



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

**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current quarter ended 30.06.11 (RM'000)	Corresponding quarter ended 30.06.10 (RM'000)	Current year-to-date ended 30.06.11 (RM'000)	Corresponding year-to-date ended 30.06.10 (RM'000)
1 Revenue	27,914	2,138	40,839	5,751
2 Cost of sales	(25,777)	(1,967)	(38,111)	(4,418)
3 Gross profit	2,137	171	2,728	1,333
4 Other income	4	2,384	6	2,339
5 Other expenses	(1,474)	(186)	(2,469)	(1,522)
6 Profit / (Loss) from operations	667	2,369	265	2,150
7 Finance cost, net	-	(15)	(3)	(44)
8 Profit / (Loss) before tax	667	2,354	262	2,106
9 Taxation	(483)	(108)	(570)	(205)
10 Profit / (Loss) for the period	184	2,246	(308)	1,901
Attributable to :				
Equity holders of the parent	184	2,246	(308)	1,901
Minority Interest	-	-	-	-
	184	2,246	(308)	1,901
11 Profit / (Losses) per share attributable to equity holders of the parent:				
(i) Basic - based on ordinary shares (sen)	0.31	3.82	(0.52)	3.24
(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 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Period		Cumulative Period	
	Current quarter ended 30.06.11 (RM'000)	Corresponding quarter ended 30.06.10 (RM'000)	Current year-to-date ended 30.06.11 (RM'000)	Corresponding year-to-date ended 30.06.10 (RM'000)
1 Profit / (Loss) for the period	184	2,246	(308)	1,901
2 Currency translation differences	(7)	12	(10)	4
3 Total comprehensive income for the period	177	2,258	(318)	1,905
Attributable to :				
Equity holders of the parent	177	2,258	(318)	1,905
Minority Interest	-	-	-	-
	177	2,258	(318)	1,905

(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 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30.06.2011 (RM'000)	(AUDITED) As at 31.12.2010 (RM'000)
NON CURRENT ASSETS		
Property, Plant and Equipment	9,023	9,234
Other Investments	54	54
Other Intangible Assets	-	-
	9,077	9,288
Current Assets		
Inventories	3,614	1,944
Trade Debtors	17,489	4,026
Other Debtors, Deposits and Prepayments	6,430	14,993
Cash and Bank Balances	4,741	5,055
	32,274	26,018
Non-Current Assets Held for Sale	-	-
	32,274	26,018
TOTAL ASSETS	41,351	35,306
EQUITY and LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	58,726	58,726
Reserves		
Others	266	276
Accumulated Losses	(31,710)	(31,401)
	27,282	27,601
Minority Interest	-	-
Total Equity	27,282	27,601
Non-Current Liabilities		
Long Term Borrowings	-	-
Deferred Taxation	-	11
	-	11
Current Liabilities		
Trade Payables	12,038	5,861
Other Payables	1,419	1,425
Short Term Borrowings	-	215
Provision for Taxation	612	193
	14,069	7,694
Total Liabilities	14,069	7,705
TOTAL EQUITY and LIABILITIES	41,351	35,306
Net Assets Per Share (RM)	0.46	0.47
Net Tangible Assets Per Share (RM)	0.46	0.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company			Total Equity RM'000
	<----- Non-Distributable ----->			
6-MONTH PERIOD ENDED 30 JUNE 2011	Share Capital RM'000	Non-Distributable Reserve RM'000	Accumulated Losses RM'000	
Balance as at 1 January 2011	58,726	276	(31,401)	27,601
Total Comprehensive Income for the period	-	(10)	(309)	(319)
Balance as at 30 JUNE 2011	58,726	266	(31,710)	27,282
6-MONTH PERIOD ENDED 30 JUNE 2010				
Balance as at 1 January 2010	58,726	232	(28,948)	30,010
Total Comprehensive Income for the period	-	4	1,901	1,905
Balance as at 30 JUNE 2010	58,726	236	(27,047)	31,915

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	Current year-to-date ended 30.06.11 (RM'000)	Corresponding year-to-date ended 30.06.10 (RM'000)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	262	2,106
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	624	654
Non-cash items	-	(2,650)
Operating Profit / (Loss) Before Working Capital Changes	<u>886</u>	<u>110</u>
Changes in working capital :		
Net change in current assets	(6,570)	725
Net change in current liabilities	<u>6,179</u>	<u>(1,409)</u>
Net Cash From / (Used In) Operations	495	(574)
Net income tax paid	(171)	146
Interest paid	(3)	(44)
Net Cash Generated From / (Used In) Operating Activities	<u>321</u>	<u>(472)</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Other investment	(410)	10,000
Net Cash Generated From / (Used In) Investing Activities	<u>(410)</u>	<u>10,000</u>
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Repayment of borrowings, net	(215)	(1,365)
Net Cash Generated (Used In) / From Financing Activities	<u>(215)</u>	<u>(1,365)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(304)	8,163
EFFECT OF EXCHANGE RATE CHANGES	(10)	4
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	5,055	6,529
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>4,741</u>	<u>14,696</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF:		
Cash and Bank Balances	4,741	14,696
Fixed Deposits with Licensed Banks	-	-
Less: Bank Overdraft	-	-
	<u>4,741</u>	<u>14,696</u>

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED
30 JUNE 2011**

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"), 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 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
Improvements to FRSs (2009)	1 January 2010



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED
30 JUNE 2011**

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.

A2. Audit Report

The audited financial statements of the Company for the preceding financial year ended 31 December 2010 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 2ND QUARTER ENDED
30 JUNE 2011

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 30.06.2011 (RM'000)	Year-to-date ended 30.06.2010 (RM'000)
Segment Revenue		
-- Malaysia	27,914	40,839
-- Other Countries	-	-
	27,914	40,839
Elimination of Inter-Segment Sales	-	-
Group Revenue	27,914	40,839
Segment Results		
-- Malaysia	184	(308)
-- Other Countries	-	-
	184	(308)
Elimination	-	-
Profit/(Loss) from Operations	184	(308)

A9. Subsequent Material Events

An office copy of the sealed order of the High Court of Malaya at Kuala Lumpur confirming the Capital Reduction has been lodged with the Companies Commission of Malaysia on 28 July 2011, upon which the Capital Reduction shall take effect.

Shareholders of Fututech should take note that the Capital Reduction does not affect the number of ordinary shares or rights attaching to the ordinary shares held by them. All the ordinary shares of Fututech standing to the credit of the securities account of Fututech's shareholders shall not be affected, except for the reduction in par value of each ordinary share of Fututech from RM1.00 to RM0.50. The share price of Fututech will not be adjusted pursuant to the Capital Reduction.

An announcement pertaining to the abovementioned had been made to Bursa Malaysia dated 28 July 2011.

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 22 May 2011, the Company has given corporate guarantees amounting to RM2.7 million for credit facilities granted to certain subsidiary companies.

A12. Capital Commitments

As at 31 March 2011 the Group has no material capital commitments.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED
 30 JUNE 2011**

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

The Group registered total turnover of RM 27.91 million in the current quarter (Q.2, 2011) as compared to RM2.14 million in the corresponding quarter of 2010 (Q.2, 2010) with the significant improvement attributed to the higher billings from existing and newly started projects.

Total Group revenue for the current year-to-date ("YTD") June 2011 stood at RM40.84 million as compared to RM5.75 million in the corresponding period of YTD June 2010.

With overall turnover in Q.2, 2011 and YTD June 2011 being significantly higher than its previous corresponding periods respectively, the Group achieved a net profit before tax of RM667 thousand in Q.2, 2011 and a net profit before tax of RM262 thousand for YTD June 2011 as compared to a net profit before tax of RM2.35 million in Q.2, 2010 and a net profit before tax of RM2.11 million in YTD June 2010. The latter result was primarily attributed to a gain registered from the disposal of a property in Q.2, 2010 as compared mainly to the profit achieved by the construction division in the current period.

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

	Current Quarter ended 30.06.2011 (RM'000)	Preceding Quarter ended 31.03.2011 (RM'000)
Revenue	27,914	12,925
Consolidated Profit / (Loss) Before Tax	667	(493)

Although revenue from the Group's manufacturing division had declined generally, overall Group's revenue was lifted from RM12.925 million (Q.1 2011) to RM27.913 million (Q.2 2011) as progress billings from its construction arm in the current quarter had recorded more than double the billings of its immediate preceding quarter. On the back of increased site activities of projects resulting in overall higher turnover in the current quarter, the Group managed to attain a profit before tax of RM667 thousand as compared to loss before tax of RM493 thousand in the immediate preceding quarter.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED
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B3. Prospects

With the existing construction projects gathering momentum and the manufacturing division providing support for some of its construction activities, the Group is confident of improving its performance going forward.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter ended 30.06.2011 (RM'000)	Year-to-Date ended 30.06.2011 (RM'000)
Current Taxation	483	570

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.



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B6. Quoted Securities

Investments in quoted securities as at 30 June 2011 are as follows :-

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

B7 Group Borrowings and Debt Securities

	As at 31.03.2011 (RM'000)
a) Secured borrowings	-
Unsecured borrowings	-
	-
b) Short term	
- hire purchase creditors	-
- term loans	-
	-
Long term	
- hire purchase creditors	-
- term loans	-
	-
Total Borrowings	-



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED
30 JUNE 2011

B9. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at 22 August 2011

B10. Material Litigation

There is no pending material litigation as at 22 August 2011

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	
	30.03.2011	30.06.2010	30.03.2011	30.06.2010
Earnings				
Profit / (Loss) attributable to equity holders of the Company (RM'000)	184	2,246	(308)	1,901
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 Profit/(losses) per share attributable to equity holders of the parent (Sen)	0.31	3.82	(0.52)	3.24
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



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B13 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 Financial Period ended 30.06.2011 RM
Total Accumulated Losses of the Company and its subsidiaries	
- Realised	96,410,505
- Unrealised	47,441
Share of Accumulated losses from associate companies	
- Realised	-
- Unrealised	-
Share of retained profit from jointly controlled entity	
- Realised	-
- Unrealised	-
	<u>96,457,946</u>
Less: Consolidated Adjustment	<u>64,747,899</u>
Total Group Accumulated Losses as per consolidated accounts	<u>31,710,047</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.