



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

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current quarter ended 31.03.2008 (RM'000)	Corresponding quarter ended 31.03.2007 (RM'000)	Current year-to-date ended 31.03.2008 (RM'000)	Corresponding year-to-date ended 31.03.2007 (RM'000)
1 Revenue	5,439	8,920	5,439	8,920
2 Cost of sales	(5,834)	(8,099)	(5,834)	(8,099)
3 Gross profit	(395)	821	(395)	821
4 Other income	477	334	477	334
5 Other expenses	(2,551)	(2,526)	(2,551)	(2,526)
6 Loss from operations	(2,469)	(1,371)	(2,469)	(1,371)
7 Finance cost, net	(153)	(380)	(153)	(380)
8 Loss before tax	(2,622)	(1,751)	(2,622)	(1,751)
9 Taxation	(82)	(130)	(82)	(130)
10 Loss for the period	(2,704)	(1,881)	(2,704)	(1,881)
Attributable to :				
Equity holders of the parent	(2,704)	(1,881)##	(2,704)	(1,881)
Minority Interest	-	- ##	-	-
	(2,704)	(1,881)##	(2,704)	(1,881)
11 Losses per share attributable to equity holders of the parent:				
(i) Basic - based on ordinary shares (sen)	(4.60)	(3.20)##	(4.60)	(3.20)
(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)

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As at 31.03.2008 (RM'000)	(AUDITED) As at 31.12.2007 (RM'000)
ASSETS		
Property, Plant and Equipment	38,729	39,716
Long Term Investments	116	116
Goodwill on Consolidation	-	-
Intangible Assets	65	65
	<u>38,910</u>	<u>39,897</u>
Current Assets		
Inventories	8,805	9,194
Trade Debtors	7,205	7,858
Other Debtors, Deposits and Prepayments	2,306	2,729
Cash and Bank Balances	5,614	33,461
	<u>23,930</u>	<u>53,242</u>
TOTAL ASSETS	<u><u>62,840</u></u>	<u><u>93,139</u></u>
EQUITY and LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	58,726	58,726
Reserves		
Share Premium	-	-
Others	341	501
Retained Profits	(12,456)	(9,752)
	<u>46,611</u>	<u>49,475</u>
Minority Interest	-	-
Total Equity	<u>46,611</u>	<u>49,475</u>
Non-Current Liabilities		
Long Term Borrowings	2,526	2,729
Deferred Taxation	-	-
	<u>2,526</u>	<u>2,729</u>
Current Liabilities		
Trade Payables	3,897	5,951
Other Payables	4,712	10,380
Short Term Borrowings	5,094	24,219
Provision for Taxation		385
	<u>13,703</u>	<u>40,935</u>
Total Liabilities	<u>16,229</u>	<u>43,664</u>
TOTAL EQUITY and LIABILITIES	<u><u>62,840</u></u>	<u><u>93,139</u></u>
Net Assets Per Share (RM)	0.79	0.84
Net Tangible Assets Per Share (RM)	0.79	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)



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**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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		
3-MONTH PERIOD ENDED 31 MARCH 2008					
Balance as at 1 January 2008	58,726,357	500,916	(9,751,559)	-	49,475,714
Currency translation differences	-	(160,406)	-	-	(160,406)
Acquisition of minority interest	-	-	-	-	-
Deconsolidation of subsidiary company	-	-	-	-	-
Net loss for the period	-	-	(2,704,341)	-	(2,704,341)
Balance as at 31 March 2008	58,726,357	340,510	(12,455,900)	-	46,610,967
3-MONTH PERIOD ENDED 31 MARCH 2007					
Balance as at 1 January 2007 (restated)	58,726,357	10,380,339.00	(38,223,249)	133,145.00	31,016,592
Currency translation differences		197,573			197,573
Acquisition of minority interest			133,145	(133,145)	-
Deconsolidation of subsidiary company			(77,806)		(77,806)
Net loss for the period			(1,802,537)		(1,802,537)
Balance as at 31 March 2007 (restated)	58,726,357	10,577,912	(39,970,447)	-	29,333,822

(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)



**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

CONDENSED CONSOLIDATED CASHFLOW STATEMENTS

	Current year-to-date ended 31.03.2008 (RM'000)	Corresponding year-to-date ended 31.03.2007 (RM'000)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Loss before tax	(2,704)	(1,751)
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	953	978
Non-cash items	18	73
Operating Loss Before Working Capital Changes	(1,733)	(700)
Changes in working capital :		
Net change in current assets	1,465	7,455
Net change in current liabilities	(3,947)	(4,020)
Net Cash From Operations	(4,215)	2,735
Income tax paid	-	(130)
Interest paid	(208)	-
Net Cash Generated From / (Used In) Operating Activities	(4,423)	2,605
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Equity investment	-	-
Other investment	63	108
Net Cash Generated From / (Used In) Investing Activities	63	108
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Share issued	-	-
Repayment of borrowings, net	(18,871)	(1,656)
Net Cash Generated From / (Used In) Financing Activities	(18,871)	(1,656)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,231)	1,057
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	2,459	(2,314)
CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF :		
Cash and bank balances	5,614	639
Fixed deposits with licensed banks		-
Less : Bank Overdraft	(3,155)	(2,953)
	2,459	(2,314)

(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)



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED
31 MARCH 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 FOURTH QUARTER ENDED
31 MARCH 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 31.03.2008 (RM'000)	Year-to-Date ended 31.03.2008 (RM'000)
Segment Revenue		
-- Malaysia	6,633	6,633
-- Other Countries	103	103
	6,736	6,736
Elimination of Inter-Segment Sales	(1,297)	(1,297)
Group Revenue	5,439	5,439
Segment Results		
-- Malaysia	(2,409)	(2,409)
-- Other Countries	(213)	(213)
	(2,622)	(2,622)
Elimination	-	-
Loss from Operations	(2,622)	(2,622)

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 27 May 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 except for the closure of Lighting Lourves International Corp, a company incorporated in the United States of America. The changes in the composition of the Group occurred during the current financial quarter but is not expected to have a material effect on the Group.

A12. Changes in Contingent Liabilities or Contingent Assets



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED
31 MARCH 2008**

As at 31 March 2008, the Company has given corporate guarantees amounting to RM7.6 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 31 March 2008, the Group has no material capital commitments.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 MARCH 2008**

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

**B1. Review of Performance**

The Group recorded a revenue of RM5.44 million in the current quarter, about 39% lower than that of RM8.99 million recorded in the corresponding quarter ended March 2007. Comparing the current quarter against the corresponding quarter ended March 2007, the lighting, point of sales and kitchen businesses had declined due to softer demand, seasonal trend and completion of previous projects. Accordingly, the Group suffered a loss before tax of RM2.62 million as compared to a loss of RM1.75 million in the corresponding quarter ended March 2007.

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

|                              | Current<br>Quarter ended<br>31.03.2008<br>(RM'000) | Preceding<br>Quarter ended<br>31.12.2007<br>(RM'000) |
|------------------------------|----------------------------------------------------|------------------------------------------------------|
| Revenue                      | 5,439                                              | 8,991                                                |
| Consolidated Loss Before Tax | (2,622)                                            | (5,037)                                              |

The Group recorded lower sales of RM5.44 million for the current quarter as compared to RM8.99 million in the preceding quarter ended 2007 as a result of lower export lighting sales, kitchen projects and Point-of-Sale projects secured. Although current quarter sales were considerably lower, consolidated loss before tax also declined from RM5.04 million to RM2.62 million as certain write-offs and provisions were made in the preceding quarter ended 2007.

**B3. Prospects**

Although the economic outlook is set to be cautious and demanding in 2008, the Group will continue to be vigilant and committed to improve the overall performance of its businesses to achieve a turnaround within the shortest possible time.

**B4. Profit Forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

| Quarter ended<br>31.03.2008 | Year-to-Date<br>ended<br>31.03.2008 |
|-----------------------------|-------------------------------------|
|                             |                                     |



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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED**  
**31 MARCH 2008**

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|                  |          |          |
|------------------|----------|----------|
|                  | (RM'000) | (RM'000) |
| Current Taxation | 82       | 82       |

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.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 MARCH 2008**

**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 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 19 May 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.

**b) Status of Utilisation of Proceeds**

As at 19 May 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 Utilisation<br>(RM) | Actual Utilisation<br>(RM) | Unutilised/<br>(Over utilised)<br>(RM) | Intended Utilisation<br>Period from<br>completion |
|------------------------------------------------------------------|------------------------------|----------------------------|----------------------------------------|---------------------------------------------------|
| Repayment of Bank Borrowings                                     | 21,700,000                   | 21,700,000                 | 0                                      | -                                                 |
| Working Capital                                                  | 6,063,178                    | 6,603,712                  | (540,534)                              | -                                                 |
| Payment of Expenses for Corporate Exercise and Related Proposals | 1,600,000                    | 1,059,466                  | 540,534                                | -                                                 |

|                                                                  |            |            |           |   |
|------------------------------------------------------------------|------------|------------|-----------|---|
|                                                                  | (RM)       | (RM)       | (RM)      |   |
| Repayment of Bank Borrowings                                     | 21,700,000 | 21,700,000 | 0         | - |
| Working Capital                                                  | 6,063,178  | 6,603,712  | (540,534) | - |
| Payment of Expenses for Corporate Exercise and Related Proposals | 1,600,000  | 1,059,466  | 540,534   | - |

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2008**

**B9. Group Borrowings and Debt Securities**

|                           | As at<br>31.03.2008<br>(RM'000) |
|---------------------------|---------------------------------|
| a) Secured borrowings     | 7,087                           |
| Unsecured borrowings      | 533                             |
|                           | 7,620                           |
| b) Short term             |                                 |
| - bank overdraft          | 3,155                           |
| - trade facilities        | 32                              |
| - hire purchase creditors | 1,560                           |
| - term loans              | 347                             |
|                           | 5,094                           |
| Long term                 |                                 |
| - hire purchase creditors | 1,197                           |
| - term loans              | 1,329                           |
|                           | 2,526                           |
| Total Borrowings          | 7,620                           |

**B10. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at 27 May 2008.

**B11. Material Litigation**

There is no pending material litigation as at 27 May 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 MARCH 2008**

**B13. Earnings Per Share**

|                                                                                                       | Quarter Ended |            | Year-to-Date Ended |            |
|-------------------------------------------------------------------------------------------------------|---------------|------------|--------------------|------------|
|                                                                                                       | 31.03.2008    | 31.03.2007 | 31.03.2008         | 31.03.2007 |
| <b>Earnings</b>                                                                                       |               |            |                    |            |
| Loss attributable to equity holders of the parent (RM'000)                                            | (2,704)       | (1,881)    | (2,704)            | (1,881)    |
| <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>                      | (4.60)        | (3.20)     | (4.60)             | (3.20)     |
| <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*       |

\*

*Fully diluted EPS is not calculated as the impact is anti-dilutive*