

04

Futuristic Image Builder Ltd  
Annual Report

STAYING  
FOCUSED



FUTURISTIC

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## STAYING FOCUSED

To succeed in achieving one's goal, the ability to stay focused is crucial from the onset.

It creates a plan to follow, a path of action and a dream to reach for.

Having stayed the course on the Group's decision to remain focused on our goals set last year, we are beginning to see the results of what we had set out to achieve.

This same focus will steer and shape our growth for the year ahead, with the hope that greater rewards will be reaped in the near future.

Established since 1977, Futuristic has grown from a sole-proprietor enterprise to a leading interior fit-out and store fixtures specialist.

An award-winning company that's at the forefront of interior architecture, Futuristic has over 200 employees and is headquartered in Singapore.

With a presence that spans the globe, Futuristic has offices in Malaysia, China, and partners in North America, Taiwan and Australia.

Capitalising on our years of experience in the interior fit-out business, we have evolved and grown to become a specialist in providing high-end store fixtures to high-profile and Fortune 500 clients. We also manufacture other fixture products of the highest quality for export around the world.

## CORPORATE PROFILE

Futuristic's reputation for delivering the best in the interior fit-out and store fixtures industry is undisputed.

Designers, architects, property developers and high-end retailers today recognise us as leaders of excellence in the interior fit-out and store fixtures business.

In 2004, Futuristic Group is also expanding into the businesses of securities trading, financial, investments, consultancy and funding services.



## STABILITY

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Here at Futuristic, we've always been proud of our dedication and commitment to the quality of our work.

We make no compromise when it comes to deliver the best for our clients. Our customers trust us to remain reliable and dependable. These qualities make Futuristic resistant to adverse changes around us. And because of our ability to remain stable and steadfast in our work, we have maintained our position as a leader in the business.

Such are our roots.

STABILITY  
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STABILITY



## CHAIRMAN'S STATEMENT

### YEAR IN REVIEW

Performance in 2004 continued to confirm the trends that we observed in 2003.

The interior fit-out business repeated last year's decrease in turnover, due to a highly-competitive market and the low entry barrier conditions posed.

The low entry barriers in the interior fit-out business meant new players came into the market with ease, creating a highly-competitive market that led to our decrease in turnover in Australia, China, Malaysia and Singapore. The Group envisages future plans to include diversification into other businesses.

In 2004, the Group turnover fell by 29.7% from

S\$24.5 million in 2003 to S\$17.2 million. Despite the lower turnover in 2004, the Group's gross margin improved from 22.0% in 2003 to 27.8% in 2004.

The improvement was mainly attributed to the higher profit margin derived from millwork activities, which were the Group's focused business activities in 2004, though the gross profit margin of the interior fit-out operation was reduced. The Group generated S\$7.47 million of revenue from millwork activities in 2004, which represented an increase of 26% compared to S\$5.91 million in 2003.

As millwork activities has proven to be key profit driver for the Group, it is our intention to continue



strengthening our facilities to cater to the needs of the expanding and growing millwork markets worldwide, and to give effort to develop and explore new businesses in other countries.

### PROGRESS OF VENTURES OVERSEAS

After securing a major contract with our North American associate last year, we continued in our efforts to gain entry into other major markets, like Japan and Australia.

The journey was very challenging to say the least. A market like Japan is not easy to penetrate, as even basic requirements needed of a company to gain entry into the market are very high in standards. However, we are able

to gain entry there and are already in the midst of delivering our first project to Hokkaido.

For Australia, we have begun conducting business with clients like David Jones, and are in the process of securing further contracts with other high-profile companies. We are confident that Australia will be our next high-growth market for our store fixtures business.

We also plan to explore the European market as our next potential area of growth, especially in countries like the U.K. and Germany.

In October 2004, the Company agreed to acquire from Heng Fung Singapore Pte Ltd 100% equity interest in Corporate Bridge Pte



PARTNERSHIP

PARTNERSHIP

PARTNERSHIP



## PARTNERSHIP

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Developing strong, unique partnerships with our industry allies around the world has helped Futuristic grow from strength to strength internationally.

Having such partnerships has placed Futuristic firmly on the international platform. Such relationships play a particularly important role in the globalisation of our world today.

Futuristic recognises this and we intend to remain internationally-engaged in every way with our partners. We are confident and enthusiastic of our global partnerships and will continue building the support and cooperation in our working relationships.



## CHAIRMAN'S STATEMENT

( continued )

Ltd ("CBPL") and its wholly-owned subsidiary, Corporate Bridge Finance Pte Ltd ("CBFPL"), through a new wholly-owned subsidiary Corporate Bridge International Pte Ltd.

CBPL engages in corporate finance and investment advisory services, while CBFPL holds a money-lending licence in Singapore. The Company is still in the process of acquiring CBPL and its subsidiary.

The Company and China Xpress Pte Ltd recently set up a 50:50 joint venture, named Xpress Room Pte Ltd. With the vast market size in China, this venture will be a great opportunity for the Futuristic Group to further expand our

core business as a custom-designed furniture builder and an interior fit-out specialist, and to gain greater access into the Chinese market, potentially securing more contracts due to a more readily available pool of customers in China.

The Company has also set up a number of subsidiaries to carry on the businesses of securities trading, financial, investments, consultancy and funding services.

### IN CONCLUSION

We will be strengthening our marketing arm and our pursuits in the markets of other countries, bearing in mind that the store fixtures business

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overseas is a multi-billion dollar industry.

With our world-class expertise, knowledge, commitment and reliable service, we believe we can better our results this year, given that the store fixtures business is building up significantly.

Our entire direction in going forward this year would be to build our overseas revenue, to scale down our local interior fit-out business, and to deliver the best, high-end products that will rival, if not better those offered by our competitors in the foreign markets.



Chan Heng Fai  
Group Executive Chairman

## **GROWTH**

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We are carefully preparing the ground for the future; to make progress, to reach farther internationally, and to do revolutionary, innovative work that will set Futuristic apart from all others.

The future looks bright as we continue in our growth. We believe the process will take us to greater heights in more ways than one.

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GROWTH  
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## OPERATIONS REVIEW

Futuristic's investment in our millworks facility, state-of-the-art machinery, facility environment, operations and management know-how has paid off tremendously.

Facilities like our auto spray paint booths, that have high churn out rates, are features that not many companies are willing to invest in.

Such machinery and features have enabled us to produce high-quality store fixtures for high-end stores on a massive scale, without compromising on the standards of the products. Our investments have increased the standards of our products and we are aiming to improve our facilities in every quarter.



sanding process



auto-spray process



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Foreign markets like those in North America, Japan and Australia, are not used to the idea of handing over contracts of all-in turnkey store fixture projects to companies outside of their countries and region, much less to a company in the Far East.

However, Futuristic has been able to prove that we are able to meet the high standards, demands and requirements of such projects and we have already secured major contracts with our North American associate. We have always been able to meet project schedules with a track record of being completely reliable and a keeper of our word.



assembly line



hanging line - (top)

cnc process - (bottom)



## OPERATIONS REVIEW

{ continued }

Even with a market like Japan that has a very high entry barrier, we've been able to gain entry, and we have begun our first project with Kinokuniya, the major bookstore chain.

In Australia, we have our partners working with us to tap on new opportunities, and we see a market of tremendous growth potential ahead.

Our store fixtures business overseas has grown by over 26%, generating revenue of S\$7.47 million for the year ended 2004.

For the highly competitive interior fit-out and renovation area of business, we shall continue

"Our store fixtures  
business overseas  
has grown  
by over 26%,  
generating revenue of  
S\$7.47 million  
for the year."





our reorganisation to reduce the adverse financial impact on the Group's results for 2005 and be more selective about our clients.

We will look at building long-term relationships with our clients, instead of engaging in continual bidding for contracts, a trait that is typical in the interior fit-out industry. That will be our strategy on the interior fit-out front. We hope to better our results in this area with that approach.

We are excited about the possibilities presented as Futuristic expands its presence overseas and penetrates further into the international store fixtures market.

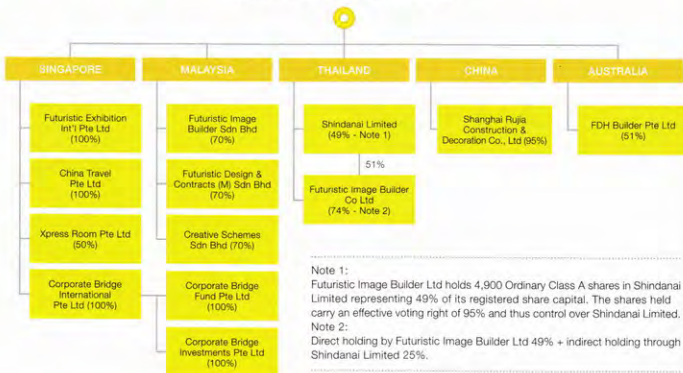


David Low Chor Hoon  
Group Managing Director

	FY 2004	FY2003	FY2002
		Restated	
Turnover (S\$'000)	17,193	24,460	21,607
Loss Before Tax (S\$'000)	(829)	(2,825)	(3,531)
Net Asset Value per Ordinary Share based on issued share capital at the end of year (cents)	8.50	2.00	7.20
Basic Loss per share (cents)	(0.90)	(5.65)	(5.82)
Fully Diluted Loss per share (cents)	(0.90)	(5.65)	(5.82)
<b>Turnover by Business Segments</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Interior fit-out services	9,728	18,554	19,605
Millworks	7,465	5,906	2,002
<b>Total</b>	<b>17,193</b>	<b>24,460</b>	<b>21,607</b>

## FINANCIAL HIGHLIGHTS AND GROUP STRUCTURE

### Futuristic Image Builder Ltd



**BOARD OF DIRECTORS**

Chan Heng Fai  
Group Executive Chairman

Lau Eng Khoon  
Group Honorary Chairman

David Low Chor Hoon  
Group Managing Director

Chan Tong Wan  
Non-Executive Director

Guok Chin Huat Samuel  
Independent Director

Chan Kei Lim  
Independent Director

**AUDIT COMMITTEE**

Guok Chin Huat Samuel ( Chairman )  
Chan Kei Lim  
David Low Chor Hoon

**NOMINATING COMMITTEE**

Chan Kei Lim ( Chairman )  
Guok Chin Huat Samuel  
David Low Chor Hoon

**REMUNERATION COMMITTEE**

Chan Kei Lim ( Chairman )  
Guok Chin Huat Samuel  
David Low Chor Hoon

**COMPANY SECRETARY**

Yeo Poh Noi, Caroline  
FCIS, LLB (Hons)

**CORPORATE INFORMATION****AUDITORS**

Ernst & Young  
10 Collyer Quay #21-01  
Ocean Building  
Singapore 049315  
Max Loh Khum Whai  
(Audit Partner-in-Charge)  
Appointed since Financial Year  
ended 2001

**PRINCIPAL BANKERS**

The Development Bank of Singapore  
6 Shenton Way, DBS Building Tower Two  
Singapore 068809

United Overseas Bank Limited  
80 Raffles Place, UOB Plaza 1  
Singapore 048624

**REGISTERED OFFICE**

34 Woodlands Industrial Park E1  
Singapore 757747  
Tel : 6365 2822 Fax : 6265 2855  
Email : singapore@futuristicgroup.com

**SHARE REGISTRAR AND SHARE TRANSFER**

Lim Associates (Pte) Ltd  
10 Collyer Quay, #19-08  
Ocean Building  
Singapore 049315



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