FCW HOLDINGS BERHAD 3116-K

ANNUAL REPORT 2010

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Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Fifth Annual General Meeting of the shareholders of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 16 December 2010 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:-

AGENDA

1. To receive the Audited Financial Statements of the Group and the Company for the financial year ended 30 June 2010 together with the Reports of Directors and Auditors thereon.
   Ordinary Resolution 1

2. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2010.
   Ordinary Resolution 2

3. To re-elect the following Directors retiring in accordance with Article 85 of the Company's Articles of Association:

   (a) Mr Ong Bing Yap; and **Ordinary Resolution 3(a)**
   (b) Ms Lim Lai Sam **Ordinary Resolution 3(b)**

4. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.
   Ordinary Resolution 4

5. To transact any other ordinary business of the Company for which due notice has been given.

By Order of the Board

Loh Poh Wah
Secretary

Kuala Lumpur
24 November 2010

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment(s) shall be invalid.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

3. The Proxy Form shall be deposited with the Company's Registered Office at No. 8, 3rd Floor, Jalan Segambut, 51200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon
Chairman, Non-Independent Non-Executive Director

Dato' Ismail Bin Hamzah
Independent Non-Executive Director

Mr Ong Bing Yap
Executive Director

Mr Thor Poh Seng
Non-Independent Non-Executive Director

Mr Lee Yu-Jin
Independent Non-Executive Director

Ms Lim Lai Sam
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Ismail Bin Hamzah
(Chairman)
Mr Thor Poh Seng
Mr Lee Yu-Jin *(MIA)*

NOMINATION COMMITTEE

Tan Sri Dato' Tan Hua Choon
Dato' Ismail Bin Hamzah
Mr Lee Yu-Jin

REMUNERATION COMMITTEE

Tan Sri Dato' Tan Hua Choon
Mr Thor Poh Seng

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Ismail Bin Hamzah
Fax : (603) 4043 6750

COMPANY SECRETARY

Ms Loh Poh Wah (MAICSA:7047338)

REGISTERED OFFICE

No. 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur
Tel: (603) 6195 1600
Fax: (603) 4043 6750

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad

REGISTRARS

Shareworks Sdn Bhd
No. 10-1, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Tel: (603) 6201 1120
Fax: (603) 6201 3121

AUDITORS

Messrs Ernst & Young
(Chartered Accountants)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : (603) 7495 8000
Fax : (603) 2095 9076

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name: FCW
Stock Code: 2755

WEBSITE

www.fcw.com.my

CORPORATE STRUCTURE

FCW HOLDINGS BERHAD

- **FCW INDUSTRIES SDN BHD** 100%
  - **FCW ENTERPRISE SDN BHD** 100%
  - **PLUSNET COMMUNICATIONS SDN BHD** 100%
  - **FEDERAL TELECOMMUNICATIONS SDN BHD** 100%
    - **FT RADIOSYSTEMS SDN BHD** 100%
      - **COMETRON SDN BHD** 68%
      - **PAGER COMMUNICATIONS SDN BHD** 100%
  - **FUJIKURA FEDERAL CABLES SDN BHD** 42.54%
  - **FEDERAL POWER SDN BHD** 29.68%
- **COSCOLAB SDN BHD** 60%

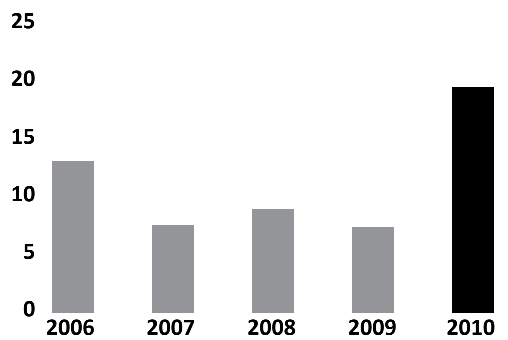
Note: Companies which are dormant or which have ceased operations are excluded.

FINANCIAL HIGHLIGHTS

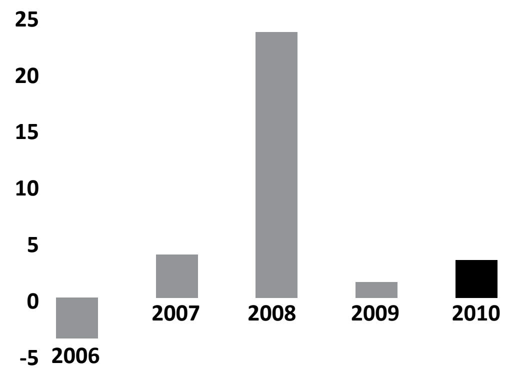
		2006 RM Million	2007 RM Million	2008 RM Million	2009 RM Million	2010 RM Million
Revenue		12.975	7.554 *	8.820	7.366	**19.340**
(Loss) / Profit Before Tax		(3.563)	3.891	23.828	1.472	**3.304**
(Loss) / Profit After Tax and Minority Interest Attributable to Shareholders		(3.543)	4.019	23.841	1.482	**2.368**
Dividends - Net		-	-	-	-	**-**
Shareholders' Funds		23.719	27.542	121.054	122.536	**124.904**
(Loss) / Earnings Per Share Based on (Loss) / Profit After Tax and Minority Interest (SEN)	Basic	(1.27)	1.44	10.07	0.76	**1.21**
	Diluted	(1.27)	1.44	9.73	0.74	**1.15**
Net Tangible Assets per Share (SEN)		0.09	0.10	0.62	0.63	**0.64**
Dividend Rate		-	-	-	-	**-**

* Figure has been restated to reflect the prior year adjustment in respect of the accrual for certain holding costs incorrectly taken up in prior years.

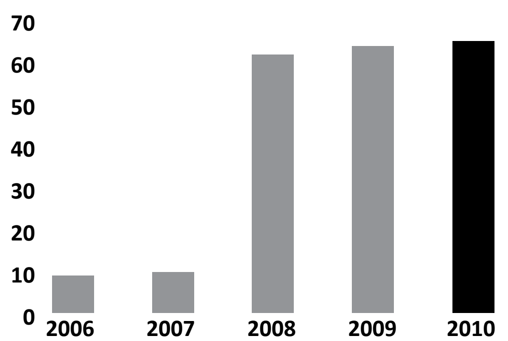
Revenue
(RM Million)



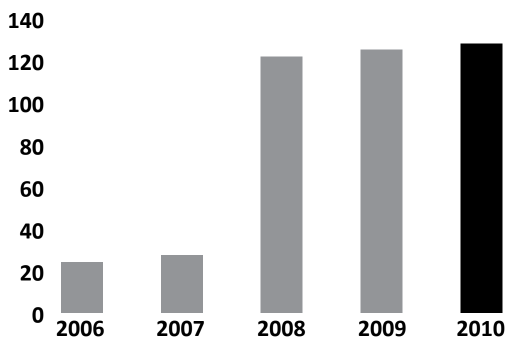
(Loss) / Profit Before Tax
(RM Million)



Net Tangible Assets per Share
(SEN)



Shareholders' Funds
(RM Million)



DIRECTORS' PROFILE

Tan Sri Dato' Tan Hua Choon

Aged 69, Malaysian • (Chairman, Non-Independent Non-Executive Director)

Tan Sri Dato' Tan was appointed as Director and Chairman of the Board on 26 January 1999 and 16 February 2000 respectively. On 21 February 2002, he was appointed to the Board's Nomination Committee and Remuneration Committee.

A self-made businessman with vast experiences in various fields and industries, Tan Sri Dato' Tan has been involved in a wide range of businesses which include manufacturing, marketing, banking, shipping, property development and trading.

He has also built-up investments in numerous public listed companies and is currently the Chairman of the Board of Jasa Kita Berhad, GPA Holdings Berhad, Keladi Maju Berhad, Malaysia Aica Berhad, Marco Holdings Berhad, PDZ Holdings Bhd and Goh Ban Huat Berhad.

Dato' Ismail Bin Hamzah

Aged 64, Malaysian • (Independent Non-Executive Director)

Dato' Ismail was appointed as Director and Chairman of the Audit Committee on 1 January 2002. He is also the Senior Independent Non-Executive Director of the Company and a member of the Board's Nomination Committee. Dato' Ismail graduated from the University of Malaya in 1970 with a Bachelor of Economics (Hons) in Analytical Economics. He held many key positions in governmental agencies, and has many years of experience in various aspects from economics to finance. Dato' Ismail also serves on the board of GUH Holdings Berhad, PDZ Holdings Bhd, Engtex Group Berhad and SCC Holdings Berhad.

Ong Bing Yap

Aged 60, Malaysian • (Executive Director)

Mr Ong was appointed to the Board of the Company on 1 November 1999 and had served as a member of the Audit Committee from May 2000 to January 2002. He holds a Diploma in Education from the Technical Teachers Training College. Besides having a few years of experience in teaching, he has accumulated many years' of experience in the industrial engineering industry since joining the Jasa Kita Group of Companies in 1978. He also sits on the Board of Jasa Kita Berhad and United Bintang Berhad.

DIRECTORS' PROFILE

Thor Poh Seng

Aged 50, Malaysian • (Non-Independent Non-Executive Director)

Mr Thor was appointed to the Board of the Company on 26 January 1999 and has been a member of the Audit Committee since January 2000. He was also appointed to the Remuneration Committee on 21 February 2002.

He holds a Bachelor of Engineering degree from University Pertanian Malaysia (now known as University Putra Malaysia) and a Master's degree in Business Management from the Asian Institute of Management, Philippines.

Mr Thor was an ex-merchant banker from Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) ("CIMB") with extensive experience in corporate finance and corporate planning. Prior to joining CIMB, he has held senior positions in operations and in finance in Dunlop Estates Berhad and Sitt Tatt Berhad respectively. He is also Director of Malaysia Aica Berhad, Keladi Maju Berhad, PDZ Holdings Bhd, Marco Holdings Berhad, Jasa Kita Berhad, GPA Holdings Berhad, Computer Forms (Malaysia) Berhad and Goh Ban Huat Berhad.

Lee Yu-Jin

Aged 43, Malaysian • (Independent Non-Executive Director)

Mr Lee was appointed as Director of the Company and as a member of the Audit Committee on 1 January 2002. He is also a member of the Board's Nomination Committee. He graduated from University of Manchester, U.K. with a Bachelor of Arts (Honours) in Economics and is also a Member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. Prior to joining FCW, he has held senior positions in finance, accounting and banking. He also sits on the Board of Malaysia Aica Berhad, United Bintang Berhad and several private companies.

Presently, Mr Lee is the Chief Financial Officer of Computer Forms (Malaysia) Berhad.

Lim Lai Sam

Aged 46, Malaysian • (Non-Independent Non-Executive Director)

Ms Lim was appointed as Director of the Company on 26 January 1999 and had served as a member of the Audit Committee from January 2000 to January 2002. She is an Associate Member of the Institute of Chartered Secretaries and Administrators, U.K. She was appointed as Company Secretary of various public-listed companies and has further accumulated many years of experience in the corporate sector.

Additional Information on members of the Board

- There is no other family relationship among the Board members and the major shareholders of the Company.
- As at to-date, there has not been any occurrence of conflict of interest between any member of the Board and the Company.
- None of the Board members have been convicted of any offence within the past 10 years, other than traffic offences, if any.
- The attendance of the Directors at Board Meetings of the Company held during the financial year is set out in page 10 of this Annual Report.

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of FCW Holdings Berhad and of the Group for the financial year ended 30 June 2010.

Financial Review

For the financial year ended 30 June 2010, the Group achieved revenue of RM19.340 million as compared with the previous financial year's revenue of RM7.366 million, increased by 163%. Profit before tax increased to RM3.304 million from the previous year's profit before tax of RM1.472 million and, correspondingly, earnings per share increased to 1.21 sen from the previous year's 0.76 sen.

Performance Review

Property rental and cosmetics and toiletry products business were the main contributors to the Group's turnover in the financial year under review. Property rental contributed RM5.322 million (2009: RM5.286 million) in revenue whereas our contract manufacturing business contributed RM13.718 million (2009: Nil). These businesses respectively contributed RM5.034 million (2009: RM5.015 million) and RM0.955 million (2009: Nil) to profit before tax in the financial year under review. During the same period, the telecommunication business was gradually phased out as the Group chose to exit this business due to low margins. Turnover for the telecommunication business was RM0.300 million (2009: RM2.080 million) and loss before tax was RM0.457 million (2009: RM0.206 million).

The improvement in results over the previous year was mainly attributed to the Company's 60%-owned subsidiary acquired during the financial year, Coscolab Sdn Bhd, which involved in the business of wholesaler and processor of pharmaceutical, cosmetics, toiletries, and other related products, and the lower share of loss of the Group's associate company, Fujikura Federal Cables Sdn. Bhd. Our share of the associate company's loss for the financial year was RM1.486 million as compared to the share of loss RM2.898 million in the previous financial year.

Prospects

The Group expects higher contribution from Coscolab Sdn Bhd, as the company's results were only consolidated for part of the current financial year as it was acquired on 20 November 2009. The Group is optimistic of the prospects of Coscolab Sdn Bhd in the financial year ahead. Sales and products demand are expected to increase through launching of new products and expansion of production lines.

The prospects of the associate company, which is in the cables and telecommunication businesses, remain challenging in the financial year ahead in view of keen competition and are dependent on the performances of the local and export economies.

The property rental business is expected to generate recurrent income for the coming financial year and the property investment will also enable FCW to benefit from any future capital appreciation of the land and buildings.

Dividends

No dividend has been declared or recommended for the financial year ended 30 June 2010.

Appreciation

On behalf of the Board, I wish to thank the management team and staff for their contribution, commitment and loyalty, and to all our valued customers, suppliers, business associates, bankers and most importantly, our shareholders, thank you for your continued support and confidence in the group.

Tan Sri Dato' Tan Hua Choon
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of FCW Holdings Berhad fully subscribes to and supports the spirit of the Malaysian Code On Corporate Governance ("the Code") and is committed to ensuring that the principles and best practices of the Code are observed and practiced throughout the Group in the pursuit of discharging its roles and responsibilities to protect the shareholders' interests and enhance the financial performance of the Group.

The Board is pleased to report that the Group had substantially complied with the Code throughout the financial year ended 30 June 2010. Nevertheless, ongoing reviews will be carried out from time to time to reassess and refine the governance framework towards further enhancing the Groups' performance and corporate accountability.

Set out below are details of how the Group has applied the principles and complied with the best practices outlined in the Code as required under the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirement ("MMLR").

A. BOARD OF DIRECTORS

i) The Board

The Board of Directors of FCW Holdings Berhad has within it individuals drawn from varied professions and specialisation in the fields of management, marketing, trading, administration, finance and accounting. Together with the Management, they collectively bring a diverse range of skills and expertise to effectively discharge their responsibilities towards achieving the Group's business strategies and corporate goals.

ii) Board Balance

Presently, the composition of the Board comprises six members with one Executive Director and five Non-Executive Directors (including the Chairman), two of whom are Independent Non-Executive Directors. With this Board composition, the Company fully complies with the MMLR with regard to the constitution of the Board of Directors and the required ratio of independent Directors, as well as the requirement for a Director who is a member of the Malaysian Institute of Accountants to sit on the Audit Committee. The profiles of each Board member are set out in pages 6 to 7 of this Annual Report.

The Board considers its current composition with the mix of skills and expertise sufficient and optimum to discharge its duties and responsibilities effectively.

There is clear segregation of responsibility between the Chairman of the Board and the Executive Director to ensure that there is a balance of power and authority in the Group :

- The Non-Executive Chairman is primarily responsible for the effectiveness and proper conduct of the Board; while

- The Executive Director has the responsibility of implementing the policies and decisions of the Board, overseeing as well as coordinating the development and implementation of business and corporate strategies.

The Non-Executive Directors participate in areas such as establishment of policies and strategies, performance monitoring as well as improving governance and control and are independent of management and have no relationships which could materially interfere the exercise of their independent judgment so as to ensure that the interests of not only the Group, but also the stakeholders and the public in general are represented.

A. BOARD OF DIRECTORS (continued)

iii) Board of Directors' Meeting

The Board members meet to review and discuss matters specifically reserved to itself for decision to ensure that the direction and control of the Group is firmly in its hands. Key matters tabled at Board meetings include review and adoption of the Group's quarterly and year end financial results, business plans, annual budget, assets acquisition, considerations of major capital expenditure projects and consideration of significant financial matters, Group policies and delegated authority limits.

The Executive Director chairs the Group's management meetings wherein operational details and other issues are discussed and considered. Apart from the management meetings, the Executive Director also holds informal meetings with the other members of the Board whenever necessary.

There were two official Board Meetings held during the reporting financial year with full attendance of the Directors.

iv) Board Committees

The Board has delegated specific functions to its three Committees; namely the Audit, Nomination and Remuneration Committees which operate under their respective clearly defined terms of reference. These Committees, which do not have executive powers, will deliberate and examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision, however, lies with the Board.

Audit Committee

Details of the Audit Committee are set out in the Audit Committee Report on pages 17 to 20 of this Annual Report.

Nomination Committee

The Board's Nomination Committee, which was established on 21 February 2002 and comprising three Non-Executive Directors, two of whom are independent, is tasked with the responsibility of recommending to the Board, suitable candidates for appointment as Directors and to fill the seats on Board Committees wherever necessary.

It will also carry out the process of assessing the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. All assessments and evaluations carried out were properly documented.

Decision on appointments of new Directors is made by the Board on a collective basis after considering recommendations of the Nomination Committee.

The Nomination Committee will assist the Board to review annually its required mix of skills, experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board.

The present members of the Nomination Committee are:-

1) Tan Sri Dato' Tan Hua Choon –*Non-Independent Non-Executive Director*
2) Dato' Ismail Bin Hamzah – *Independent Non-Executive Director*
3) Mr Lee Yu-Jin - *Independent Non-Executive Director*

A. BOARD OF DIRECTORS (continued)

Nomination Committee (continued)

There was one Nomination Committee meeting held during the reporting financial year with full attendance of all its members.

Remuneration Committee

The Board had also set up a Remuneration Committee on 21 February 2002 which comprises wholly of Non-Executive Directors. The Remuneration Committee is responsible for making recommendation to the Board, the remuneration of the Executive Director in all its forms, drawing from outside resources where necessary.

The present members of the Remuneration Committee are:-

1) Tan Sri Dato' Tan Hua Choon - Non-Independent Non-Executive Director
2) Mr Thor Poh Seng – Non-Independent Non-Executive Director

There was one Remuneration Committee meeting held during the financial year with full attendance of its members.

v) Supply of Information

All the Board and Committee members have timely access to relevant information pertaining to the Group as well as to the advice and services of the Company Secretary, Management representatives and independent professional advisers, whenever necessary, at the Company's expense to enable the Board and Committee members to discharge their duties with adequate knowledge on the matters being deliberated. They are also kept informed of the requirements and updates issued by the regulatory authorities from time to time.

Prior to each scheduled Board Meeting, all Board members are provided with the requisite notice, agenda and the relevant Board Papers to enable them to have sufficient time to study the papers and, if necessary, obtain further information or clarification from the Management to ensure effectiveness of the proceeding of the meetings. Senior Management members are invited to attend these meetings to explain and clarify matters.

In addition, there is a formal schedule of matters specifically reserved for the Board's decisions including, among other things, business strategies and directions, operational policies and efficacies, product quality measures, acquisitions and disposals of material assets, investment policies and approval of financial statements.

vi) Appointments to the Board

Appointments of new Directors will first be considered and evaluated by the Nomination Committee, after which appropriate recommendations will be put forward to the Board for its consideration and approval.

vii) Directors' Training

All the Directors of the Company have completed the Mandatory Accreditation Programme accredited by Bursa Securities in compliance with the MMLR. Apart from attending the Continuing Educational Programmes accredited by Bursa Securities, the Directors are also encouraged to attend relevant courses/seminars and training programmes from time to time to keep abreast with changes and development in the business environment.

A. BOARD OF DIRECTORS (continued)

vii) Directors' Training (continued)

Conferences, seminars and training programmes attended by the Directors during the financial year are summarised as follows :

Title	Area of Focus
• Corporate Responsibility Overview and Identifying Corporate Responsibility Risks and Opportunity for Companies	Corporate Governance
• Evening Talk on Corporate Governance : Directors' Duties	Corporate Governance
• Forum on "The Challenges of Implementing FRS 139"	Financial Reporting Standards/ Accounting
• The All New Year 2010 Edition Quarterly Interim Financial Reporting & The Various New Standards, Interpretations And Amendments To Various Standards	Financial Reporting Standards/ Accounting
• Independence Directors – Actual verses Perceived Independence	Corporate Governance
• Views from the Boardroom – Challenges Directors Face	Corporate Governance
• Launch of the Corporate Governance week and Corporate Governance Roundtable	Corporate Governance
• Engagement verses Activism – Achieving the Right Balance	Capital Market Development
• The Changing Landscape of Shareholder Activism – The Roles We Play	Capital Market Development
• Steering Capital Market Towards Financial Reporting Excellence	Financial Reporting Standards/ Accounting
• Corporate Governance Best Practices	Corporate Governance

viii) Re-election of Directors

In accordance with the Company's Memorandum and Articles of Association, one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to one-third shall retire from the office and be eligible for re-election at each Annual General Meeting. Newly appointed Directors shall hold office until the conclusion of the next Annual General Meeting and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. The Articles also provide that all Directors be subject to retirement by rotation at least once every three years.

B. DIRECTORS' REMUNERATION

i) Level and make-up

The Board as a whole reviews the levels of remuneration offered to Directors to ensure that they are sufficient to attract and retain Directors with the relevant experience and expertise needed to manage the Group successfully, while taking into consideration at the same time the state of the economy in general and the performance of the industry and the Group in particular.

In the case of Executive Director, the component parts of remuneration are structured to link rewards to corporate and individual performance. As for the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned.

B. DIRECTORS' REMUNERATION (continued)

ii) Procedure

The Remuneration Committee is responsible for recommending to the Board the policy framework of executive remuneration and the fixing of the remuneration of individual Directors. The Director concerned will abstain from deliberation and decision in respect of his/her own remuneration package.

iii) Disclosure

The details of Directors' remuneration payable to all the Directors of the Company who served during the financial year ended 30 June 2010 are as follows:-

a) Aggregate remuneration of Directors categorised into the following components :

Category of Remuneration	Executive Director (RM)	Non-Executive Directors (RM)	Total (RM)
(a) Fees	-	48,000.00	48,000.00
(b) Salaries and other emoluments	134,400.00	-	134,400.00
(c) Estimated value of benefits-in-kind	7,200.00	-	7,200.00
Total	**141,600.00**	**48,000.00**	**189,600.00**

b) The number of Directors whose remuneration fall within the following bands:

Band (RM)	No. of Executive Director	No. of Non-Executive Directors	Total
1 – 50,000	-	5	5
50,001 – 100,000	-	-	-
100,001 – 150,000	1	-	1
Total	**1**	**5**	**6**

C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

i) Dialogue between Company and Investors

Timely release of the quarterly financial results of the Group, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK, Company's annual reports and other circulars to shareholders and, where appropriate, ad hoc press statements serve as the principal channel to keep the shareholders and the investing public informed of the Group's major development, financial performance and progress throughout the year.

ii) General Meetings of Shareholders

The Annual General Meetings ("AGM") of the shareholders of the Company represent the main forum for interaction between the Board and the shareholders. At each AGM, the Board presents the progress and performance of the business of the Group during the particular financial year as contained in the Annual Report. Shareholders are given the opportunity to express their views or seek clarification on issues pertaining to the Group's financial statements, transactions, business activities and prospects of the Group wherein, the Directors, Accountant and Auditors are available to respond to the queries before each resolution is carried.

C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS (continued)

ii) General Meetings of Shareholders (continued)

Extraordinary General Meetings ("EGM") of the Company will be held as and when shareholders' approvals are required on specific matters. Notices of AGM and EGM are advertised in a major local daily newspaper. They are also distributed to shareholders within a reasonable and sufficient time frame. In addition to that, a press conference is normally held after each AGM or EGM of the Company whereat, the Board members are available to answer questions pertaining to the business operations and directions of the Group posted by journalists.

Any queries and concerns pertaining to the Group may be conveyed to Dato' Ismail Bin Hamzah, the Senior Independent Non-Executive Director of the Company via fax no. 603-4043 6750 or via the Company's website, www.fcw.com.my or by mail to the registered office of the Company.

D. ACCOUNTABILITY AND AUDIT

i) Financial Reporting

The Audit Committee assists the Board in reviewing the Group's quarterly results and annual financial statements to ensure correctness and adequacy prior to these results being presented to the Board. The Board takes note of the comments and recommendations of the Audit Committee and conducts a balanced and detailed assessment of the Group's financial position and prospects. The results are then released by the Secretary via BURSA LINK after the Board adopts them.

A statement by Directors of their responsibilities in preparing the financial statements is set out in page 28 of this Annual Report.

ii) Internal Control

The Board places significant emphasis on a sound internal control system which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investment and the Group's assets. The internal control system is designed to meet the Group's particular needs and to manage the risks to which it is exposed.

The Internal Control Statement by the Board which provides an overview of the Group's state of internal control is set out in pages 21 to 22 of this Annual Report.

iii) Relationship with Auditors

The Board of Directors and the Management maintain a formal and transparent relationship with the Group's Auditors in seeking their professional advice and opinion with regard to the Group's compliance with the relevant approved accounting standards.

The role of the Audit Committee in relation to its relationship with the External Auditors is set out in pages 17 to 20 of this Annual Report.

E. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group takes into account the significance of environment, social obligations and corporate governance matters in pursuing its business objectives. Throughout the year, the Group carried out its CSR activities focusing on the following areas:

Occupational Safety & Health Commitment

The Group is committed to ensuring minimal impact on the environment as well as to protecting the safety and health of our employees, customers and neighbours.

E. CORPORATE SOCIAL RESPONSIBILITY ("CSR") (continued)

Occupational Safety & Health Commitment (continued)

Over the years, the Group has developed and established occupational safety and health practices to ensure a safe work place environment for our employees, customers and neighbours.

The Group is also committed to implementing procedures that assist in ensuring that our operations are conducted and performed in accordance and in compliance with existing laws, regulations and standards.

Environmental Practice

Our subsidiary, Coscolab Sdn Bhd ("CSB") treats all discharges from production (effluents) with our state-of-the-art Waste Water Treatment System, of which such effluents are treated chemically and biologically, according to local environmental standards as set forth by the Department of Environment ("DOE"). Such effluents are required to comply with DOE's Standard A parameters, of which are then tested with a "HACH" machine to ensure compliance. Treated effluents are then either discharged to the drain/environment and/or recycled for washing purposes within the factory. Untreatable sludges are sent to a Kualiti Alam Sdn Bhd on a regular basis which are then disposed via incineration/landfill as seen fit by them.

CSB has always implemented a recycling system in which papers are recycled whenever possible (stamped and re-used) and also sent to professional recycling companies for proper action. Materials include unit boxes, card boxes, storage boxes, plastic/wood pallets, etc that are able to be recycled by such companies, on a regular basis.

Our associate company, Fujikura Federal Cables Sdn Bhd ("FFC"), obtained its ISO14001 certification for Environment Management System in August 2002. Major environmental activities carried out were the launching of the Environment, Safety & Health Month in 2007, and programs aimed at reducing the temperature in one of its production facilities from 36°C to 32°C and reducing the insulation wire scrap for its auto cables production.

In 2009, the environmental activities carried out by FFC included Effluent Discharge Control whereby discharge outlets were monitored to comply with the Department Of Environment Standard B. Standard B is the standards set for temperature, pH value, Bio Oxygen Demand, etc for effluents outside catchment area.

Noise factor is also being monitored within the factory boundary to avoid disturbances to the surrounding area.

In 2010, FFC has carried out Potential Aspect Hazard Identification & Risk Assessement, i.e. PAHIRA activities. To carry out these activities, FFC divided its factory area into zones and Group Leader. Each Group Leaders in charge is responsible for reporting on the following:-

1. Identification of potential hazards
2. Effects of hazards
3. Legal aspects of environment and safety
4. Current control
5. Risk gradings
6. Proposed actions
7. Responsibility & completion date

Measures have also been taken by the Group to reduce consumption of resources and the generation of waste by encouraging its employee to practice recycling and reduce waste of paper and energy.

Trainings and Staff functions

All staff of CSB are always reminded of the social responsibilities via internal trainings conducted, which are inducted into production trainings held on a regular basis. Also, regular staff welfare activities are organized, for example Target Achievement Dinners/Lunches, Company trips, etc, to boost staff morale and increase staff bonding which in turn would improve productivity and team work.

E. CORPORATE SOCIAL RESPONSIBILITY ("CSR") (continued)

Charities

CSB is hoping to be able to donate products to those in need, of which would be a major target for our CSR in 2011. Currently, we are in the midst of negotiations with relevant parties to ensure/gauge what are the products needed on what basis, in order for our donations to be meaningful and helpful.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and the results and cash flows of the Group and the Company for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2010, the Group has used the appropriate accounting policies and applied them consistently and prudently. The Directors also noted that all relevant accounting standards have been followed in the preparation of these financial statements. The Directors have the responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have a fiduciary responsibility in taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

Non Audit Fee

Non audit fee payable to the external auditors by the Group for the financial year ended 30 June 2010 amounted to RM5,000.00.

Material Contracts Involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by the Group which involved Directors' and major shareholders' interests during the reporting financial year. The following are contracts involving interests of Directors and Major Shareholders which were entered into by the Group in previous financial years and are still subsisting:-

(i) Tenancy Agreement dated 13 November 2007 between FCW Industries Sdn Bhd ("FCWI"), a wholly-owned subsidiary of FCW and GBH Clay Pipes Sdn Bhd ("GCP"), a wholly-owned subsidiary of Goh Ban Huat Berhad, to grant GCP a tenancy of a single storey office with 4 adjoining single-storey factories erected on a piece of freehold land held under Geran Mukim 6242 Lot 54833, Mukim of Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a period of 3 years at the rental of RM93,750 per month with an option for a 2 years term of renewal at the revised rental rate of RM193,750 per month; and

(ii) Tenancy Agreement dated 13 November 2007 between Federal Telecommunications Sdn Bhd ("FT"), a wholly-owned subsidiary of FCW and Goh Ban Huat Berhad ("GBH") to grant GBH a tenancy of 9 independent blocks of warehouses erected on all the pieces of freehold land held under Geran Mukim 1452 Lot 4722 and Geran Mukim 335 Lot 32661, both in the Mukim of Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a period of 3 years at the rental of RM343,750 per month with an option for a 2 years term of renewal at the same rental rate.

Tan Sri Dato' Tan Hua Choon is a director and major shareholder of FCW and GBH. He is deemed interested in the above transactions.

Revaluation Policy On Landed Properties

The Group does not have any revaluation policy on landed properties.

AUDIT COMMITTEE REPORT

The Board of Directors of FCW Holdings Berhad ("FCW") is pleased to present the Report of FCW Audit Committee ("the Audit Committee") which was established on 17 February 1994 for the financial year as follows :-

MEMBERSHIP

The composition and memberships of the Audit Committee are as follows :

Name	Membership	Status
Dato' Ismail Bin Hamzah	Chairman	Independent Non - Executive Director
Thor Poh Seng	Member	Non - Independent Non - Executive Director
Lee Yu-Jin	Member	Independent Non - Executive Director

MEETINGS

The Audit Committee held four meetings during the financial year ended 30 June 2010 with full attendance of all the Committee members.

The Executive Director, Accountant, Internal Audit Consultants and other non-member Directors were invited to attend the Audit Committee meetings for briefing on the activities involving their areas of responsibilities. The Audit Committee was briefed by the external auditors on their annual audit findings and they met twice during the financial year without the presence of the executive board members and employees of the Group.

The proceedings of each Audit Committee meeting were documented and distributed to all the Board members.

TERMS OF REFERENCE

1. **Membership**

   The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, a majority of whom shall be independent non-executive directors. Executive director(s) and alternate director(s) cannot be appointed as member(s) of the Committee. In the event of any vacancy in the Committee which results in non-compliance of paragraph 15.09(1)(a) of MMLR, the vacancy shall be filled within 3 months.

   At least one member of the Audit Committee must be qualified under paragraph 15.09 (1)(c) of the MMLR.

   The Chairman of the Audit Committee shall be an independent non-executive director appointed by the Board.

2. **Frequency of Meetings**

   Meetings shall be held not less than four times a year. In addition, the Chairman of the Audit Committee may call a meeting of the Audit Committee upon the request of the external auditors, to consider any matter the external auditors believe should be brought to the attention of the Board and shareholders.

   Majority members present in person who are independent non-executive directors shall be a quorum.

TERMS OF REFERENCE (continued)

3. Secretary

The Company Secretary shall be the secretary of the Committee.

4. Authority

The Audit Committee shall, at the Company's expense, have the following authority and rights:-

1. Full and unrestricted access to any information and documents from the external auditors and senior management of the Company and the Group which are relevant to the activities of the Company.

2. Be provided with the necessary resources which are required to perform its duties.

3. The right to investigate into any matter within its Terms Of Reference and as such, have direct communication channel with the external auditors and persons carrying out the internal audit function of the Company.

4. The liberty to obtain independent professional advice and to secure the attendance of such external parties with relevant experience and expertise at its meeting if it considers this necessary.

5. Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of executive directors and employees of the Group, whenever deemed necessary.

6. May extend invitation to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.

5. Duties

The Audit Committee shall report to the Board of Directors either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference.

The duties of the Audit Committee shall be :-

i) To review the audit plan with the external auditors;

ii) To review the audit report with the external auditors;

iii) To review the assistance given by the Company's officers to the external auditors and to meet with the external auditors without executive board members present at least twice a year;

iv) To review the quarterly results and year end financial statements of the Company and the Group, prior to the approval by the Board, focussing particularly on:

   a. Changes in or implementation of major accounting policies;

   b. Significant and unusual events; and

   c. Compliance with accounting standards, regulatory and other legal requirements.

v) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

TERMS OF REFERENCE (continued)

5. Duties (continued)

vi) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and to ensure that it has the necessary authority to carry out its work;

vii) To take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if the staff member concerned so desires;

viii) To review any internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

ix) To review any evaluation made on the systems of internal controls with the internal and external auditors;

x) To recommend to the Board of Directors the appointment of the external auditors and the level of their fees;

xi) To consider any resignation or removal of the external auditors, and to furnish such written explanation or representation from the external auditors to Bursa Malaysia Securities Berhad;

xii) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

xiii) The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company; and

xiv) To undertake such other functions as may be agreed by the Audit Committee and the Board.

6. Performance Review

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board of Directors of the Company at least once every three years to determine whether the committee and members have carried out their duties in accordance with the Audit Committee's Terms of Reference.

ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 June 2010, the activities carried out by the Audit Committee included, among others, the following:-

1. Reviewed the audited financial statements of the Group for the financial year ended 30 June 2009, prior to their adoption by the Board and for release to Bursa Securities.

2. Reviewed the unaudited quarterly reports on the consolidated results and financial statements of the Company and the Group prior to tabling of the same to the Board of Directors.

3. Reviewed the adequacy of the existing policies, procedures and systems of internal control of the Group including the associate company, reviewed internal audit reports, and discussed with the Management together with the Internal Audit Consultants on actions to be taken to improve the systems of internal control.

ACTIVITIES OF THE COMMITTEE (continued)

4. Discussed with the external auditors, the applicability and the impact of any accounting standards.

5. Reviewed with the external auditors, the Internal Control Statement of the Group for inclusion in the Company's Annual Report.

6. Reviewed the external auditors' report in relation to their audit findings and accounting issues arising from the audit of the Group for the financial year ended 30 June 2009.

7. Reviewed and discussed the Group Budget for the financial year ending 30 June 2011.

INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function to an internal audit consultancy company to assist the Board, Audit Committee and Management in ensuring the systems of Internal Control operates effectively within the Group.

The role of the internal audit consultants is to provide independent and objective quarterly reports on the state of internal control, compliance to policies, procedures and statutory requirements, the extent the Group's assets are accounted for and safeguarded, and any improvements to operations, processes and control systems. These report findings together with the related recommendations are reported to the Audit Committee.

The Group has an established risk framework and self-assessment approach in arriving at the audit plan for the Group. This internal audit plan is approved by the Audit Committee. The Board and Management together with the internal audit consultants also conduct regular reviews in identifying, evaluating and managing the principal risks that the Group faces covering various operational, financial and statutory aspects of the Group's businesses.

The total cost incurred for the Group's internal audit function in respect of the financial year ended 30 June 2010 was RM35,000.00. The activity of the internal audit function is detailed in the Statement of Internal Control on pages 21 to 22 of this Annual Report.

INTERNAL CONTROL STATEMENT

BOARD RESPONSIBILITY

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Board of Directors recognizes the importance of good corporate governance and is guided by the Bursa Malaysia's Statement on Internal Control: Guidance for Directors of Public Listed Companies, which provides guidance for compliance with these requirements.

The Board of Directors affirms its overall responsibility for maintaining the Group's systems of internal controls and its risk management framework to safeguard shareholders' investments and the Group's assets. Whilst these systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, any system can only provide reasonable, and not absolute, assurance against material misstatement, errors, fraud or loss.

RISK MANAGEMENT FRAMEWORK AND INTERNAL AUDIT

The Group has established an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the year. The Board regularly reviews this process.

The Board of Directors, with the assistance of the internal audit consultants, reviews the Group Risk Profile which covers all major identified and significant risks and controls associated with the Group's businesses. In this respect, internal audits are carried out in accordance with the audit plan approved by the Board and focuses on the identified areas of risks with priority towards the management of the significant risks impacting the achievement of the business objectives of the Group. This Group Risk Profile is subjected to regular reviews in line with changes in its business environment, strategies and activities.

Dormant subsidiaries are excluded from such regular reviews including that of associates as the Group does not have management control over these associates. The Board may request for internal audit reviews as when these are approved by the Board of these associates.

INTERNAL CONTROL STRUCTURE

The Board is fully committed to ensuring that a proper control structure and environment is maintained within the Group to provide sufficient assurance of an adequate and sound control framework. In order to achieve this, the Board has put in place the following control systems: -

- **Risk Management**

  Management has clear responsibility for identifying and evaluating the risks facing their businesses, and for implementing procedures to mitigate and monitor such risks. In addition, issues are identified, discussed and resolved at monthly management meetings within the Group, and where necessary, these are reviewed and reported to the Audit Committee.

- **Organization Structure**

  Terms of reference for the Audit Committee and the Board Committees are clearly defined. The Group has human resource policies and programmes designed to enhance operational efficiency and effectiveness in the Group and an organization structure with clearly defined lines of accountability and delegated authority. Appropriately qualified financial management personnel are responsible for their operational areas and monitoring of effective internal control.

INTERNAL CONTROL STRUCTURE (continued)

- **Authority Levels**

  Clearly defined authorization levels for various aspects of the business are set out in a formalized and approved authority matrix.

- **Monitoring and Reporting**

  Adequate reports are generated for reviews on various operating units of the Group encompassing operational, financial and regulatory areas. Comprehensive management accounts and reports are prepared on a monthly basis for review by the Chairman, Executive Director and senior management for effective monitoring and decision-making. Quarterly, the Executive Director reviews with the Audit Committee on all significant issues pertinent to the Group.

  There is a detailed and comprehensive budgeting process for monitoring monthly performance against these budgets. These budgets are submitted to the Executive Director for review and approval by the Board. Key variances from budget are reported monthly and followed up by management.

  Investment proposals are subject to formal review and authorization by the Executive Director and the Board for consideration and approval. Monthly management reports are submitted by major associates and subsidiaries to top management to monitor financial and operational performances.

  The Audit Committee also reviews on a quarterly basis the audit reports on internal control and risk issues identified by the internal audit consultants, external auditors, regulatory bodies and senior management, and evaluate the effectiveness of the Group's risk management and internal control systems.

- **Documented Policies and Procedures**

  Clearly documented internal policies are set out in a set of Standard Operating Procedures, covering the more significant areas of operations. The Standard Operating Procedures are subject to regular reviews, enhancement and improvement.

- **Review of Effectiveness on Control Environment**

  Through the establishment of sound internal control, which includes monitoring and reporting systems, the Board reports that the existing system of internal controls is satisfactory. No material losses have occurred during the financial year under review as a result of weaknesses in internal control. The Board together with management continues to take measures to strengthen the control environment.

Financial Statements

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2010.

Principal activities

The principal activities of the Company are investment holding and providing management services.

The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except for an acquisition of a subsidiary engaging as a wholesaler and processor of pharmaceutical, cosmetics, toiletries, and other related products.

Results

	Group RM'000	Company RM'000
Profit/(loss) for the year	2,418	(2,356)
Attributable to:		
Equity holders of the Company	2,368	(2,356)
Minority interests	50	-
	2,418	(2,356)

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Tan Hua Choon
Dato' Ismail bin Hamzah
Thor Poh Seng
Lim Lai Sam
Ong Bing Yap
Lee Yu-Jin

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' benefits (continued)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
	1.7.2009	**Acquired**	**Sold**	**30.6.2010**
The Company				
Direct interest				
Tan Sri Dato' Tan Hua Choon	21,498,379	-	-	21,498,379
Indirect interest				
Tan Sri Dato' Tan Hua Choon	27,298,700	-	-	27,298,700

	Number of warrants			
	1.7.2009	**Acquired**	**Sold**	**30.6.2010**
The Company				
Direct interest				
Tan Sri Dato' Tan Hua Choon - Warrant B	6,370,998	-	-	6,370,998
Indirect interest				
Tan Sri Dato' Tan Hua Choon - Warrant B	8,199,608	-	-	8,199,608

Tan Sri Dato' Tan Hua Choon by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent in which the Company has an interest.

Save for the above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' interests (continued)

Warrants

	← Number of warrants			→
	1.7.2009	**Issued**	**Exercised**	**30.6.2010**
Warrants A	29,211,830	-	-	29,211,830
Warrants B	55,733,340	-	-	55,733,340

Each warrant A in issue entitles the warrant holder to subscribe for one new ordinary share of RM0.50 in the Company at an adjusted exercise price of RM1.50 pursuant to the Company's Capital Restructuring in 2007/or in financial year 2008. The warrants were re-quoted to the official list of Bursa Malaysia Securities Berhad on 8 January 2008 and will expire on 11 November 2013.

55,733,340 free warrants B were issued on 31 December 2007/or during the financial year 2008 and the exercise price is RM0.50 for one new ordinary share of RM0.50. The warrants were admitted, listed and quoted to the official list of Bursa Malaysia Securities Berhad on 8 January 2008 and will expire on 11 November 2013.

The details of these warrants are as disclosed in Note 25 to the financial statements.

Other statutory information

(a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

Other statutory information (continued)

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 29 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 October 2010.

Tan Sri Dato' Tan Hua Choon **Ong Bing Yap**

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Tan Hua Choon and Ong Bing Yap, being two of the directors of FCW Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 31 to 78 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 October 2010.

Tan Sri Dato' Tan Hua Choon **Ong Bing Yap**

Kuala Lumpur, Malaysia

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Ong Bing Yap, being the director primarily responsible for the financial management of FCW Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 31 to 78 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Ong Bing Yap at
Kuala Lumpur in the Federal Territory
on 7 October 2010. **Ong Bing Yap**

Before me,

R.Vasugi Ammal
No: W 480
Commissioner for oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FCW HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of FCW Holdings Berhad, which comprise the balance sheets as at 30 June 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 78.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 ("Act") in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2010 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Act in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

Report on other legal and regulatory requirements (continued)

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Act in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Low Khung Leong
No 2697/01/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
7 October 2010

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Revenue	3	19,340	7,366	258	222
Cost of sales	4	(10,915)	(1,846)	-	-
Gross profit		8,425	5,520	258	222
Other income	5	781	927	311	489
Administrative expenses		(1,200)	(775)	(535)	(378)
Selling and marketing expenses		(4)	(74)	(13)	(9)
Other expenses		(2,929)	(1,228)	(2,337)	(1,029)
Operating profit/(loss)		5,073	4,370	(2,316)	(705)
Finance costs	6	(283)	-	-	-
Share of results of associates		(1,486)	(2,898)	-	-
Profit/(loss) before taxation	7	3,304	1,472	(2,316)	(705)
Income tax (expense)/benefit	10	(886)	10	(40)	-
Profit/(loss) for the year		2,418	1,482	(2,356)	(705)
Attributable to:					
Equity holders of the Company		2,368	1,482	(2,356)	(705)
Minority interests		50	-	-	-
		2,418	1,482	(2,356)	(705)
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	11	1.21	0.76		
Diluted, for profit for the year	11	1.15	0.74		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 30 JUNE 2010

	Note	Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	7,377	233	75	109
Investment properties	13	93,857	91,359	-	-
Intangible asset	14	1,726	-	-	-
Investment in subsidiaries	15	-	-	11,419	5,119
Investment in associates	16	23,820	25,306	-	-
Other investments	17	1	1	-	-
		126,781	116,899	11,494	5,228
Current assets					
Inventories	18	4,260	105	-	-
Trade and other receivables	19	4,423	814	63,524	66,753
Tax recoverable		14	14	6	6
Cash and bank balances	21	20,585	24,312	12,454	17,919
		29,282	25,245	75,984	84,678
Total assets		156,063	142,144	87,478	89,906
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	25	97,533	97,533	97,533	97,533
Reserves	26	27,371	25,003	(15,073)	(12,717)
		124,904	122,536	82,460	84,816
Minority interests		3,100	-	-	-
Total equity		128,004	122,536	82,460	84,816
Non-current liabilities					
Borrowings	23	3,325	-	-	-
Long term payables	22	-	16,924	-	-
Deferred tax liabilities	27	115	-	-	-
		3,440	16,924	-	-
Current liabilities					
Borrowings	23	605	-	-	-
Trade and other payables	22	23,275	2,468	5,018	5,090
Current tax payable		739	216	-	-
		24,619	2,684	5,018	5,090
Total liabilities		28,059	19,608	5,018	5,090
Total equity and liabilities		156,063	142,144	87,478	89,906

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	← Attributable to equity holders of the Company			→	Minority interests	Total equity
	← Non-distributable →		Distributable			
	Share capital (Note 25) RM'000	Capital reserve (Note 26) RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
Group						
At 1 July 2008	97,533	2,704	20,817	121,054	-	121,054
Profit for the year, representing total recognised income and expenses for the year	-	-	1,482	1,482	-	1,482
At 30 June 2009	97,533	2,704	22,299	122,536	-	122,536
At 1 July 2009	97,533	2,704	22,299	122,536	-	122,536
Acquisition of a subsidiary	-	-	-	-	3,050	3,050
Profit for the year, representing total recognised income and expenses for the year	-	-	2,368	2,368	50	2,418
At 30 June 2010	97,533	2,704	24,667	124,904	3,100	128,004

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Share capital (Note 25) RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
At 1 July 2008	97,533	(12,012)	85,521
Loss for the year, representing total recognised income and expenses for the year	-	(705)	(705)
At 30 June 2009	97,533	(12,717)	84,816
At 1 July 2009	97,533	(12,717)	84,816
Loss for the year, representing total recognised income and expenses for the year	-	(2,356)	(2,356)
At 30 June 2010	97,533	(15,073)	82,460

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from operating activities				
Profit/(loss) before taxation	3,304	1,472	(2,316)	(705)
Adjustments for:				
Depreciation of property, plant and equipment	399	74	34	35
Gain on disposal of property, plant and equipment	(30)	-	-	-
Property, plant and equipment written off	2	1	-	-
Inventories written down	12	44	-	-
Allowance/(write back) of doubtful debts	373	(3)	2,070	709
Bad debts written off	19	-	-	-
Share of results of associates	1,486	2,898	-	-
Gain on disposal of investment property	-	(62)	-	-
Interest expense	283	-	-	-
Interest income	(415)	(518)	(256)	(369)
Interest income from unquoted investment	(55)	(117)	(55)	(116)
Unrealised foreign exchange (gain)/loss	(117)	57	-	-
Operating profit/(loss) before working capital changes	5,261	3,846	(523)	(446)
Changes in working capital:				
(Increase)/decrease in inventories	(175)	780	-	-
(Increase)/decrease in receivables	(317)	(10)	15	(43)
Increase/(decrease) in payables	837	(170)	(76)	(118)
Changes in amount due from contract customers	-	92	-	-
Net changes in related companies balances	-	-	1,148	4,614
Cash generated from operations	5,606	4,538	564	4,007
Interest received	470	635	311	485
Interest paid	(283)	-	-	-
Net taxes paid	(301)	(16)	(40)	(6)
Net cash generated from operating activities	5,492	5,157	835	4,486

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(441)	(2)	-	-
Proceeds from disposal of property, plant and equipment	30	-	-	-
Proceeds from disposal of investment property	-	371	-	-
Purchase of investment properties	(2,498)	-	-	-
Acquisition of a subsidiary	(6,016)	-	(6,300)	-
Net cash (used in)/generated from investing activities	(8,925)	369	(6,300)	-
Cash flows from financing activities				
Proceeds from term loans	177	-	-	-
Repayment of term loans	(247)	-	-	-
Repayment of hire purchase and lease financing	(224)	-	-	-
Net cash used in financing activities	(294)	-	-	-
Net changes in cash and cash equivalents	(3,727)	5,526	(5,465)	4,486
Cash and bank balances at beginning of the year	24,312	18,786	17,919	13,433
Cash and bank balances at end of the year (Note 21)	20,585	24,312	12,454	17,919

The accompanying notes form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 8, 3rd Floor, Jalan Segambut, 51200 Kuala Lumpur. The principal place of business of the Company is located at No. 2, Jalan Murai 2, Batu Kompleks, 51100 Kuala Lumpur.

The principal activities of the Company are investment holding and providing management services.

The principal activities of the subsidiaries are disclosed in Note 15.

There have been no significant changes in the nature of these activities during the financial year except for an acquisition of a subsidiary engaging as a wholesaler and processor of pharmaceutical, cosmetics, toiletries, and other related products.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 October 2010.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis unless otherwise indicated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except for FRS 8: *Operating Segments* which is mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8: *Operating Segments*

FRS 8, which replaces FRS 114: *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. As this is a disclosure Standard, the adoption of FRS 8 has no impact on the financial position or results of the Group.

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following new FRSs, amendments to FRSs and Issues Committee ("IC") Interpretations were issued by the Malaysian Accounting Standard Board ("MASB") but are not yet effective and have not been early adopted by the Company.

Effective for financial periods beginning on or after 1 January 2010

FRS 4: Insurance Contracts
FRS 7: Financial Instruments: Disclosures
FRS 101: Presentation of Financial Statements (Revised 2009)
FRS 123: Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures, and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs contained in the documents entitled 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132: Financial Instruments: Presentation (only amendments made to paragraphs 11, 16 and 97E of the Standard, relating to Classification of Rights Issues)

Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards (Revised 2010)
FRS 3: Business Combinations (Revised 2010)
FRS 127: Consolidated and Separate Financial Statements (Revised 2010)
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Effective for financial periods beginning on or after 1 January 2011

Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendments to FRS 1)
Improving Disclosures about Financial Instruments (Amendments to FRS 7)
Additional Exemptions for First-time Adopters (Amendments to FRS 1)
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)
IC Interpretation 4: Determining whether an Arrangement contains a Lease
IC Interpretation 18: Transfers of Assets from Customers*

* An entity shall apply IC Interpretation 18 prospectively to transfers of assets from customers received on or after 1 January 2011.

Effective for financial periods beginning on or after 1 January 2012

IC Interpretation 15: Agreements for the Construction of Real Estate

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statements of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group and the Company is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and of the Company.

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and of the Company's exposure to risks, enhanced disclosure regarding components of the Group's and of the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRSs 'Improvements to FRSs (2009)'

While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have significant impact on the financial position or results of the Group. Details of the key amendments most applicable to the Group are as follows:

- FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

- FRS 7 Financial Instruments: Disclosures: Clarifies on the presentation of finance costs whereby interest income is not a component of finance costs.

- FRS 8 Operating Segments: Clarifies that segment information with respect to total asset is required only if they are included in measures of segment profit or loss that are used by the 'chief operating decision maker'.

- FRS 101 Presentation of Financial Statements: Clarifies that financial instruments classified as held for trading in accordance with FRS 139 Financial Instruments: Recognition and Measurement are not automatically presented as current in the balance sheet. The amendment further clarifies that the classification of the liability component of a convertible instrument as current or non-current is not affected by the terms that could, at the option of the holder, result in settlement of the liability by the issue of equity instruments.

- FRS 107 Statement of Cash Flows (formerly known as Cash Flow Statements): Clarifies that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Clarifies that only implementation guidance that is an integral part of an FRS is mandatory when selecting accounting policies.

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Amendments to FRSs 'Improvements to FRSs (2009)' (continued)

- FRS 110 Events after the Reporting Period (formerly known as Events After the Balance Sheet Date): Clarifies that dividends declared after the end of the reporting period are not liabilities as at the balance sheet date.

- FRS 116 Property, Plant and Equipment: The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

- FRS 118 Revenue: The amendment provides additional guidance on whether an entity is acting as a principal or an agent. It also aligns the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest by replacing the term 'direct costs' with 'transaction costs' as defined in FRS 139.

- FRS 127 Consolidated and Separate Financial Statements: The amendment clarifies that when a parent entity accounts for a subsidiary at fair value in accordance with FRS 139 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

- FRS 128 Investments in Associates: The amendment clarifies that if an associate is accounted for at fair value in accordance with FRS 139, only the requirement of FRS 128 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the investor in the form of cash or repayment of loans applies. It further clarifies that an investment in associate is treated as single asset for the purpose of impairment testing. Therefore, any impairment loss is not separately allocated to the goodwill included in the investment balance.

- FRS 134 Interim Financial Reporting: Clarifies that earnings per share is to be disclosed in interim financial reports if an entity is within the scope of FRS 133: Earnings per Share.

- FRS 136 Impairment of Assets: Clarifies that when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. The amendment further clarifies that the largest cash-generating unit for group of units to which goodwill should be allocated for purposes of impairment testing is an operating segment as defined in FRS 8.

- FRS 138 Intangible Assets: Clarifies that expenditure on advertising and promotional activities is recognised as an expense when the Group either has the right to access the goods or has received the service. The amendments also provide guidance regarding valuation techniques to measure the fair value of an intangible asset acquired in a business combination when there is no active market for the asset. In addition, the reference to "there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight-line method' has been removed.

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Amendments to FRSs 'Improvements to FRSs (2009)' (continued)

- FRS 139 Financial Instruments: Recognition and Measurement: Clarifies that changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. It also clarifies on the scope exemption for business combination contracts. The amendments remove the reference in FRS 139 to a 'segment' when determining whether an instrument qualifies as a hedge and requires the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting. It also provides additional guidance on determining whether loan prepayment penalties result in an embedded derivates that needs to be separated. In addition, the amendments state that the gains or losses on a hedged instrument should be reclassified from equity to profit or loss during the period that the hedged forecast cash flows impact profit or loss.

IC Interpretation 10: Interim Financial Reporting and Impairment

This IC prohibits impairment losses recognised in an interim period on goodwill or investments in equity instruments or financial assets carried at cost to be reversed at a subsequent balance sheet date.

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This IC provides guidance on how to assess the limit, under FRS 119 Employee Benefits, on the amount of surplus in a defined benefit scheme that can be recognised as an asset and explains how the minimum funding requirements will affect the defined benefit asset and addresses when minimum funding requirements may give rise to a liability.

Pronouncements effective for financial periods beginning on or after 1 July 2010

- Amendments to FRS 138: Intangible Assets

  The amendments clarify that an intangible asset must be recognised separately from goodwill even if it is separable only together with a related contract, identifiable asset, or liability. Also, if an intangible asset is separable only together with another intangible asset, those assets can be recognised together as a single asset, and if the individual assets in a group of complementary intangible assets have similar useful lives, those assets can be recognised together as a single asset.

2.4 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

2. Significant accounting policies (continued)

2.4 Significant accounting estimates and judgements (continued)

(a) Critical judgements made in applying accounting policies (continued)

(i) Allowances for bad and doubtful debts

The policy for allowance for bad and doubtful debts of the Group is based on management's judgement and the evaluation of collectability and ageing analysis of the receivables inclusive of trade receivables and other receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer. If the financial conditions of debtors of the Group are to deteriorate, additional allowances may be required.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 10.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of unrecognised tax losses and capital allowances of the Group and of the Company is disclosed in Note 27.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of goodwill are disclosed in Note 14.

(iv) Due from subsidiaries

The Company determines the recoverability of the amounts due from certain subsidiaries when these debts exceeded their capital investments. The Directors are of the opinion that adequate provision for doubtful debts has been made for the debts due from these subsidiaries to the extent the Company is able to realise these debts.

2. Significant accounting policies (continued)

2.4 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(v) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(vi) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value as at 30 June 2010. The valuer used a valuation technique based on market rent which is defined as the estimated amount of cash consideration for which an asset should fetch by way of rent on the date of valuation between two parties dealing at arm's length after a reasonable period of exposure of the asset in the open market wherein both parties had each acted knowledgably, prudently and without compulsion.

The value is arrived at by reference to estimated market rental value and relevant yields. Significant judgement is required by the professional valuer in determining the value of the building based on the market rental rate, occupancy rate provision for void and term yield when discounting the expected future cash flow.

2.5 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(a) Subsidiaries and basis of consolidation (continued)

(ii) Basis of consolidation (continued)

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(b) Associates (continued)

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(d) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2%
Plant and machinery	10% - 33⅓ %
Motor vehicles	20 %
Furniture and fittings	7½% - 33⅓ %
Office equipment	10% - 33⅓ %

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(d) Property, plant and equipment, and depreciation (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to profit or loss.

(e) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(f) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(g) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than construction contract assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(g) Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the period in which it arises. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as revaluation increase.

(h) Inventories

Inventories comprise purchased accessories, telecommunication equipments and related spare parts.

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Financial instruments

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(i) Financial instruments (continued)

(iii) Marketable securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iv) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(v) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(vi) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vii) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(j) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(j) Leases (continued)

(ii) Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit and loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.5(d).

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. Significant accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(m) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (“EPF”).

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised net of discounts and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.5(f).

(iii) Revenue from services

Revenue from services rendered is recognised net of discounts as and when the services are performed.

(iv) Rental income

Revenue from rental of properties are recognised on an accrual basis.

(v) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) Management fees

Management fees are recognised when services are rendered.

3. Revenue

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sales, hire and servicing of telecommunications equipment and electronic goods	265	1,373	-	-
Service fee income from provision of paging services	35	707	-	-
Sales of pharmaceutical, cosmetics, toiletries, and other related products	13,718	-	-	-
Rental income	5,322	5,286	-	-
Management fee income	-	-	258	222
	19,340	7,366	258	222

4. Cost of sales

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sales, hire and servicing of telecommunications equipment and electronic goods	233	1,493	-	-
Service fee income from provision of paging services	26	353	-	-
Sales of pharmaceutical, cosmetics, toiletries, and other related products	10,656	-	-	-
	10,915	1,846	-	-

Included in cost of sales of the Group are cost of inventories written down amounting to RM12,300 (2009: RM44,435) and inventories written off amounting to Nil (2009: RM401).

5. Other income

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest income from:				
- deposits	415	518	256	369
- unquoted investments	55	117	55	116
Gain on disposal of property, plant and equipment	30	-	-	-
Gain on disposal of investment property	-	62	-	-
Bad debts recovered	-	-	-	4
Discounts received	-	47	-	-
Unrealised foreign exchange gain	124	-	-	-
Miscellaneous	157	183	-	-
	781	927	311	489

6. Finance costs

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expense	283	-	-	-

7. Profit/(loss) before taxation

The following amounts have been included in arriving at profit/(loss) before taxation:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Employee benefits expenses (Note 8)	2,077	1,123	228	272
Directors' remuneration (Note 9)	189	230	189	230
Auditors' remuneration				
- statutory audits	87	60	15	15
- underprovision in prior year	5	3	5	3
- other services	5	5	5	5
Depreciation of property, plant and equipment (Note 12)	399	74	34	35
Property, plant and equipment written off	2	1	-	-
Inventories written down	12	44	-	-
Allowance/(write back) of doubtful debts	373	(3)	2,070	709
Bad debts written off	19	-	-	-
Rental of office premises	178	143	17	15
Unrealised foreign exchange loss	7	57	-	-

8. Employee benefits expense

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages and salaries	1,733	951	206	241
Social security contributions	15	10	1	1
Contributions to defined contribution plan	179	109	17	21
Retrenchment benefits	112	-	-	-
Other benefits	38	53	4	9
	2,077	1,123	228	272

Included in employee benefits expense of the Group and of the Company are directors' remuneration as further disclosed in Note 9.

9. Directors' remuneration

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	134	175	134	175
Benefits-in-kind	7	7	7	7
	141	182	141	182
Non-Executive:				
Fees	48	48	48	48
Total including benefits-in-kind	189	230	189	230

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors 2010	Number of directors 2009
Executive directors:		
Below RM150,000	1	-
Above RM150,000	-	1
Non-executive directors:		
Below RM50,000	5	5

10. Income tax expense

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Income tax:				
- Current year	243	-	-	-
- Real Property Gain Tax	-	5	-	-
- Under/(Over) provision in prior years	581	(15)	40	-
	824	(10)	40	-
Deferred tax (Note 27):				
Relating to orgination and reversal of temporary differences	62	-	-	-
	62	-	-	-
	886	(10)	40	-

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

10. Income tax expense (continued)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit/(loss) before taxation	3,304	1,472	(2,316)	(705)
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	826	368	(579)	(176)
Expenses not deductible for tax purposes	81	102	552	202
Income not subject to tax	(31)	(50)	-	(29)
Deferred tax assets not recognised during the year	148	158	27	3
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,090)	(1,303)	-	-
Under/(over) provision in prior years	581	(15)	40	-
Effect of share of results of associates	371	725	-	-
Underprovision of property tax in prior year	-	5	-	-
Tax expense/(benefit) for the year	886	(10)	40	-

Tax savings during the financial year arising from:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Utilisation of current year tax losses	83	942	64	75
Utilisation of previously unrecognised tax losses	975	-	-	-

11. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2010	2009
Profit for the year attributable to equity holders of the Company (RM'000)	2,368	1,482
Weighted average number of ordinary shares in issue ('000)	195,066	195,066
Basic earnings per share (sen)	1.21	0.76

11. Earnings per share (continued)

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. warrants.

	Group	
	2010	**2009**
Profit attributable to equity holders of the Company including assumed conversion (RM'000)	2,368	1,482
Weighted average number of ordinary shares in issue ('000)	195,066	195,066
Effects of dilution of warrants ('000)	10,391	4,719
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	205,457	199,785
Diluted earnings per share (sen)	1.15	0.74

12. Property, plant and equipment

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Total RM'000
Group							
At 30 June 2010							
Cost							
At 1 July 2009	-	-	69	232	209	346	856
Additions	-	-	228	132	55	26	441
Disposals	-	-	-	(116)	(1)	-	(117)
Written off	-	-	-	-	(2)	(8)	(10)
Acquisition of a subsidiary (Note 15)	2,100	2,400	1,666	6	868	64	7,104
At 30 June 2010	2,100	2,400	1,963	254	1,129	428	8,274
Accumulated depreciation							
At 1 July 2009	-	-	69	122	128	304	623
Depreciation charge for the year	-	32	226	42	76	23	399
Disposal	-	-	-	(116)	(1)	-	(117)
Written off	-	-	-	-	(1)	(7)	(8)
At 30 June 2010	-	32	295	48	202	320	897
Net carrying amount	2,100	2,368	1,668	206	927	108	7,377

12. Property, plant and equipment (continued)

	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Total RM'000
Group					
At 30 June 2009					
Cost					
At 1 July 2008	72	232	252	420	976
Additions	-	-	-	2	2
Disposals	-	-	(1)	(18)	(19)
Written off	(3)	-	(42)	(58)	(103)
At 30 June 2009	69	232	209	346	856
Accumulated depreciation					
At 1 July 2008	71	86	154	359	670
Depreciation charge for the year	1	36	16	21	74
Disposals	-	-	(1)	(18)	(19)
Written off	(3)	-	(41)	(58)	(102)
At 30 June 2009	69	122	128	304	623
Net carrying amount	-	110	81	42	233

	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Company			
Cost			
At 1 July 2009/30 June 2010	172	2	174
Accumulated depreciation			
At 1 July 2009	63	2	65
Depreciation charge for the year	34	-	34
At 30 June 2010	97	2	99
Net carrying amount	75	-	75

12. Property, plant and equipment (continued)

	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Company (continued)			
Cost			
At 1 July 2008	172	3	175
Disposals	-	(1)	(1)
At 30 June 2009	172	2	174
Accumulated depreciation			
At 1 July 2008	29	2	31
Depreciation charge for the year	34	1	35
Disposals	-	(1)	(1)
At 30 June 2009	63	2	65
Net carrying amount	109	-	109

(a) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 23) are as follows:

	Group 2010 RM'000	Group 2009 RM'000
Freehold land	2,100	-
Buildings	2,368	-
	4,468	-

(b) Net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group 2010 RM'000	Group 2009 RM'000
Motor vehicle	125	-
Plant and machinery	792	-
	917	-

13. Investment properties

	Group 2010 RM'000	Group 2009 RM'000
At 1 July	91,359	91,668
Additions	2,498	-
Disposals	-	(309)
At 30 June	93,857	91,359

13. Investment properties (continued)

Investment properties comprise a number of industrial properties leased to a party with common director. In the current financial year, there is an addition to investment properties resulting from an acquisition of a vacant land from several vendors for a total consideration of RM2,431,175.

The carrying amount of investment properties acquired in prior years approximates its fair value based on independent professional valuation conducted by Jurukor Hartanah, on 2 August 2010 by using Comparison Method.

14. Intangible asset

	Group	
	2010	**2009**
	RM'000	**RM'000**
Goodwill		
Cost		
At 1 July	-	-
Acquisition of a subsidiary (Note 15)	1,726	-
	1,726	-
Accumulated impairment losses		
At 1 July/30 June	-	-
Net carrying amount		
At 30 June	1,726	-

(a) Impairment tests for goodwill

Allocation of goodwill

Goodwill on consolidation has been allocated to one individual cash-generating unit ("CGU") for impairment testing which is the wholesale segment.

Key assumptions used in value-in-use calculations

The recoverable amount of the CGU has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used for value-in-use calculations and cash flow beyond the five-year period are:

(i) Expenses are expected to increase by 10% on average for each year onwards;

(ii) The growth rates in the year 2011, 2012, and 2013 are at 20%; and steadying itself at 10% by year 2014 and 2015. Based on past performances, 10% has been its steady growth. Management of wholesale segment believes a higher growth rate of 20% for the next 3 years are justified based on several strategies in place such as increase in lines of production, increase in market share via capturing of new subsegments of the market and expansion into foreign markets;

(iii) Discount rate used is post-tax and reflect the risk relating to the contract manufacturing segment.

14. Intangible asset (continued)

(a) Impairment tests for goodwill (continued)

Key assumptions used in value-in-use calculations (continued)

The values assigned to the key assumptions represent management's assessment of future trends and are based on both external and internal historical data sources.

15. Investments in subsidiaries

	Company 2010 RM'000	2009 RM'000
Unquoted shares, at cost	207,747	201,447
Less: Accumulated impairment losses	(196,328)	(196,328)
	11,419	5,119

Details of the subsidiaries are as follows:

Name of companies	Paid-up capital RM	Effective interests held 2010 %	2009 %	Principal activities
FCW Industries Sdn. Bhd.	68,198,400	100	100	Investment holding, provision of management services, trading in telecommunications equipment and renting of properties
Coscolab Sdn. Bhd.	500,000	60	-	Engaged as a wholesaler and processor of pharmaceutical, cosmetics, toiletries, and other related products.
Subsidiaries of FCW Industries Sdn. Bhd.:				
FCW Enterprise Sdn. Bhd.	8,000,000	100	100	Property investment
FCW Housing and Realty Development Sdn. Bhd.	5,000,000	100	100	Property development - dormant
Federal Telecommunications Sdn. Bhd.	5,000,000	100	100	Turnkey contracting, distribution, servicing of telecommunications equipment and renting of properties

15. Investments in subsidiaries (continued)

Name of companies	Paid-up capital RM	Effective interests held 2010 %	Effective interests held 2009 %	Principal activities
Subsidiaries of FCW Industries Sdn. Bhd.(continued):				
Malco Metal Sdn. Bhd. **	2	-	100	Trading of metal and alloyed metal products - dormant
Teco Electrical Motor Machinery Mfg. Sdn. Bhd. **	2	-	100	Provision of management services - dormant
United Malaysian Steel Mills Berhad	3,000,000	77	77	Manufacturing and trading of steel products - ceased operations
Pioneer Multimedia Sdn. Bhd. **	2	-	100	Trading of telecommunications equipment - dormant
FT Spares & Services Sdn. Bhd.	100,000	100	100	Servicing of telecommunications equipment - dormant
Plusnet Communications Sdn. Bhd.	200,000	100	100	Retailing of telecommunications equipment
Subsidiaries of Federal Telecommunications Sdn. Bhd.:				
FT Radiosystems Sdn. Bhd.	1,000,000	100	100	Distribution and servicing of telecommunications equipment
Pedoman Jitu Sdn. Bhd.*	451,550	100	100	Trading of telecommunications equipment - dormant
Subsidiaries of FT Radio-systems Sdn. Bhd.:				
Pager Communications Sdn. Bhd.*	150,000	100	100	Renting of communication access
Ultra Matrix Sdn. Bhd.	80,000	100	100	Investment holding - dormant
Cometron Sdn. Bhd.	120,004	68	68	Sale and hire of telecommunications equipment and electronic goods and the provision of paging services

15. Investments in subsidiaries (continued)

All the above companies are incorporated in Malaysia.

* Audited by firm of auditors other than Ernst & Young

** Information relating to strike off of subsidiaries, Malco Metal Sdn. Bhd., Teco Electrical Motor Machinery Mfg. Sdn. Bhd. and Pioneer Multimedia Sdn. Bhd are disclosed in Note 29 (a).

Investments are tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit ("CGU")'s fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(a) Acquisition of a subsidiary

On 20 November 2009, the Company has completed the acquisition of 60% equity interest in Coscolab Sdn. Bhd. ("Coscolab") which is engaged as a wholesaler and processor of pharmaceutical, cosmetics, toiletries and other related products.

The SSA provides a Call and Put option between the Company and Mr Teo Ker Wei ("TKW") where the Company is entitled to exercise the Call Option to purchase from TKW, 100,000 ordinary shares of RM1 each in Coscolab at price of RM21 per share, at anytime within 30 days after the 2nd anniversary of the completion of SSA ("Option Period"). TKW shall be entitled to exercise the Put Option during the Option Period provided that Coscolab's net assets based on its latest audited accounts is not less than RM8 million. If the Call and Put Option is not exercised during the Option Period, it shall automatically lapse.

Further details and information relating to acquisition of Coscolab is disclosed in Note 29 (b).

The acquired subsidiary has contributed the following results to the Group:

	RM'000
Revenue	13,718
Profit for the year	955

If the acquisition had occured on 1 July 2009, the contribution to the Group's revenue and profit before minority interest would have been RM29,533,000 and RM4,670,000 respectively.

The assets and liabilities arising from the acquisition are as follows:

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment (Note 12)	7,104	7,445
Trade and other receivables	3,684	3,684
Inventories	3,992	3,992
Cash and cash equivalents	284	284
	15,064	15,405
Trade and other payables	(3,458)	(3,458)
Borrowings	(3,929)	(3,929)
Deferred tax liabilities (Note 27)	(53)	(53)
	(7,440)	(7,440)

15. Investments in subsidiaries (continued)

(a) Acquisition of a subsidiary (continued)

	Fair value RM'000	Carrying amount RM'000
Fair value of net assets	7,624	
Less: Minority interests	(3,050)	
Group's share of net assets	4,574	
Goodwill on acquisition (Note 14)	1,726	
Total cost of acquisition	6,300	

The cash outflow on acquisition is as follows:

	RM'000
Purchase consideration satisfied by cash	6,300
Less: Cash and cash equivalents of subsidiary acquired	(284)
Net cash outflow on acquisition	6,016

16. Investments in associates

	Group 2010 RM'000	Group 2009 RM'000
Unquoted shares, at cost	32,365	32,365
Share of post-acquisition reserves	(390)	1,096
Less: Accumulated impairment losses	(8,155)	(8,155)
	23,820	25,306

The associates, all of which are incorporated in Malaysia are:

Name of associates	Financial year end	Equity interests held 2010 %	Equity interests held 2009 %	Principal activities
Held by the FCW Industries Sdn. Bhd.:				
Fujikura Federal Cables Sdn. Bhd.	31 December	42.54	42.54	Manufacture and marketing of power, telecommunications cables and wires
Held by Cometron Sdn. Bhd. And Pager Communications Sdn. Bhd.:				
Hasyon Technologies Sdn. Bhd.*	31 August	-	33.60	Trunk radio system operator - dormant

* Disposed off during the year
Further details and information relating to the disposal of an associate, Hasyon Technologies Sdn. Bhd. is disclosed in Note 29 (c).

16. Investments in associates (continued)

The summarised financial information of Fujikura Federal Cables Sdn. Bhd. is as follows:

	2010 RM'000	2009 RM'000
Assets and liabilities		
Non-current assets	53,785	49,347
Current assets	194,979	211,374
Total assets	248,764	260,721
Non-current liabilities	-	21,384
Current liabilities	192,770	179,850
Total liabilities	192,770	201,234
Results		
Revenue	347,405	380,892
Loss for the year	(3,493)	(6,814)

17. Other investments

	Group 2010 RM'000	2009 RM'000
At cost:		
Quoted shares, in Malaysia	8	8
Unquoted shares, in Malaysia	5,626	5,626
	5,634	5,634
Less: Accumulated impairment losses	(5,633)	(5,633)
	1	1
Market value:		
Quoted shares	1	1

18. Inventories

	Group 2010 RM'000	2009 RM'000
Trading inventories:		
- At cost	4,248	74
- At net realisable value	12	31
	4,260	105

19. Trade and other receivables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables				
Third parties	4,246	894	-	-
Amount due from subsidiaries	-	-	1,527	1,515
	4,246	894	1,527	1,515
Less: Allowance for doubtful debts				
Third parties	(669)	(298)	-	-
Subsidiaries	-	-	(2)	(2)
	(669)	(298)	(2)	(2)
Trade receivables, net	3,577	596	1,525	1,513
Other receivables				
Amount due from subsidiaries	-	-	70,382	71,538
Less: Allowance for doubtful debts	-	-	(8,446)	(6,376)
	-	-	61,936	65,162
Sundry receivables	525	76	27	42
Prepayments	231	100	31	31
Deposits	90	42	5	5
Other receivables, net	846	218	61,999	65,240
Total trade and other receivables, net	4,423	814	63,524	66,753

During the previous financial year, the Group had written off RM2,649,200 against allowance for doubtful debts and trade receivables.

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month to four months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are generally non-interest bearing.

(b) Amount due from related parties

The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

20. Due from customers on contracts

	Group 2010 RM'000	Group 2009 RM'000
Construction contract costs incurred to date	-	6,224
Attributable profits	-	528
	-	6,752
Less: Progress billings	-	(6,752)
Due from contract customers	-	-

21. Cash and bank balances

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Cash on hand and at bank	913	346	34	64
Deposits with licensed banks	17,349	21,790	10,210	15,700
Unquoted investments*	2,323	2,176	2,210	2,155
	20,585	24,312	12,454	17,919

The weighted average effective interest rate of deposits at the balance sheet date of the Group and of the Company was 2.49% (2009: 2.38%) per annum and the maturity period ranges from 30 to 206 days (2009: 30 to 183 days).

* The Group and the Company placed some funds in a licensed financial instituition. The weighted average effective rate of investment income at the balance sheet date of the Group and of the Company was approximately 2.30% (2009: 2.79%) per annum.

22. Trade and other payables

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Current				
Trade payables				
Third parties	4,609	744	-	-
Other payables				
Amount due to subsidiaries	-	-	4,818	4,814
Sundry payables	18,447	1,362	22	12
Accruals	219	362	178	264
	18,666	1,724	5,018	5,090
	23,275	2,468	5,018	5,090
Non-current				
Long term payables	-	16,924	-	-

22. Trade and other payables (continued)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2009: 30 to 90 days).

(b) Amount due to subsidiaries

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(c) Long term payable

In previous year, the amount forms part of the consideration for the acquisition of the piece of freehold land together with a single storey office with 4 adjoining single-storey factories by its subsidiary, FCW Industries Sdn. Bhd. Under the terms of the sales and purchase agreement, this amount is non-interest bearing and is repayable by third anniversary of 13 November 2007 thereafter. This amount has been reclassified as current portion at the balance sheet date.

23. Borrowings

	Group	
	2010 RM'000	**2009 RM'000**
Short term borrowings		
Secured:		
Term loans	272	-
Hire purchase liabilities (Note 24)	333	-
	605	-
Long term borrowings		
Secured:		
Term loans	2,910	-
Hire purchase liabilities (Note 24)	415	-
	3,325	-
Total borrowings		
Term loans	3,182	-
Hire purchase liabilities (Note 24)	748	-
	3,930	-

The term loan facility bearing interest at 1% per annum above the bank's base lending rate is repayable over 120 monthly instalments of RM37,555 each. Term loan faciltiy is secured by legal charge over freehold land and building of a subsidiary and corporate guarantee by associated investor.

23. Borrowings (continued)

The loan is repayable as follows:

	Group 2010 RM'000	Group 2009 RM'000
Within one year	272	-
More than one year and less than two years	268	-
More than two years and less than five years	2,642	-
	3,182	-

24. Hire purchase liabilities

	Group 2010 RM'000	Group 2009 RM'000
Minimum lease payments:		
Not later than 1 year	371	-
Later than 1 year and not later than 2 years	265	-
Later than 2 years and not later than 5 years	179	-
	815	-
Less: Future finance charges	(67)	
Present value of finance lease liabilities	748	-
Present value of hire purchase liabilities:		
Not later than 1 year	333	-
Later than 1 year and not later than 2 years	246	-
Later than 2 years and not later than 5 years	169	-
	748	-
Analysed as:		
Due within 12 months (Note 23)	333	-
Due after 12 months (Note 23)	415	-
	748	-

The hire purchase liabilities bear interest at flat rates ranging from 2.35% to 4.50% (2009:nil) per annum.

25. Share capital

	Number of ordinary share of RM0.50 each 2010 '000	Number of ordinary share of RM0.50 each 2009 '000	Amount 2010 RM'000	Amount 2009 RM'000
Authorised:				
At 1 July/30 June	600,000	600,000	300,000	300,000
Issued and fully paid:				
At 1 July/30 June	195,066	195,066	97,533	97,533

25. Share capital (continued)

Warrants

On 26 May 2003, the Company issued 92,886,400 Warrants A in conjunction with the rights issue of 92,886,400 ordinary shares of the Company implemented in that financial year.

The Warrants A are constituted by a Deed Poll dated 24 June 2003 made by the Company. Following the Capital Restructuring in 2007/the financial year 2008, each Warrant entitles its registered holder the right to subscribe for one ordinary share of RM0.50 in the Company at an adjusted exercise price of RM1.50 at any time during the period from 8 January 2008 until 5.00 pm on 11 November 2013 and the number of "Warrants A" was adjusted to 29,211,830.

In the financial year 2008, the Company implemented and completed a renounceable rights issue of 139,333,350 new ordinary shares of RM0.50 each ("FCW shares"), together with 55,733,340 free detachable new warrants ("Warrants B") on the basis of five new FCW shares together with two free Warrants B for every two existing FCW shares held after the Capital Restructuring, at an issue price of RM0.50 per share.

The Warrants B are constituted by a Deed Poll dated 19 November 2007 made by the Company. Each Warrant entitles its registered holder the right to subscribe for new one ordinary share of RM0.50 in the Company at an exercise price of RM0.50 at any time during a period of approximately six years commencing from 8 January 2008 until 5.00 pm on 11 November 2013.

The new shares to be issued upon the exercise of both the Warrants A and Warrants B (collectively known as "Warrants") shall, upon allotment and issue, rank pari passu in all respects with the existing issued and fully paid-up shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is before the date of allotment of the new shares arising from the exercise of the Warrants.

The number of outstanding Warrants as at 30 June 2010 is 84,945,170 (2009: 84,945,170).

	Warrants A	Warrants B	Total
At 1 July 2009/30 June 2010	29,211,830	55,733,340	84,945,170

26. Reserves

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable				
- Capital reserve	2,704	2,704	-	-
Retained profits/(accumulated losses)	24,667	22,299	(15,073)	(12,717)
	27,371	25,003	(15,073)	(12,717)

Movements in reserves are shown in the respective statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

(a) Capital reserve

	Group	
	2010 RM'000	2009 RM'000
Capitalisation of earnings for bonus issued by subsidiaries	2,704	2,704

27. Deferred tax

	Group	
	2010	2009
	RM'000	RM'000
At 1 July	-	-
Recognised in income statement (Note 10)	62	-
Acquisition of a subsidiary (Note 15(a))	53	-
At 31 June	115	-

The components of deferred tax liabilities during the financial year are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000
At 1 July	-
Recognised in income statement	62
Acquisition of a subsidiary	53
At 30 June	115

Deferred tax assets have not been recognised in respect of the following items due to the recent history of losses in the Company and certain of its subsidiaries where those items arose:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	67,400	70,772	7,883	7,785
Unabsorbed capital allowances	1,701	2,526	63	53
Unused reinvestment allowances	981	989	981	989
Other deductible temporary differences	376	-	-	-
	70,458	74,287	8,927	8,827

The unused tax losses and unabsorbed capital allowances of the dormant subsidiaries are available indefinitely for set-offs against future taxable profits of those subsidiaries, subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authorities.

28. Significant related party transactions

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
- FCW Industries Sdn. Bhd.				
Management fee income	-	-	210	222
Management fee expense	-	-	198	180
Rental expense	-	-	17	15

28. Significant related party transactions (continued)

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Subsidiaries (continued)				
- Federal Telecommunications Sdn. Bhd.				
Management fee income	-	-	48	-
Transactions with a director				
Sales	-	8	-	-
Transactions with a company in which the director, Tan Sri Dato' Tan Hua Choon has interest:				
Rental fee expense charged by Yeston Sdn. Bhd.	143	143	-	-
Rental income from				
- Goh Ban Huat Berhad	4,125	4,125	-	-
- GBH Clay Pipes Sdn. Bhd.	1,125	1,125	-	-

Information regarding outstanding balances arising from related party transactions as at 30 June 2010 is disclosed in Note 19 and 22.

The remuneration of directors of the Company during the year is disclosed in Note 9. The remuneration of other members of key management during the year is as follows:

	Group 2010 RM'000	Group 2009 RM'000
Salaries and other related costs	549	86
Benefits-in-kind	-	7
Director fees	35	-
	584	93

29. Significant events

(a) Strike off of subsidiaries

The names of the Company's three dormant subsidiaries, Teco Electrical Motor Machinery Mfg Sdn Bhd ("Teco"), Pioneer Multimedia Sdn Bhd ("Pioneer") and Malco Metal Sdn Bhd ("Malco") have been struck-off from the register under Section 308 of the Companies Act, 1965 effective 25 November 2009 for Teco and Pioneer and 28 February 2010 for Malco.

(b) Acquisition of a subsidiary

The Company, entered into a conditional Sale of Shares Agreement ("SSA") on 15 September 2009, and had completed the acquisition of 250,000 and 50,000 ordinary shares of RM1 each in Coscolab from Biosis Group Berhad and TKW respectively, representing 60% of the total issued and paid-up capital of Coscolab, for a total cash consideration of RM6.3 million on 20 November 2009.

29. Significant events (continued)

(b) Acquisition of a subsidiary (continued)

The SSA provides a Call and Put option between the Company and TKW where the Company is entitled to exercise the Call Option to purchase from TKW, 100,000 ordinary shares of RM1 each in Coscolab at price of RM21 per share, at anytime within 30 days after the 2nd anniversary of the completion of SSA (“Option Period”).TKW shall be entitled to exercise the Put Option during the Option Period provided that Coscolab’s net assets based on its latest audited accounts is not less than RM8 million. If the Call and Put Option is not exercised during the Option Period, it shall automatically lapse.

(c) Disposal of an associate

On 3 May 2010, Cometron Sdn. Bhd. and Pager Communications Sdn. Bhd. disposed off each of their 1 ordinary share of RM1 each in Hasyon Technologies Sdn Bhd, the entire 20% equity interest, to Hasyon Teknik Sdn Bhd for a cash consideration of RM1.

30. Financial instruments

(a) Financial risk management objectives and policies

The Group’s financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group’s businesses whilst managing its interest rate (both fair value and cash flow), foreign currency, liquidity and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group’s policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group’s interest rate risk relates to short term interest-bearing assets. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term fundings so as to achieve overall cost effectiveness.

(d) Credit risk

The Group’s credit risk is primarily attributable to trade receivables. Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group’s associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The credit risk of the Group’s other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

30. Financial instruments (continued)

(d) Credit risk (continued)

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(e) Fair values

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximate their fair values due to the relatively short term maturity of these financial instruments except for the following:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 30 June 2010				
Other investments	1	#	-	-
At 30 June 2009				
Long term payables	16,924	16,034	-	-
Other investments	1	#	-	-

\# It is not practicable to estimate the fair values of the Group's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

Fair value of the long term payables in previous year has been determined using discounted estimated cash flows. The discount rate used is the current market lending rate for similar types of lending, borrowing and leasing arrangements.

31. Segmental reporting

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. There is no secondary information based on geographical areas as the Group's activities are wholly conducted in Malaysia. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products.

(b) Business segments

The Group comprises the following main business segments:

(i) Telecommunications and cables - trading, turnkey contracting, retailing, distribution and servicing of telecommunications equipment, and manufacture and marketing of power, telecommunications cables and wires.

(ii) Renting of properties

(iii) Wholesale - Wholesaler and processor of pharmaceutical, cosmetics, toiletries and other related products

(iv) Others - Investment holding and provision of management services.

31. Segmental reporting (continued)

(b) Business segments (continued)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

31. Segmental reporting (cont'd.)

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Telecommunications and cables RM'000	Renting of properties RM'000	Wholesale RM'000	Others RM'000	Total RM'000	Notes	Per consolidated financial statements RM'000
30 June 2010							
Revenue:							
Sales to external customers	300	5,322	13,718	-	19,340		19,340
Results:							
Interest income	-	-	19	451	470		470
Interest expense	-	-	(283)	-	(283)		(283)
Depreciation	(7)	-	(337)	(55)	(399)		(399)
Share of results of associates	-	-	-	(1,486)	(1,486)		(1,486)
Income tax expense	-	(17)	(829)	(40)	(886)		(886)
Other non-cash expenses, net	(246)	-	(12)	(1)	(259)	A	(259)
Segment (loss)/profit	(457)	5,034	955	(742)	4,790	B	3,304
Assets:							
Investment in associate	-	-	-	23,820	23,820		23,820
Additions to non-current assets	-	2,498	9,267	4	11,769	C	11,769
Segment assets	1,798	90,758	18,239	21,434	132,229	D	156,063
Segment liabilities	(1,612)	(16,923)	(8,143)	(527)	(27,205)	E	(28,059)

31. Segmental reporting (cont'd.)

Business segments (continued)

	Telecommunications and cables RM'000	Renting of properties RM'000	Others RM'000	Total RM'000	Notes	Per consolidated financial statements RM'000
30 June 2009						
Revenue:						
Sales to external customers	2,080	5,286	-	7,366		7,366
Results:						
Interest income	4		631	635		635
Depreciation	(11)	-	(63)	(74)		(74)
Share of results of associates	-	-	(2,898)	(2,898)		(2,898)
Income tax benefit	-	-	10	10		10
Other non-cash (expenses)/ income, net	(99)	-	62	(37)	A	(37)
Segment (loss)/profit	(206)	5,015	(439)	4,370	B	1,472
Assets:						
Investment in associate	-	-	25,306	25,306		25,306
Additions to non-current assets	-	-	2	2	C	2
Segment assets	4,252	88,259	24,313	116,824	D	142,144
Segment liabilities	(1,855)	(16,924)	(613)	(19,392)	E	(19,608)

31. Segmental reporting (continued)

Notes **Nature of adjustments to arrive at amounts reported in the consolidated financial statements**

A Other non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2010 RM'000	2009 RM'000
Gain on disposal of property, plant and equipment	5	(30)	-
Gain on disposal of investment property	5	-	(62)
Unrealised foreign exchange gain	5	(124)	-
Property, plant and equipment written off	7	2	1
Inventories written down	7	12	44
Allowance/(write back) of doubtful debts	7	373	(3)
Bad debts written off	7	19	-
Unrealised foreign exchange loss	7	7	57
		259	37

B Share of results of associates amounting to loss of RM1,486,000 (2009: RM2,898,000) was deducted from segment (loss)/profit to arrive at "Profit before tax" presented in the consolidated income statement.

C Additions to non-current assets consist of:

	2010 RM'000	2009 RM'000
Property, plant and equipment	7,545	2
Investment properties	2,498	-
Intangible asset	1,726	-
	11,769	2

D The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	2010 RM'000	2009 RM'000
Investment in associate	23,820	25,306
Tax recoverable	14	14
	23,834	25,320

E The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2010 RM'000	2009 RM'000
Deferred tax liabilities	115	-
Current tax payable	739	216
	854	216

Information about a major customer

Revenue from one major customer amount to RM5,250,000 (2009: RM5,250,000), arising from sales by the renting of properties segment.

ANALYSIS OF SHAREHOLDINGS
AS AT 20 OCTOBER 2010

A. SHARE CAPITAL

Authorised Share Capital	:	RM300,000,000 (600,000,000 ordinary shares of RM0.50 each)
Issued & Paid-Up Share Capital	:	RM97,533,345 (195,066,690 ordinary shares of RM0.50 each)
Voting Rights	:	One vote for each ordinary share held

B. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
1 - 99	715	13,855	0.01
100 - 1,000	5,642	2,549,136	1.31
1,001 - 10,000	2,741	8,647,424	4.43
10,001 - 100,000	402	10,143,006	5.20
100,001 to less than 5% of issued shares	21	84,664,990	43.40
5% and above of issued shares	7	89,048,279	45.65
	9,528	195,066,690	100.00

C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	21,498,379	11.02
2.	Low Cheng Peng	13,185,600	6.76
3.	Wong Chee Choon	11,261,800	5.77
4.	Puan Sri Datin Poo Choo @ Ong Poo Choi	11,200,900	5.74
5.	Ong Wee Shyong	11,094,300	5.69
6.	Gan Lock Yong @ Gan Choon Hur	10,783,300	5.53
7.	Tan Ching Ching	10,024,000	5.14
8.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	9,604,000	4.92
9.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	9,386,400	4.81
10.	Chew Boon Seng	9,291,600	4.76
11.	Ong Har Hong	9,268,400	4.75
12.	Lim Siew Sooi	9,111,500	4.67

C. THIRTY LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
13.	Lee Pui Inn	8,894,800	4.56
14.	Ong Wee Lieh	8,701,800	4.46
15.	Chew Huat Heng	7,367,800	3.78
16.	Tan Han Chuan	6,073,800	3.11
17.	How Yoke Kam	2,950,300	1.51
18.	Ong Poh Geok	1,201,300	0.62
19.	Chia Ah Chor @ Chia Soo Itt	998,400	0.51
20.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	499,800	0.26
21.	Tong Kim Fatt @ Allen Tong	247,560	0.13
22.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd	242,840	0.12
23.	Ng Hin Yoong	190,940	0.10
24.	Ng Bee Ling	165,000	0.08
25.	Sin Len Moi	145,700	0.07
26.	Syarikat Rimba Timur (RT) Sdn Bhd	120,000	0.06
27.	Ch’ng Siew Suan	102,850	0.05
28.	Ooi Chean See	100,200	0.05
29.	Lai Kam Wah @ Lai Chin Hua	99,200	0.05
30.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Suresh A/L Sammuggam	98,600	0.05

ANALYSIS OF SHAREHOLDINGS
AS AT 20 OCTOBER 2010

D. SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato’ Tan Hua Choon	21,498,379	11.02
2.	Low Cheng Peng	13,185,600	6.76
3.	Wong Chee Choon	11,261,800	5.77
4.	Puan Sri Datin Poo Choo @ Ong Poo Choi	11,200,900	5.74
5.	Ong Wee Shyong	11,094,300	5.69
6.	Gan Lock Yong @ Gan Choon Hur	10,783,300	5.53
7.	Tan Ching Ching	10,024,000	5.14

E. DIRECTORS’ INTERESTS IN SHARES

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Tan Sri Dato’ Tan Hua Choon	21,498,379	11.02	27,298,700	13.99

ANALYSIS OF WARRANT HOLDINGS (WARRANT "A")

AS AT 20 OCTOBER 2010

A. WARRANTS 2003/2013

Issued	:	29,211,830
Exercised todate	:	NIL
Outstanding	:	29,211,830
Class of Securities	:	Warrants 2003/2013
Voting Rights	:	Every warrant holder present in person or by proxy shall be entitled by a show of hands to one (1) vote and every warrant holder present in person or by proxy shall be entitled on a poll to one (1) vote for each share to which such holder would be entitled at the exercise price on the exercise in full of the subscription rights represented by such holder's warrant.

B. DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	No. of Warrant	%
1 - 99	734	24,303	0.08
100 - 1,000	1,857	794,526	2.72
1,001 - 10,000	1,114	3,890,635	13.32
10,001 - 100,000	395	13,587,114	46.51
100,001 to less than 5% of issued warrants	43	10,915,252	37.37
5% and above of issued warrants	0	0	0.00
	4,143	29,211,830	100.00

C. THIRTY LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Kwong Ming Kwei	1,142,900	3.91
2.	Shin Kong Kew @ Chin Kong Kew	654,300	2.24
3.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	629,074	2.15
4.	Yii Leh Kiew	500,000	1.71
5.	CitiGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Siew Moi	471,805	1.62
6.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wang Quek Lah	425,500	1.46
7.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for RAB- Northwest Fund Limited	368,259	1.26
8.	Ng Kiam Song	350,000	1.20
9.	Hou Nyok Meng	340,000	1.16
10.	Kow Yeow Choong	339,043	1.16

C. THIRTY LARGEST WARRANT HOLDERS (continued)

No.	Name of Warrant Holders	No. of Warrants	%
11.	Chong Peck Yuen	314,537	1.08
12.	Ng Khek Tong	298,900	1.02
13.	Loh Choon Yow	282,500	0.97
14.	Mayban Securities Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	277,532	0.95
15.	Chai Choo Mee	254,000	0.87
16.	AMSEC Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Lembaga Kumpulan Wang Kawasan Konsesi Hutan	251,629	0.86
17.	Tie Ming Chuon	210,000	0.72
18.	Rahimudin Bin Abdul Manak	206,400	0.71
19.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Nadzri Bin Mohd Nor	200,453	0.69
20.	Khoo Pui Sik	200,000	0.68
21.	Wong Chui Fern	196,700	0.67
22.	AMSEC Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Tabung Baitumal Sarawak	188,722	0.65
23.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for RAB-Northwest China Opportunities Fund Limited	183,972	0.63
24.	Seow Wai Yan	175,700	0.60
25.	Chia Kooi Seong	170,500	0.58
26.	Lee Nga	154,123	0.53
27.	Sii Tai Kiong	150,000	0.51
28.	Lee Tiam Fook	150,000	0.51
29.	Ee Kuen Kiat	140,000	0.48
30.	Yong Khew Yeng	131,800	0.45

D. DIRECTORS' INTERESTS IN WARRANTS

None of the Directors who held office at the end of the financial year had any interest in warrants 2003/2013 of the Company.

ANALYSIS OF WARRANT HOLDINGS (WARRANT "B")

AS AT 20 OCTOBER 2010

A. WARRANTS 2007/2013

Issued	:	55,733,340
Exercised todate	:	NIL
Outstanding	:	55,733,340
Class of Securities	:	Warrants 2007/2013
Voting Rights	:	Every warrant holder present in person or by proxy shall be entitled by a show of hands to one (1) vote and every warrant holder present in person or by proxy shall be entitled on a poll to one (1) vote for each share to which such holder would be entitled at the exercise price on the exercise in full of the subscription rights represented by such holder's warrant.

B. DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	No. of Warrant	%
1 - 99	268	10,672	0.02
100 - 1,000	978	522,273	0.94
1,001 - 10,000	788	2,555,997	4.59
10,001 - 100,000	118	3,161,212	5.67
100,001 to less than 5% of issued warrants	8	6,396,340	11.47
5% and above of issued warrants	12	43,086,846	77.31
	2,172	55,733,340	100.00

C. THIRTY LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1.	Tan Sri Dato' Tan Hua Choon	6,370,998	11.43
2.	Low Cheng Peng	4,215,840	7.56
3.	Lee Pui Inn	3,600,720	6.46
4.	Ong Wee Shyong	3,547,168	6.36
5.	Ong Har Hong	3,454,200	6.20
6.	Gan Lock Yong @ Gan Choon Hur	3,447,720	6.19
7.	Puan Sri Datin Poo Choo @ Ong Poo Choi	3,371,680	6.05
8.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	3,193,200	5.73
9.	Lim Siew Sooi	3,104,240	5.57
10.	Chew Boon Seng	3,002,800	5.39
11.	Tan Ching Ching	2,978,280	5.34

ANALYSIS OF WARRANT HOLDINGS (WARRANT "B")
AS AT 20 OCTOBER 2010

C. THIRTY LARGEST WARRANT HOLDERS (continued)

No.	Name of Warrant Holders	No. of Warrants	%
12.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	2,800,000	5.02
13.	Ong Wee Lieh	2,580,920	4.63
14.	Tan Han Chuan	1,849,648	3.32
15.	Ong Wan Chin	601,900	1.08
16.	Ong Poh Geok	515,220	0.92
17.	Chia Ah Chor @ Chia Soo Itt	319,192	0.57
18.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Siew Moi	200,000	0.36
19.	Tan Hou Bu	169,700	0.30
20.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	159,760	0.29
21.	Syarikat Rimba Timur (RT) Sdn Bhd	100,000	0.18
22.	Ngo Kin Wee	100,000	0.18
23.	Pang Yang Chung	81,700	0.15
24.	Tong Kim Fatt @ Allen Tong	66,160	0.12
25.	Cheong Kuang Huang	62,200	0.11
26.	Song Huat Chan Holdings Sdn Bhd	58,480	0.10
27.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Chuen Mee	58,000	0.10
28.	Ng Hin Yoong	55,640	0.10
29.	Thoa Kok Wah	53,400	0.10
30.	Hew Kim Fah	53,100	0.10

D. DIRECTORS' INTERESTS IN WARRANTS

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Tan Sri Dato' Tan Hua Choon	6,370,998	11.43	8,199,608	14.71

LIST OF PROPERTIES
AS AT 30 JUNE 2010

LOCATION	DESCRIPTION	EXISTING USE/ AGE OF BUILDING	TENURE	NET BOOK VALUE AS AT 30.06.2010 (RM)	DATE OF LAST REVALUATION (R)/ DATE OF ACQUISITION (A)
Lot No. PT23533 HS(D) 40562 [formerly HS(D) 252/94] Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	Land approved for Commercial Development (Area: 153,554 sq. ft.)	Vacant	Freehold	3,100,000	2 August 2009 (R)
GM 1452 Lot 4722 and GM 335 Lot 32661 Mukim of Batu District of Kuala Lumpur State of Wilayah Persekutuan bearing postal address Lot 32661 Jalan Segambut 51200 Kuala Lumpur	Land approved for Industrial Building Development together with 9 independent blocks of single storey warehouses erected thereon (Area: 432,754.80 sq. ft.)	Warehouse for rental/ 36 years	Freehold	56,335,021	2 August 2010 (R)
GM 6242 Lot 54833 Mukim of Batu,District of Kuala Lumpur State of Wilayah Persekutuan bearing postal addres 368 Jalan Segambut 51200 Kuala Lumpur	Land approved for Industrial Building Development together with a single storey office with four adjoining single-storey factories erected thereon (Area: 252,415.80 sq. ft.)	Office and Factories for rental/ 15 years	Freehold	31,924,000	2 August 2010 (R)
GM 2415 Lot 4719 Mukim Batu, 4th Mile Railway Line, Daerah Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Land approved for Agricultural use (Area : 15,685 sq. ft.)	Land for rental	Freehold	2,498,111	7 December 2009 (A)
HS(M) 24693, PT 65497 Sungai Balak, Pekan Kajang, District of Hulu Langat, State of Selangor Darul Ehsan	Land approved for Industrial Building Development (Area : 34,983 sq. ft.)	Office and Factories/ 3 years	Freehold	4,468,150	28 August 2009 (R)

PROXY FORM

FCW HOLDINGS BERHAD
(3116-K)

I/We ....NRIC No./Company No. ....
(full name in block letters)

of ....
(full address)

being a member of **FCW HOLDINGS BERHAD** hereby appoint ....

.... NRIC No...
(full name in block letters)

of ....
(full address)

representing .... percentage (%) of my/our shareholdings in the Company and/or failing

him/her... NRIC No ....
(full name in block letters)

of ....
(full address)

representing ………. percentage(%) of my/our shareholdings in the Company and/or failing him/her/them, the **Chairman of the Meeting**, as my/our proxy/proxies to vote for me/us on my/our behalf, at the Fifty-Fifth Annual General Meeting ("55th AGM") of the shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 16 December 2010 at 11.00 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the notice of the 55th AGM as indicated with an `X' in the appropriate spaces. If no voting instructions are given, the proxy may vote or abstain from voting at his/her discretion.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3(a)		
Ordinary Resolution No. 3(b)		
Ordinary Resolution No. 4		

____
Signature(s)/Seal

No. of shares held

Signed this ________ day of ____________________, 2010.

Notes :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment(s) shall be invalid.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

3. The Proxy Form shall be deposited with the Company's Registered Office at No. 8, 3rd Floor, Jalan Segambut, 51200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

FOLD HERE

STAMP

FCW HOLDINGS BERHAD (3116-K)
No. 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur

FOLD HERE