



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

UNAUDITED 4th QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2012 (RM'000)	Corresponding quarter ended 31.12.2011 (RM'000)	Current year-to-date ended 31.12.2012 (RM'000) (UNAUDITED)	Corresponding year-to-date ended 31.12.2011 (RM'000) (AUDITED)
1 Revenue	10,223	48,858	158,374	138,586
2 Cost of sales	(2,915)	(43,083)	(127,470)	(126,226)
3 Gross profit	7,308	5,775	30,904	12,360
4 Other income	697	1,226	1,194	1,254
5 Other expenses	(2,197)	(3,006)	(7,856)	(6,737)
6 Profit from operations	5,808	3,995	24,242	6,877
7 Finance cost	(228)	(2,185)	(228)	(2,171)
8 Profit before tax for the year	5,580	1,810	24,014	4,706
9 Taxation	804	1,495	(401)	862
10 Profit for the year	6,384	3,305	23,613	5,568
Attributable to :				
Equity holders of the Company	6,384	3,305	23,613	5,568
11 Profit per share attributable to equity holders of the Company:				
(i) Basic earnings per ordinary shares (sen)	7.04	4.27	26.02	8.18
(ii) Diluted earnings per 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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)



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(Incorporated in Malaysia)

UNAUDITED 4th QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2012 (RM'000)	Corresponding quarter ended 31.12.2011 (RM'000)	Current year-to-date ended 31.12.2012 (RM'000) (UNAUDITED)	Corresponding year-to-date ended 31.12.2011 (RM'000) (AUDITED)
1 Profit for the year	6,384	3,305	23,613	5,568
2 Currency translation differences	31	51	9	27
3 Total comprehensive income for the year	<u>6,415</u>	<u>3,356</u>	<u>23,622</u>	<u>5,595</u>
Attributable to :				
Equity holders of the Company	<u>6,415</u>	<u>3,356</u>	<u>23,622</u>	<u>5,595</u>

(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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 4th QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31.12.2012 (RM'000)	(AUDITED) As at 31.12.2011 (RM'000)
ASSETS		
Non Current Assets		
Property, plant and equipment	7,075	9,540
Other investments	43	54
Intangible assets	51	26
Trade receivables	6,834	3,973
Deferred tax assets	2,184	2,447
	16,187	16,040
Current Assets		
Inventories	2,391	3,424
Trade and other receivables	50,635	58,881
Other current assets	82	94
Tax recoverables	782	905
Cash and bank balances	60,759	13,652
	114,649	76,956
TOTAL ASSETS	130,836	92,996
EQUITY and LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	45,369	45,369
Reserves		
Others	312	303
Accumulated Profits	27,142	3,529
	72,823	49,201
Non-Current Liabilities		
Trade payables	3,375	2,003
Other payables and liabilities	-	20
	3,375	2,023
Current Liabilities		
Trade and other payables	21,521	15,277
Other current liabilities and provisions	33,117	25,225
Income tax payable	-	1,270
	54,638	41,772
Total Liabilities	58,013	43,795
TOTAL EQUITY and LIABILITIES	130,836	92,996
Net Assets Per Share (based on ordinary shares of RM0.50 each) (RM)	0.80	0.54

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)



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UNAUDITED 4th QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company			Total Equity RM'000
	<----- Non-Distributable ----->			
	Share Capital RM'000	Other Reserves RM'000	Accumulated Profits/(Losses) RM'000	
Balance as at 1 January 2012	45,369	303	3,529	49,201
Total Comprehensive Income for the year	-	9	23,613	23,622
Balance as at 31 December 2012	45,369	312	27,142	72,823
Balance as at 1 January 2011	58,726	276	(31,401)	27,601
Reduction in par value of shares	(29,362)	-	29,362	-
Issuance of ordinary shares	16,005	-	-	16,005
Total Comprehensive Income for the year	-	27	5,568	5,595
Balance as at 31 December 2011	45,369	303	3,529	49,201

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)



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UNAUDITED 4th QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	Current year-to-date ended 31.12.2012 (RM'000)	Corresponding year-to-date ended 31.12.2011 (RM'000) (AUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	24,014	4,706
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	1,298	1,192
Non-cash items	691	759
Operating Profit Before Working Capital Changes	26,003	6,657
Changes in working capital :		
Net change in operating assets	6,346	(48,665)
Net change in operating liabilities	15,487	36,580
Net Cash Generated From/(Used in) Operations	47,836	(5,428)
Income tax paid	(1,283)	(265)
Interest received/(paid)	788	(3)
Net Cash Generated From/(Used In) Operating Activities	47,341	(5,696)
CASH FLOW FROM INVESTING ACTIVITY		
Other investment	(243)	(1,524)
Net Cash Used In Investing Activity	(243)	(1,524)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings, net	-	(215)
Proceeds from issuance of shares	-	16,005
Net Cash Generated From Financing Activities	-	15,790
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,098	8,570
EFFECT OF EXCHANGE RATE CHANGES	9	27
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	13,652	5,055
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	60,759	13,652

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2011 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 FINANCIAL YEAR ENDED 31 DECEMBER 2012

INFORMATION REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134

A1. Corporate Information

Fututech Berhad is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

A2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the year ended 31 December 2012, have been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board. For the period up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for the year ended 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The transition from FRS to MFRS has not had a material impact to the Group as the accounting policies adopted under the previous FRS Framework were already in line with the requirements of the MFRS framework.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2011 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

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

A5. Unusual Items

There were no unusual items for the current quarter under review and financial year ended 31 December 2012 that affecting the assets, liabilities, equity, net income or cashflow of the Group.

A6. Changes in Estimates

There were no significant changes in estimates that have a material effect to the current quarter under review and financial year ended 31 December 2012 .

A7. Debt and Equity Securities

There were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Group for the financial year ended 31 December 2012.

A8. Dividends Paid

No dividend has been paid in the financial year ended 31 December 2012.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

A9. Segmental Information

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Construction <i>(RM'000)</i>	Manufacturing <i>(RM'000)</i>	Others <i>(RM'000)</i>	Eliminated <i>(RM'000)</i>	Total <i>(RM'000)</i>
External Revenue	155,309	3,065	-	-	158,374
Inter Segment Revenue	116,487	14,750	-	(131,237)	-
	271,796	17,815	-	(131,237)	158,374

RESULTS

Segment Results	25,259	(1,180)	(466)	-	23,613
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OTHER INFORMATION

Segment Assets	84,991	111,749	46,827	(112,731)	130,836
Segment Liabilities	109,159	80,848	42,191	(174,185)	58,013

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Construction <i>(RM'000)</i>	Manufacturing <i>(RM'000)</i>	Others <i>(RM'000)</i>	Eliminated <i>(RM'000)</i>	Total <i>(RM'000)</i>
External Revenue	134,903	3,683	-	-	138,586
Inter Segment Revenue	27,126	3,616	-	(30,742)	-
	162,029	7,299	-	(30,742)	138,586

RESULTS

Segment Results	9,038	(1,880)	(1,590)	-	5,568
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OTHER INFORMATION

Segment Assets	63,460	58,579	34,750	(63,793)	92,996
Segment Liabilities	58,788	69,272	41,116	(125,381)	43,795

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

A9. Segmental Information (contd.)

As the business of the Group is engaged entirely in Malaysia, no reporting by geographical location of operation is presented.

For management purposes, the Group is organised into business units based on their products and services, and has three (3) reportable operating segments as follow:

(i) Construction - Supply and installation of aluminium and glazing works, stone works, interior fixtures, fittings, lightings, cabinetry and related products, provision of contract workmanship and general building works and related services.

(ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.

(iii) Others - Investment holding and dormant companies

Segment performance for the financial year ended 31 December 2012 as compared to previous financial year ended 31 December 2011

(i) Construction

The construction segment recorded external revenue of RM155.31 million for the current financial year as compared to previous financial year of RM134.90 million, representing an increase of RM20.41 million or 15.13%. The increase in revenue was due mainly to higher revenue being recognised from a project that has been completed during year 2012. The higher revenue was also contributed by major works being carried out and completing works for most projects being undertaken in the current financial year as compared to the previous financial year. With the growth in revenue, segment result improved from RM9.04 million in previous financial year ended 31 December 2011 to RM25.26 million in current financial year ended 31 December 2012, representing a significant increase of RM16.22 million.

(ii) Manufacturing

Manufacturing segment recorded a revenue of RM3.07 million for the current financial year as compared to previous financial year of RM3.68 million. Despite the marginal decrease in revenue, with effective cost and resource management, the segment result improved from a loss of RM1.88 million in previous financial year ended 31 December 2011 to a loss of RM1.18 million in current financial year ended 31 December 2012. The net loss of current year was partly contributed by the provision for impairment of machineries that approximately RM1.39 million. The inter-segment revenue of RM14.75 million was derived from progress revenue of manufacturing of kitchen cabinetry and related products to inter-company for construction purpose. These would have eliminated at the group level.

(iii) Others

Others refer to investment holding and dormant companies. Segmental loss of RM466 thousand was recorded during the current financial year due to operating expenses being incurred.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

A10. Profit Before Tax

	Individual Quarter ended 31.12.2012 (RM'000)	Cumulative Quarter ended 31.12.2012 (RM'000)
Amortisation and depreciation of property, plant and equipment	315	1,298
Interest income	333	788
Impairment of property, plant and equipment	1,386	1,386
Impairment of other investments:		
- quoted securities	2	2
- others	9	9
Provision for obsolete stocks	61	61
Realised foreign exchange loss	(4)	(21)

Other than the above items, there were no exceptional items for the current quarter under review and financial year ended 31 December 2012.

A11. Subsequent Events

As at the date of this report, there were no material events subsequent to the balance sheet date that affect the results of the Group for the financial year ended 31 December 2012.

A12. Changes in Composition of the Group

Saved as disclosed below, there were no changes in the composition of the Group during the financial year ended 31 December 2012.

- a) On 29 May 2012, the Company has acquired two (2) ordinary shares of RM1.00 each in Bazarbayu Sdn Bhd ("Bazarbayu"), representing 100% of the issued and paid-up share capital of Bazarbayu for a total consideration of RM2.00.
- b) On 19 November 2012, the Company has acquired two (2) ordinary shares of RM1.00 each in Senandung Raya Sdn Bhd ("Senandung"), representing 100% of the issued and paid-up share capital of Senandung for a total consideration of RM2.00.

The acquisitions above would not have a material effect on the consolidated earnings and net assets for the financial year ended 31 December 2012.

A13. Changes in Contingent Liabilities or Contingent Assets

As at the date of this report, the Company has given corporate guarantees amounting to RM5.35 million for credit facilities granted to certain subsidiary companies.

Other than as disclosed above, there were no other changes in the contingent liabilities or assets since the last financial year ended 31 December 2011.

A14. Capital Commitments

As at the date of this report, the Group has no material capital commitments.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current quarter under review, the Group posted a revenue of RM10.22 million as compared to RM48.86 million in the same corresponding quarter of 2011, representing a decrease of RM38.64 million or 79.08%. The reduction in revenue was attributed to lower revenue being recognised as one of the remaining projects has been completed whilst other projects are nearing their completion stage as at the current quarter under review. Despite lower revenue being recorded, the Group registered a pre-tax profit of RM5.58 million as compared to RM1.81 million in the same corresponding quarter of 2011, representing an increase of RM3.77 million, due to generally better margin being achieved during the current quarter.

With the improved overall margin, the Group's pre-tax profit also increased significantly from RM4.71 million for the financial year ended 31 December 2011 to RM24.01 million for the financial year ended 31 December 2012, representing an increase of RM19.30 million.

B2. Material Change in Results of Current Quarter Compared with Preceding Quarter

	Current Quarter ended 31.12.2012 (RM'000)	Preceding Quarter ended 30.09.2012 (RM'000)
Revenue	10,223	22,067
Profit before tax	5,580	6,158

For the current quarter under review, the Group posted a revenue of RM10.22 million and a pre-tax profit of RM5.58 million as compared to its immediate preceding quarter ended 30 September 2012 where revenue and pre-tax profit was RM22.07 million and RM6.16 million respectively. The decrease revenue in this quarter was due mainly to lower revenue being recognised as one of the remaining projects has been completed whilst other projects are nearing their completion stage as at the current quarter under review. For the current quarter, the pre-tax profit decreased marginally as compared to its preceding quarter.

B3. Current Year Prospects

Whilst global economy conditions remain uncertain, the Malaysian economic continues to register moderate growth. The Group believes that its current construction and prospective development projects will be able to contribute positively to its overall earnings. Barring unforeseen circumstances, the Group's construction and manufacturing bases will continue to perform satisfactorily.

B4. Profit Forecast

There were no profit forecast prepared or profit guarantee announced by the Group.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

B5. Taxation

	Individual Quarter ended 31.12.2012 (RM'000)	Cumulative Quarter ended 31.12.2012 (RM'000)
Malaysia income tax		
- current year	127	481
Con - in respect of previous years	14	(271)
	<u>141</u>	<u>210</u>
Deferred tax	(945)	191
	<u>(804)</u>	<u>401</u>

The effective tax rate of the Group is lower than the statutory tax rate of 25% due mainly to the utilisation of tax losses brought forward. Deferred tax expense arose from the reversal of deferred tax assets that previously recognised on unabsorbed business losses brought forward.

B6. Quoted Securities

As at 31 December 2012, the movement in quoted securities are as follow:

	As at 31.12.12 RM	As at 31.12.11 RM
At cost	19,800	19,800
Provision for impairment in value	(19,800)	(17,490)
At carrying value	<u>-</u>	<u>2,310</u>

B7 Group Borrowings and Debt Securities

There were no borrowings and debts securities as at the financial year ended 31 December 2012.

B8. Status of Corporate Proposals announced

Saved as disclosed below, there was no other corporate proposal announced for the financial year ended 31 December 2012.

- a) On 12 December 2012, Senandung Raya Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with Creative Interlink Sdn Bhd, to acquire a piece of land measuring approximately 35,310 square metres held under PN 48548 Lot 10333 Mukim Bukit Raja, Daerah Petaling Negeri Selangor for a total purchase consideration of RM16,500,000 ("Proposed Acquisition"). The Proposed Acquisition is pending shareholders' approval in the Extraordinary General Meeting to be announced.
- b) On 21 January 2013, Bazarbayu Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with KYM Leisure Sdn. Bhd., to acquire 3 pieces of leasehold land measuring in area approximately 1,932.6 square metres each aggregating to 5,797.8 square metres held under HSM 6598, 6599 and 6600, PT 20484, PT 20485 and PT 20486 all in Tempat Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang for a total purchase consideration of RM8,000,000 ("Proposed Acquisition"). The Proposed Acquisition does not require shareholders' approval.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

B9. Changes in Material Litigation

As at the date of this report, there were no pending material litigation for the Group.

B10. Dividends

No interim dividend has been declared for the financial year ended 31 December 2012.

B11. Derivatives and Fair Value Changes of Financial Liabilities

- (a) There were no derivatives as at the financial year ended 31 December 2012.
- (b) There were no fair value gain/(loss) on fair value changes of financial liabilities for the current quarter under review and financial year ended 31 December 2012.

B12. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties as at the financial year ended 31 December 2012.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

B13. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Earnings				
Profit attributable to equity holders of the Company (RM'000)	6,384	3,305	23,613	5,568
a) Basic				
Weighted average number of ordinary shares ('000)	90,737	77,341	90,737	68,110
Basic Profit per share attributable to equity holders of the Company (Sen)	7.04	4.27	26.02	8.18
b) Diluted				
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*



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

B14. Realised and Unrealised Profits / 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 profits / losses is as follows:

	As at 31.12.2012 (RM'000)	As at 31.12.2011 (RM'000)
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(38,423)	(61,900)
- Unrealised	295	159
	<u>(38,128)</u>	<u>(61,741)</u>
Add: Consolidated Adjustments	65,270	65,270
Total Group accumulated profits	<u>27,142</u>	<u>3,529</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.