (RM'000) | Preceding Quarter ended 30.06.2008 (RM'000) |
|------------------------------|--|--|
| Revenue | 6,303 | 6,640 |
| Consolidated Loss Before Tax | (794) | (515) |

The current quarter was filled with strong global challenges as oil prices rose to record heights in the earlier part of Q3 2008 before declining significantly thereafter and followed by an unprecedented global financial crisis triggered in the U.S. With such economic uncertainties, the Group's revenue was also affected and consequently declined by 4.6% as export lighting and POS sales dropped although local lighting and kitchen sales had improved in the current quarter. Margins were also lower in the current quarter due to higher trading items sales for lighting division and price competition.

B3. Prospects



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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008**

The recent unprecedented world financial crisis has created uncertainties and recessionary fears throughout the world. Demand for goods and services are generally expected to be softer for the local and export markets going forward. Nevertheless, the Group will be vigilant and prudent in managing overall costs and will use its best endeavours to secure sales during such challenging times.

B4. Profit Forecast

Not applicable as no profit forecast was published.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008**

B5. Taxation

| | Quarter ended 30.09.2008 (RM'000) | Year-to-Date ended 30.09.2008 (RM'000) |
|------------------|---|---|
| Current Taxation | 104 | 252 |

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 2008 are as follows :-

| | RM |
|-------------------|--------|
| At cost | 19,800 |
| At carrying value | 4,500 |
| At market value | 3,120 |

B8. Corporate Proposals

a) Status of Corporate Proposals

As at 21 November 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.

B9. Group Borrowings and Debt Securities

| | As at 30.09.2008 (RM'000) |
|---------------------------|---------------------------------|
| a) Secured borrowings | 3,210 |
| Unsecured borrowings | 113 |
| | 3,323 |
| b) Short term | |
| - bank overdraft | - |
| - trade facilities | 113 |
| - hire purchase creditors | 659 |



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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008**

| | |
|---------------------------|-------|
| - term loans | 352 |
| | 1,124 |
| Long term | |
| - hire purchase creditors | 1,024 |
| - term loans | 1,175 |
| | 2,199 |
| Total Borrowings | 3,323 |



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2008**

B10. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at 28 November 2008.

B11. Material Litigation

There is no pending material litigation as at 28 November 2008.

B12. Dividends

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

B13. Earnings Per Share

| | Quarter Ended | | Year-to-Date Ended | |
|---|---------------|---------------|--------------------|---------------|
| | 30.09.2008 | 30.09.2007 | 30.09.2008 | 30.09.2007 |
| Earnings | | | | |
| Loss attributable to equity holders of the parent (RM'000) | (898) | (1,071) | (4,183) | (4,623) |
| 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) | (1.53) | (1.82) | (7.12) | (7.87) |
| 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