

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current quarter ended 31.03.2011 (RM'000)	Corresponding quarter ended 31.03.10 (RM'000)	Current year-to-date ended 31.03.2011 (RM'000)	Corresponding year-to-date ended 31.03.10 (RM'000)
1 Revenue	12,925	3,613	12,925	3,613
2 Cost of sales	(12,334)	(2,451)	(12,334)	(2,451)
3 Gross profit	591	1,162	591	1,162
4 Other income	2	(45)	2	(45)
5 Other expenses	(995)	(1,336)	(995)	(1,336)
6 Profit / (Loss) from operations	(402)	(219)	(402)	(219)
7 Finance cost, net	(3)	(29)	(3)	(29)
8 Profit / (Loss) before tax	(405)	(248)	(405)	(248)
9 Taxation	(87)	(97)	(87)	(97)
10 Profit / (Loss) for the period	(492)	(345)	(492)	(345)
Attributable to :				
Equity holders of the parent	(492)	(345)	(492)	(345)
Minority Interest	-	-	-	-
	(492)	(345)	(492)	(345)
11 Profit / (Losses) per share attributable to equity holders of the parent:				
(i) Basic - based on ordinary shares (sen)	(0.84)	(0.59)	(0.84)	(0.59)
(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)



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

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Period		Cumulative Period	
	Current quarter ended 31.03.11 (RM'000)	Corresponding quarter ended 31.03.10 (RM'000)	Current year-to-date ended 31.03.11 (RM'000)	Corresponding year-to-date ended 31.03.10 (RM'000)
1 Profit / (Loss) for the period	(492)	(345)	(492)	(345)
2 Currency translation differences	(3)	(8)	(3)	(8)
3 Total comprehensive income for the period	<u>(495)</u>	<u>(353)</u>	<u>(495)</u>	<u>(353)</u>
Attributable to :				
Equity holders of the parent	(495)	(353)	(495)	(353)
Minority Interest	-	-	-	-
	<u>(495)</u>	<u>(353)</u>	<u>(495)</u>	<u>(353)</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 2009 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 2011**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31.03.2011 (RM'000)	(AUDITED) As at 31.12.2010 (RM'000)
NON CURRENT ASSETS		
Property, Plant and Equipment	8,927	9,234
Other Investments	54	54
Other Intangible Assets	-	-
	8,981	9,288
Current Assets		
Inventories	2,755	1,944
Trade Debtors	7,281	4,026
Other Debtors, Deposits and Prepayments	10,484	14,993
Cash and Bank Balances	3,943	5,055
	24,463	26,018
Non-Current Assets Held for Sale	-	-
	24,463	26,018
TOTAL ASSETS	33,444	35,306
EQUITY and LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	58,726	58,726
Reserves		
Others	273	276
Accumulated Losses	(31,894)	(31,401)
	27,105	27,601
Minority Interest	-	-
Total Equity	27,105	27,601
Non-Current Liabilities		
Long Term Borrowings	-	-
Deferred Taxation	11	11
	11	11
Current Liabilities		
Trade Payables	1,813	5,861
Other Payables	4,236	1,425
Short Term Borrowings	86	215
Provision for Taxation	193	193
	6,328	7,694
Total Liabilities	6,339	7,705
TOTAL EQUITY and LIABILITIES	33,444	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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(Incorporated in Malaysia)

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company			Total Equity RM'000
	<----- Non-Distributable ----->			
3-MONTH PERIOD ENDED 31 MARCH 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	-	(3)	(493)	(496)
Balance as at 31 MARCH 2011	58,726	273	(31,894)	27,105
3-MONTH PERIOD ENDED 31 MARCH 2010				
Balance as at 1 January 2010	58,726	232	(28,948)	30,010
Total Comprehensive Income for the period	-	(8)	(345)	(353)
Balance as at 31 MARCH 2010	58,726	224	(29,293)	29,657

(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 1ST QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	Current year-to-date ended 31.03.11 (RM'000)	Corresponding year-to-date ended 31.03.11 (RM'000)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	(405)	(248)
Adjustment for :		
Amortisation and depreciation of property, plant and equipment	349	504
Non-cash items	3	29
Operating Profit / (Loss) Before Working Capital Changes	(53)	285
Changes in working capital :		
Net change in current assets	443	113
Net change in current liabilities	(1,237)	226
Net Cash From / (Used In) Operations	(847)	624
Net income tax paid	(87)	255
Interest paid	(3)	(29)
Net Cash Generated From / (Used In) Operating Activities	(937)	850
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Other investment	(43)	-
Net Cash Generated From / (Used In) Investing Activities	(43)	-
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Repayment of borrowings, net	(129)	(215)
Net Cash Generated (Used In) / From Financing Activities	(129)	(215)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,109)	635
EFFECT OF EXCHANGE RATE CHANGES	(3)	(8)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	5,055	6,529
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	3,943	7,156
CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF:		
Cash and Bank Balances	3,943	6,529
Fixed Deposits with Licensed Banks	-	-
Less: Bank Overdraft	-	-
	3,943	6,529

(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 1ST QUARTER ENDED
31 MARCH 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 1ST QUARTER ENDED
31 MARCH 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.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED
31 MARCH 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 31.03.2011 (RM'000)	Year-to-date ended 31.03.2011 (RM'000)
Segment Revenue		
-- Malaysia	12,925	12,925
-- Other Countries	-	-
	12,925	12,925
Elimination of Inter-Segment Sales	-	-
Group Revenue	12,925	12,925
Segment Results		
-- Malaysia	(492)	(492)
-- Other Countries	-	-
	(492)	(492)
Elimination	-	-
Profit/(Loss) from Operations	(492)	(492)

A9. Subsequent Material Events

There were no material events in the interval between the end of the current financial quarter and 28 MAY 2011 other than disclosed in Note A12.

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 20 May 2011, the Company has given corporate guarantees amounting to RM4.57 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 1ST QUARTER ENDED
31 MARCH 2011**

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current quarter, the Group registered a higher turnover of RM12.93 million as compared to RM3.61 million in the same corresponding quarter of 2010. The improved turnover was attributed to higher contribution from the construction division as a result of higher site activities of projects.

However, loss before tax for the Group was at RM0.41 million in the current quarter compared to RM0.25 million in Q. 1, 2010 as a result of overall lower turnover and margins being recorded by the manufacturing arm.

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

	Current Quarter ended 31.03.2011 (RM'000)	Preceding Quarter ended 31.12.2010 (RM'000)
Revenue	12,925	8,604
Consolidated Profit / (Loss) Before Tax	(405)	(3,705)

By comparison to the turnover in the immediate preceding quarter of RM8.60 million, revenue in the current quarter improved to RM12.93 million as progress billings from its construction segment drives Group revenues.

With the improved turnover, loss before tax for the Group fell to RM0.41 million in the current quarter as compared to a loss before tax of RM3.71 million in the immediate preceding quarter due mainly to certain impairments and provisions being taken up in Q.4, 2010.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED
31 MARCH 2011**

B3. Prospects

With the construction sector remaining generally optimistic in the country, we expect the Group's construction arm to contribute positively to the overall position of the Group whilst the manufacturing arm will benefit from related synergies that may be achieved from its construction arm.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter ended 31.03.2011 (RM'000)	Year-to-Date ended 31.03.2011 (RM'000)
Current Taxation	87	87

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 1ST QUARTER ENDED
31 MARCH 2011**

B6. Quoted Securities

Investments in quoted securities as at 31 March 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	86
Unsecured borrowings	-
	86
b) Short term	
- hire purchase creditors	86
- term loans	-
	86
Long term	
- hire purchase creditors	-
- term loans	-
	-
Total Borrowings	86

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED
31 MARCH 2011**

B9. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at 28 February 2011

B10. Material Litigation

There is no pending material litigation as at 28 February 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	
	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Earnings				
Profit / (Loss) attributable to equity holders of the Company (RM'000)	(492)	(345)	(492)	(345)
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)	(0.84)	(0.59)	(0.84)	(0.59)
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



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED
31 MARCH 2011**

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.

31.03.10

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 Year ended 31/12/2010 RM
Total Accumulated Losses of the Company and its subsidiaries	
- Realised	96,591,149
- Unrealised	50,356
Share of Accumulated losses from associate companies	
- Realised	-
- Unrealised	-
Share of retained profit from jointly controlled entity	
- Realised	-
- Unrealised	-
	<hr/>
	96,641,505
Less: Consolidated Adjustment	64,747,899
Total Group Accumulated Losses as per consolidated accounts	<hr/> <u>31,893,606</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.