



reinvigorating growth

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CORPORATE PROFILE

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 and 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.

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.

A SESDAQ-listed and ISO certified company, Futuristic Group has progressed and expanded into the business of securities trading, financial, investments, consultancy and funding services.

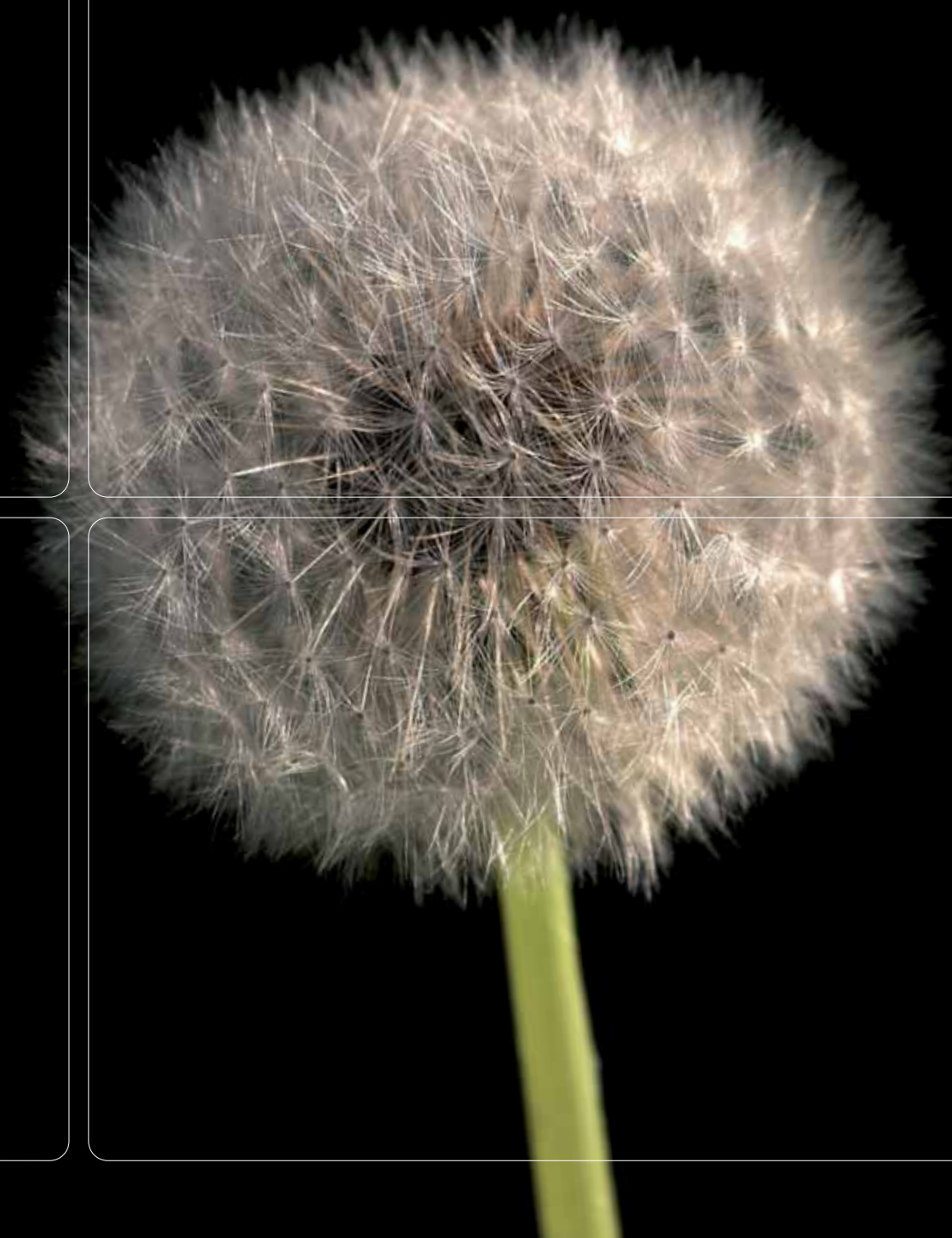
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An uncompromising dedication to excellence inevitably leads to growth and renewed vigor. Since its inception, the Futuristic Group has steadfastly and consistently renewed its commitment to the creation and delivery of the highest quality products that bear and surpass the most rigorous international standards. It has also pursued expansion into other areas of industry with a speed and enthusiasm that reflects its single-minded and unyielding adherence to progress and growth for the Company.

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CHAIRMAN'S STATEMENT

OVERVIEW

The audited consolidated turnover of the Group for the year amounted to S\$16.7 million, representing a decrease of 3% when compared with the previous year. The Group's profit margin for the year was 31.6%, a significant increase when compared to 27.8% for that of last year. Net loss attributable to shareholders, including minority interest, amounted to S\$3.6 million, a significant increase when compared with a loss of S\$0.8 million in the previous year. This was mainly due to the need to adopt a number of new Financial Reporting Standards for accounts commencing from 1 Jan 2005. The loss included S\$2.7 million in provisions for impairment of assets and a write-off of goodwill.

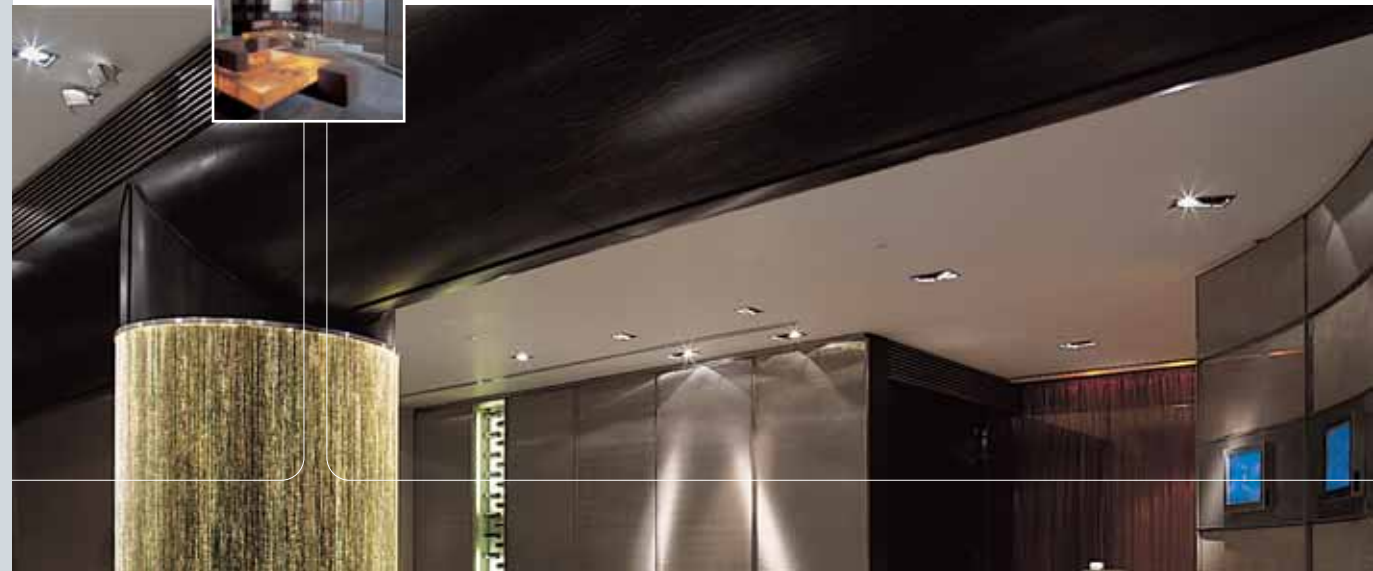
As reported last year, the Company has focused its resources more in the manufacture and sale of store fixture products to the international market and scaled down its lower margin local interior fit-out business. This has resulted in a significant increase in turnover of the store fixture business from S\$7.5 million to S\$11.3 million for the year, an increase of 51.9%. The turnover of the interior fit-out business decreased during the year as the Group selectively tendered for higher margin interior fit-out works. Overall, the Group's gross margin has improved.

With the success seen in the store fixture business, the Company launched a new wholly-owned subsidiary, Futuristic Store Fixtures International Pte Ltd and opened a dedicated manufacturing plant in Shah Alam, Malaysia, equipped with state-of-the-art facility to roll out high quality store fixture products for its clients in Malaysia, the United States of America, Australia and Japan, and has formed Futuristic Store Fixtures (Kunshan) Co Ltd, a wholly-owned foreign enterprise in Kunshan to expand its production capacity in China.

Futuristic Store Fixtures (Kunshan) Co Ltd has secured a long term lease of approximately 54,000 square meters of industrial space with a built-up area of approximately 15,000 square meters located in Kunshan, Jiangsu Province, PRC and is expected to commence production in the second to third quarter of 2006.

In March 2005, Online Credit Limited ("OCL"), a subsidiary of China Credit Holdings Limited, has increased its equity shareholding in the Company from 36.2% to 45.6%. This signified OCL's confidence in the Company's future business prospect. The Group views the continual enhancement of relationship and co-operation with China Credit Group as a key business strategy that will bring long term benefits to the Group.

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GREAT EXPECTATIONS

To look forward is to expect the best of dedicated efforts and continuous commitment. In Futuristic, we look forward to the best and highest value creation expectations for our customers and shareholders.

CHAIRMAN'S STATEMENT

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INVESTMENTS

As at 31 December 2005, the Group held a strategic stake of 7.72% in Skywest Limited ("Skywest"), an Australian listed company. This was increased to 9.86% by end January 2006. Skywest is one of Australia's largest and longest established regional airlines, meeting the transport needs of millions of Western Australians, as well as domestic and international tourists for more than 40 years. As the major regional airline in Western Australia, it provides scheduled services to fourteen destinations, covering Albany, Argyle, Esperance, Geraldton, Carnarvon, Exmouth, Broome, Kalgoorlie, Karratha, Newman, Leinster, Leonaora and Port Hedland. Skywest also links Perth to Darwin via Broome. Since our acquisition of Skywest in early 2005, the Airline reported increased revenue of A\$73.3 million for the year ended June 30, 2005 and paid interim and final dividend of A\$0.35 and A\$0.68 cents per share in 2005.

The Group also held a 13.3% interest in Global Med Technologies Inc. ("Global Med"), Global Med is an international e-Health, medical information technology company, providing information management software products and services to the healthcare industry. Its Wyndgate Technologies division is a leading supplier of information management systems to U.S. and international blood centers and hospital transfusion centers. Current clients of Wyndgate's products and services manage more than 3 million units of blood, or over 22% of the U.S. blood supply, each year. In the last 12 months Global Med secured a US\$8 million equity commitment and reached an installation milestone of over 300 facilities. Internationally, it announced the second African blood center installation and completed its first Canadian customer installation launch. Wyndgate's products are now being implemented in the U.S., Canada, the Caribbean and sub-Saharan Africa. The value of the Group's investment in Global Med has increased significantly at current market price which is approximately US\$0.95 per share when compared with the entry cost of approximately US\$0.47 per share.

The Group will closely monitor its investment portfolio and make further investments and/or divestments to capture the opportunities that may arise.

DIVERSIFICATION AND ACQUISITIONS

The acquisition of Corporate Bridge Pte Ltd and its subsidiaries was part of the Group's plan to diversify from its existing core business into financial services, consultancy and corporate advisory work as well as securities trading and strategic investments.

With the recovery seen in the regional economies, the Group is bullish on the property market and is exploring investment and development opportunities in this area.

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PROGRESS in DIVERSITY

We believe that our first responsibility is to enhance returns to our stakeholders and create greater brand value, unceasingly create new markets and exploring diverse opportunities. Diversity breeds progress and sustained growth that increases and sustains profitability.

CHAIRMAN'S STATEMENT

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GROUP REORGANIZATION

In line with the Board's plan to diversify the Company's principal activities, the Company has taken steps to reorganize its operations to ensure it is more efficient and responsive to customers' needs and to provide better accountability and transparency.

RIGHTS ISSUE

To counter the negative effects of the loss reported for the year under review, the Board has decided to strengthen the balance sheet and raise additional working capital to fund its existing business and new activities. The Board has, on 1 March 2006, announced a 1 for 1 Rights Issue with an exercise price of S\$0.08 with detachable warrants of 1 for 2 exercisable at S\$0.08. This is subject to OCL being given a Whitewash Waiver so as to enable it to give an undertaking to subscribe for its Rights Shares and Warrants and apply for excess Rights Shares and Warrants. The exercise is subject to the approval of Shareholders at an extraordinary general meeting to be convened.

IN CONCLUSION

The Board views the long term prospects of the Company with much optimism as the Company seeks to expand its profitable business and diversify its activities. The Group will continue to expand, in particular, its store fixture business, by organic growth, external acquisitions and by exploring strategic partnerships with both local and overseas enterprise. It will continue to identify suitable investment targets, including real estate projects, and to make investments that have growth potential in order to maximize returns to shareholders. Barring unforeseen circumstances, the Company is expected to show an improvement in its financial performance as it builds on the strong foundation established for the specialized store fixture business and implement its diversification plans.

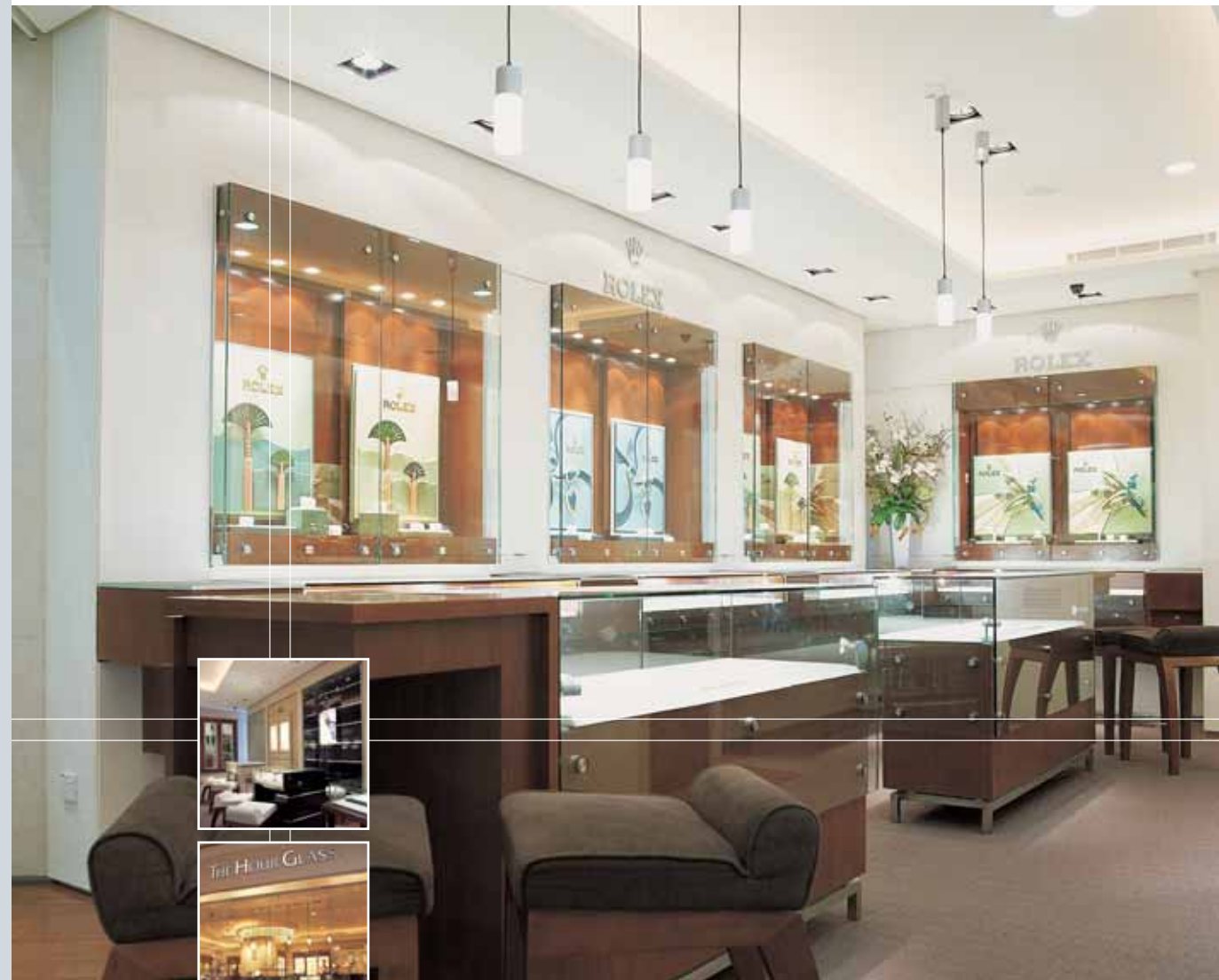
The success of the Company depends largely on its team of loyal and dedicated staff and production workers, strategic partners, customers and vendors. I wish to take this opportunity to express my thanks and appreciation for their contributions to Futuristic Group, enabling it to propel to greater heights.

I thank my fellow Board members for their invaluable contributions and wise counsel and welcome our newly appointed director, Mr Chan Tung Moe to the Board. I also express my thanks and appreciation to Mr William Lau Eng Khoon, Group Honorary Chairman and founder of the Company who retired during the year for his contributions in building the Company to where it is today.



Chan Heng Fai

Chan Heng Fai
Group Executive Chairman



FOCUSED RESPONSIBILITY

Shooting for an ambitious goal is essential in winning in today's markets. By staying focused to our goals and remaining true and mindful of our responsibilities, we will continue to fulfill our commitment to the highest.



OPERATIONS REVIEW

Futuristic is making her presence felt in the store fixtures industry as evidenced by an increase in its portfolio of international clients with large-scale expansion plans.

As we anticipate more orders, we expect our new facility in Kunshan, China to be up and running in the second to third quarter of 2006 to complement its Malaysian counterpart. It will be larger in size and will be equipped with state-of-the-art machines. Emphasis will be placed on factory cleanliness, environmental control, and workers welfare as we seek to develop a loyal workforce and the manufacture of high-end store fixtures. The new facility will enable us to produce more for new and existing customers.

With the economy picking up, we are of the opinion that Japan will mirror the U.S. trend of increased store openings, thus creating a greater demand for store fixtures. The close proximity of our new Chinese facility will be an advantage. In addition, low shipping costs and the strong working relationship with our Japanese customers will give us an advantage in supplying the needs of the Japanese stores.

Apart from better facilities, the skills set of our workers has also been steadily improving, resulting in greater efficiency and better product knowledge. This means a higher consistency in the delivery of high-end products in response to the exacting demands of our clients. We will continue to upgrade our machinery and strengthen management in our present facilities. This is especially significant in fulfilling our ISO 9000 certification.

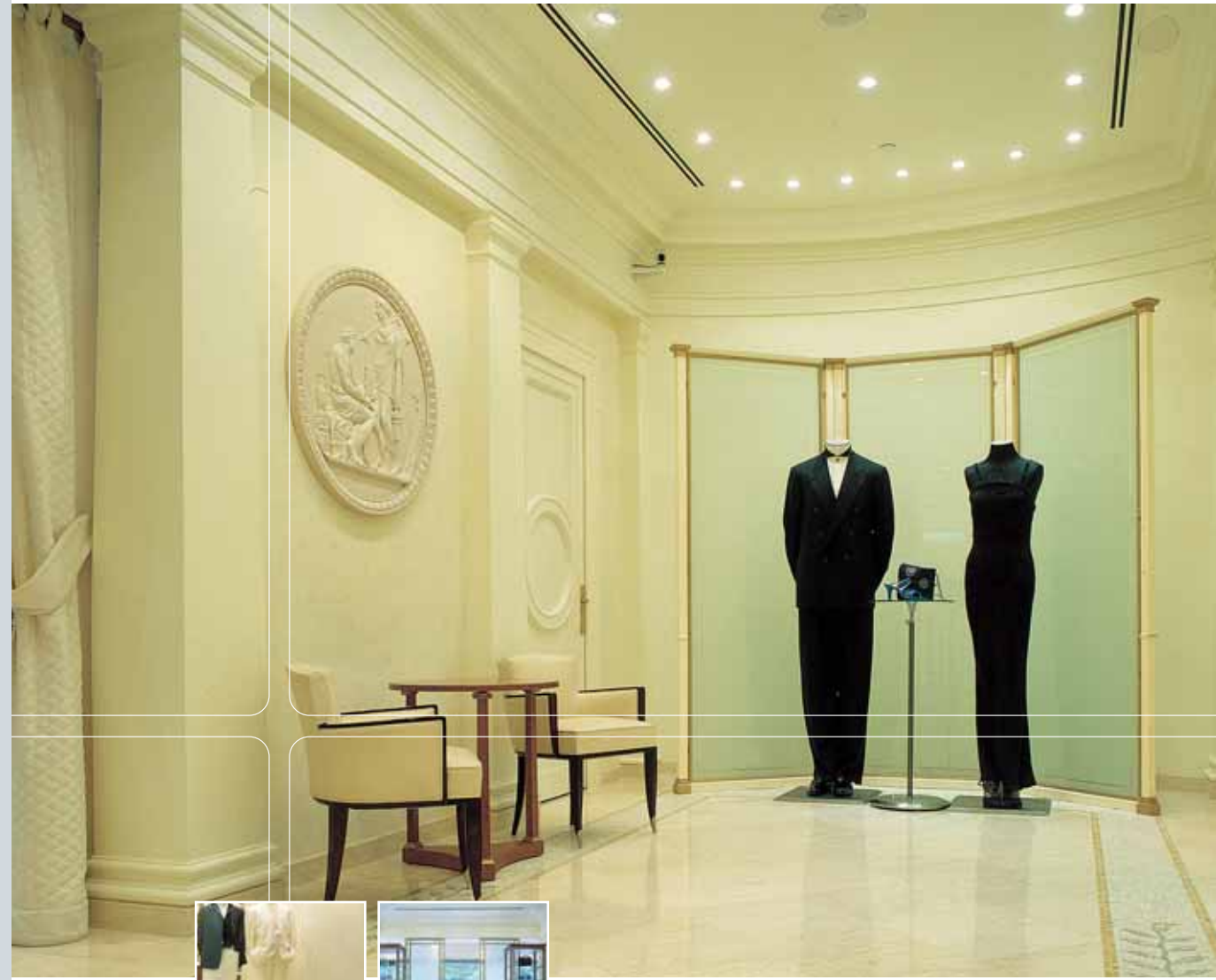
As we expand to meet the rising needs of our customers, Futuristic is confident of their continued support. I am thrilled that we have been given the opportunity to grow with our customers as they expand their own businesses.

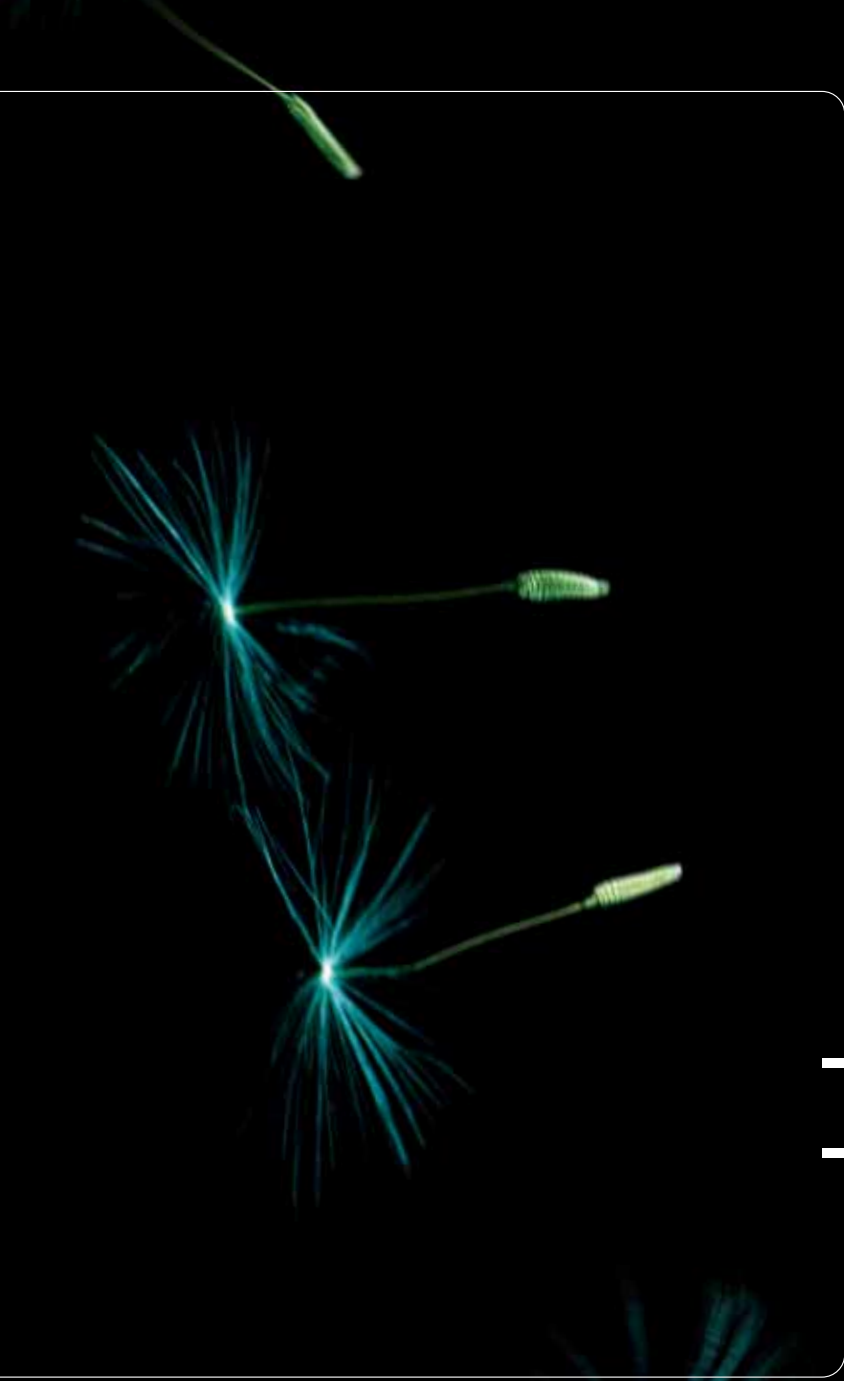
With our customers' trust, the excellent production facilities, and the exceptional commitment of our people, I'm positive we will be able to build on our growth in 2005 and see an increase in revenue for 2006.

David Low Chor Hoon
Group Managing Director



David Low Chor Hoon





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