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FCW HOLDINGS BERHAD 3116-K

2012 ANNUAL REPORT

FCW HOLDINGS BERHAD
3116-K

2012 ANNUAL REPORT

Contents

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Fifty-Seventh 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, 20 December 2012 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

AGENDA

1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 30 June 2012 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**

2. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2012. **Ordinary Resolution 1**

3. To re-elect Mr Lee Yu-Jin, a Director retiring in accordance with Article 85 of the Company's Articles of Association. **Ordinary Resolution 2**

4. To re-elect the following Directors retiring in accordance with Article 92 of the Company's Articles of Association:

   (a) Mr Lai Sze Pheng; **Ordinary Resolution 3(a)**

   (b) Mr Tang Tat Chun; and **Ordinary Resolution 3(b)**

   (c) Mr Teh Kay Yeong **Ordinary Resolution 3(c)**

5. To re-appoint Tan Sri Dato' Tan Hua Choon as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 4**

6. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

7. **As Special Business**

   To consider and, if though fit, to pass with or without modifications, the following resolution as a Special Resolution:-

   PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

   "**THAT** the Articles of Association of the Company be and are hereby amended in the form and manner as set out in **APPENDIX I** of the Company's 2012 Annual Report". **Special Resolution**

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

Loh Poh Wah (MAICSA: 7047338)
Secretary

Kuala Lumpur
28 November 2012

Notice of Annual General Meeting (continued)

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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.

6. 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.

7. 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.

Explanatory Note A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Explanatory Note on Special Business

- **Special Resolution in relation to Proposed Amendments to Articles of Association of the Company**

The Proposed Special Resolution, if passed, will render the Company's Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Appendix I

PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:-

Note: New insertions are printed in bold

ARTICLE	PROPOSED AMENDMENT
63	To amend the existing Article 63, by amending the existing paragraph in the manner shown below, and inserting three new paragraphs thereto:- **Appointment of proxy by Authorised Nominee and Exempt Authorised Nominee** Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it shall be entitled to appoint **not more than two (2) proxies** ~~at least one (1) proxy~~ in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. **Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.** **The exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.** **Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.**
77A (New)	To insert the following new article as Article 77A:- **Qualification and rights of proxy to speak** **A member of the Company entitled to attend and vote at a meeting or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.** **A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.**
79	To amend the existing Article 79 in the following manner:- i) To insert the following sentences as new Notes 2, 3, 4 and 5 after the existing Note 1 of the Notes to Form of Proxy:- **2. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.** **3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.** **4. Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.** **5. Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the general meeting shall be entitled to attend and vote at the general meeting or appoint a proxy to attend, speak and vote on his behalf.** ii) To renumber the existing Notes 2 and 3 as **Notes 6 and 7** respectively. iii) To insert the following sentence at the end of the existing Article 79, as the last paragraph:- **Where a member of the Company is an authorised nominee or exempt authorised nominee, Article 63 of these Articles of Association shall apply.**

Corporate **Information**

BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon	*Chairman, Non-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*
Mr Lai Sze Pheng	*Executive Director*
Mr Tang Tat Chun	*Non-Independent Non-Executive Director*
Mr Teh Kay Yeong	*Independent Non-Executive Director*

AUDIT COMMITTEE

Mr Teh Kay Yeong (*Chairman*)
Mr Thor Poh Seng
Mr Lee Yu-Jin (*MIA*)

NOMINATION COMMITTEE

Tan Sri Dato' Tan Hua Choon
Mr Teh Kay Yeong
Mr Lee Yu-Jin

REMUNERATION COMMITTEE

Tan Sri Dato' Tan Hua Choon
Mr Thor Poh Seng

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Teh Kay Yeong
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 Baker Tilly Monteiro Heng
(Chartered Accountants)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel: (603) 2297 1000
Fax: (603) 2282 9980

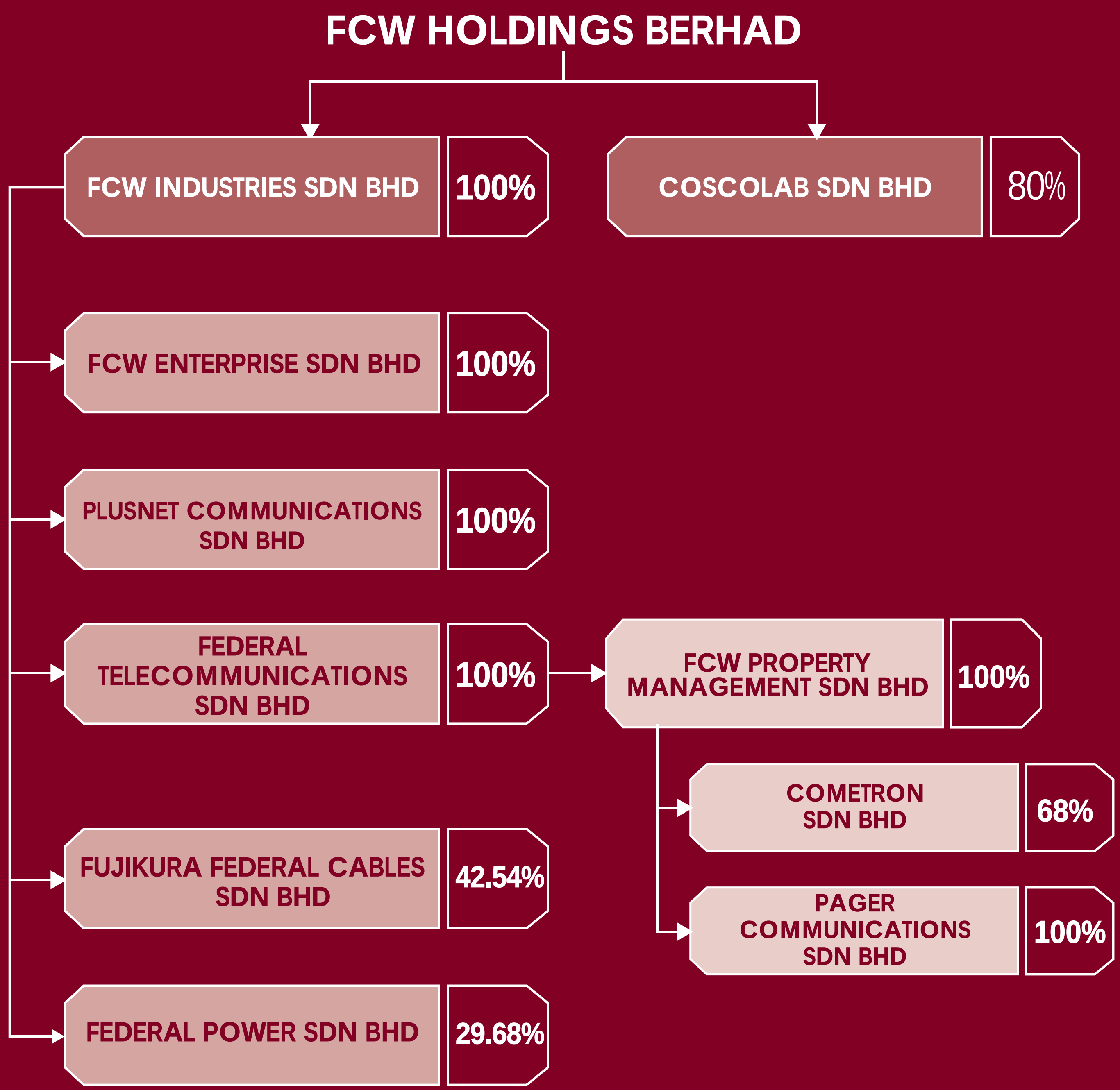
STOCK EXCHANGE LISTING

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

WEBSITE

www.fcw.com.my

Corporate **Structure**

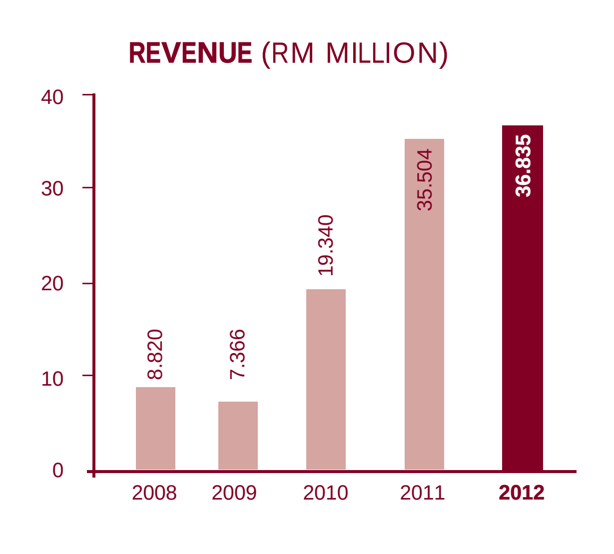


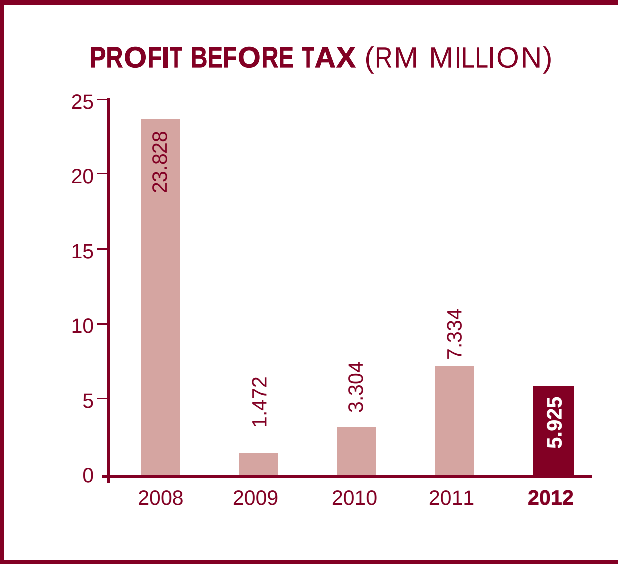
Note: Companies which are dormant or which have ceased operations are excluded.

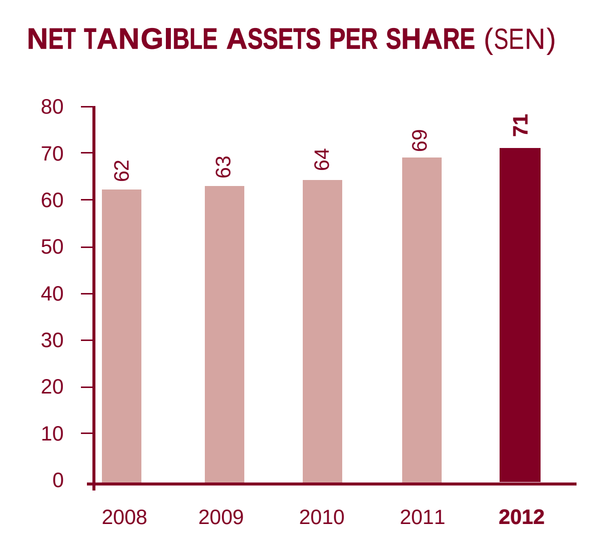
Financial **Highlights**

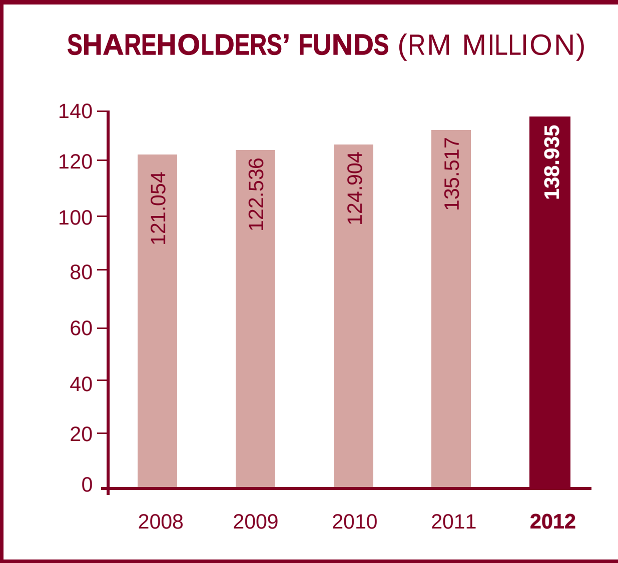
		2008 RM Million	2009 RM Million	2010 RM Million	2011 RM Million	2012 RM Million
Revenue		8.820	7.366	19.340	35.504	36.835
Profit Before Tax		23.828	1.472	3.304	7.334	5.925
Profit After Tax and Minority Interest Attributable to Shareholders		23.841	1.482	2.368	11.138	3.418
Dividends - Net		-	-	-	-	-
Shareholders' Funds		121.054	122.536	124.904	135.517	138.935
Earnings Per Share Based on Profit After Tax and Minority Interest (sen)	Basic	10.07	0.76	1.21	5.71	1.75
	Diluted	9.73	0.74	1.15	5.36	1.61
Net Tangible Assets per Share (sen)		62	63	64	69	71
Dividend Rate		-	-	-	-	-

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









Directors' **Profile**

Tan Sri Dato' Tan Hua Choon
Aged 71, 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 Boards of Jasa Kita Berhad, GPA Holdings Berhad, Keladi Maju Berhad, Malaysia Aica Berhad, Marco Holdings Berhad, PDZ Holdings Bhd and Goh Ban Huat Berhad.

Ong Bing Yap
Aged 62, 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.

Thor Poh Seng
Aged 52, 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.

Mr Thor 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 45, 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.

Directors' Profile (continued)

Lai Sze Pheng Aged 51, Malaysian • *Executive Director*	Mr Lai was appointed to the Board of the Company on 8 August 2012. He holds a Bachelor of Science Degree in Business Administration from New Hampshire University, U.S.A. Upon graduation, he started his career as an auditor at Ernst & Whinney Public Accountants in 1986. He joined PDL Wylex Sdn Bhd (now known as PWE Industries Bhd) which involved in the manufacturing and distribution of electrical accessories, and held various positions during the period from 1987 to 1990. He joined Hume Industries Malaysia Berhad (A member of the Hong Leong Group) in mid 1990 and held various senior positions with the last position as Chief Operating Officer. He spent 17 years with the said group, managing a divest business in manufacturing and distribution of building materials, and has gained vast experience in both marketing and manufacturing sectors. During his tenure with Hume Industries Malaysia Berhad, he was involved in a wide range of assignment covering general management, new business development and new business set up. In 2007, he joined Malaysian Mosaic Berhad, a company involved in the manufacturing and distribution of ceramic tiles as the Director of Sales & Marketing. Subsequently, he joined Goh Ban Huat Berhad Group as Executive Director since March 2010.
Tang Tat Chun Aged 47, Malaysian • *Non-Independent Non-Executive Director*	Mr Tang was appointed to the Board of the Company on 8 August 2012 as a Non-Independent Non-Executive Director. He holds a Bachelor of Business (Accounting) from Australia and he is also a member of CPA Australia and the Malaysian Institute of Accountants. He commenced his career with Ernst & Young (Singapore office) and has held senior positions in internal audit units of several public listed companies involved in industries such as manufacturing, trading, property development and telecommunication. He is also a director of other public companies, namely, Goh Ban Huat Berhad, Biosis Group Berhad, Jasa Kita Berhad and several other private companies.
Teh Kay Yeong Aged 49, Malaysian • *Independent Non-Executive Director*	Mr Teh was appointed as Director and Chairman of the Audit Committee on 1 October 2012. He was also appointed as the Senior Independent Non-Executive Director of the Company and a member of the Board's Nomination Committee on the same date. Mr Teh holds a Bachelor of Accounting (Honours) from University of Malaya and a Master's Degree in Business Administration majoring in Finance from University of Hull, United Kingdom. He is also a member of the Malaysian Institute of Accountants. He has extensive experience in accounting and finance and has held senior positions in operations and finance. He is also a Director of Keladi Maju Berhad and PDZ Holdings Bhd.

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 13 of this Annual Report.

Chairman's **Statement**

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 30th June 2012."

FINANCIAL REVIEW

For the financial year ended 30th June 2012, the Group recorded total revenue of RM36.8 million, an increase of RM1.3 million or 4% from the financial year ended 30th June 2011. However, the Group recorded a lower profit before tax of RM5.9 million as compared to the previous financial year's profit before tax of RM7.3 million. The lower profit before tax recorded in the financial year under review was mainly due to the recognition of a fair value loss on derivatives of RM211,000 as compared to a gain of RM668,000 in the previous financial year.

OPERATIONS REVIEW

Property rental and contract manufacturing of cosmetics and toiletry products, through our 80%-owned subsidiary Coscolab Sdn Bhd, continued to be the main contributors to the Group's turnover in the financial year under review.

For the financial year ended 30th June 2012, the rental segment revenue increased by 7.4% year-on-year to RM6.65 million as compared to RM6.20 million in the preceding financial year. The increase in rental revenue was primarily due to the upward revision of rental rates that was effected during the financial year. The profit before tax of RM5.72 million from this segment was consistent with the preceding financial year.

The revenue for financial year registered by the contract manufacturing segment was RM30.2 million, an increase of 3% over the preceding financial year. The increase in revenue was primarily due to increase in sales orders. For financial year ended 30th June 2012, the profit before tax of RM2.3 million for this segment was 7% lower than the preceding financial year. The decrease in profit before tax for the financial year was attributed to impairment loss charged on trade and other receivables.

The share of loss of RM1.77 million from the associate company, Fujikura Federal Cables Sdn Bhd, was lower than the share of loss registered in the preceding financial year of RM1.81 million. The improvement in share of result of the associate for the financial year was mainly attributed to higher sales and profit margins achieved for both the local and export sales.

PROSPECTS

Going forward, the Group expects the revenue and profitability of the contract manufacturing segment to be sustained in the next financial year.

Performance of the property rental business is expected to be weaker in the next financial year due to the expiry of certain lease agreements with tenants.

The prospects of the associate company, which is in the cables business, remain challenging in the coming financial year in view of keen competition in both the local and export markets and sluggish global economy that may dampen demand for metal cable products.

DIVIDENDS

No dividend has been declared or recommended for the financial year ended 30th June 2012.

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 2012. 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 Requirements ("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 seven members with two Executive Directors 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 8 to 9 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 Directors 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 Directors have 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.

iii) Board of Directors' Meeting

The Board members meet to review and discuss matters specifically reserved to the Board 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.

A. BOARD OF DIRECTORS (continued)

iii) Board of Directors' Meeting (continued)

The Executive Directors chair the Group's management meetings wherein operational details and other issues are discussed and considered. Apart from the management meetings, the Executive Directors also hold 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 20 to 23 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) Mr Teh Kay Yeong – *Independent Non-Executive Director*
3) Mr Lee Yu-Jin – *Independent Non-Executive Director*

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 Directors in all its forms, drawing from outside resources where necessary.

A. BOARD OF DIRECTORS (continued)

iv) Board Committees (continued)

Remuneration Committee (continued)

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
1. ISO 9001: 2008 QMS Internal Audit Training	Systems and Controls
2. The Age of Integration – A new Dawn for Corporate Reporting	Corporate Governance
3. Asean Corporate Governance Scorecard and the Corporate Governance Ranking of Asean PLCs	Corporate Governance
4. The continuing of CG Agenda – Next steps for Asia	Corporate Governance
5. Reporting of CG Practices: What do people want to know?	Corporate Governance
6. Bridging Investments through Investor Relations	Investor Relations
7. Advocacy sessions on Disclosure for Chief Executive Officers and Chief Financial Officers	Corporate Governance
8. Malaysian Code on Corporate Governance 2012	Corporate Governance
9. Role of the Audit Committee in Assuring Audit Quality	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 Directors, 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.

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.

B. DIRECTORS' REMUNERATION (continued)

iii) Disclosure

The details of Directors' remuneration payable to all the Directors of the Company who served during the financial year ended 30 June 2012 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	48,000
(b) Salaries and other emoluments	134,400	18,000	152,400
(c) Estimated value of benefits-in-kind	7,200	-	7,200
Total	**141,600**	**66,000**	**207,600**

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
150,001 – 200,000	-	-	-
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 Mr Teh Kay Yeong, 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 31 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 24 to 25 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 20 to 23 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:

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.

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 compliance with existing laws, regulations and standards.

For instance, our subsidiary, Coscolab Sdn Bhd ("CSB") has introduced the following measures:-

i. Proper discharge of effluents

CSB treats all effluents from production chemically and biologically with their state-of-the-art Waste Water Treatment System, according to local environmental standards set by the Department of Environment ("DOE"). Such effluents, which are required to comply with DOE's Standard A parameters, are then tested with a "HACH" machine to ensure compliance. Treated effluents are then either discharged or recycled. Untreatable effluents are sent to Kualiti Alam Sdn Bhd on a regular basis.

ii. Recycling initiatives

CSB has a recycling system in which papers are recycled (stamped and re-used) whenever possible and also sent to professional recycling companies.

iii. Training/ Staff functions

All staff-members of CSB are reminded of social responsibilities via internal trainings conducted, which are inducted into production trainings held on a regular basis. Staff welfare activities, such as Target Achievement dinners, team building trips, sports club etc, are organized regularly to boost staff morale and improve staff bonding, productivity and team work.

Our associate company, Fujikura Federal Cables Sdn Bhd ("FFC"), obtained its ISO14001 certification for Environment Management System in August 2002.

FFC carried out air emission monitoring to comply with the Environment Quality Air (Clean Air) Regulations 1978 on the emission of:-

- Sulfur Dioxide (SO_2), Oxide of Nitrogen (NO_x) and Carbon Monoxide (CO)
- Lead, Antimony and Arsenic.

Actions taken by FFC to ensure compliance were through the following activities:-

1. FFC's own Quality Assurance Department checks all emission and local exhaust ventilation systems monthly.
2. Engage consultants to measure the emission during operation hours quarterly. The results are sent to the Department of Environment.
3. Engage consultants to carry out survey and check all emission and local exhaust ventilation systems yearly.

Measures have also been taken by the other Companies in 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.

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 2012, 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 2012 amounted to RM4,000.00.

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.

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
Teh Kay Yeong	Chairman	Independent Non-Executive Director
Thor Poh Seng	Member	Non- Independent Non-Executive Director
Lee Yu-Jin (*MIA Member*)	Member	Independent Non-Executive Director

MEETINGS

The Audit Committee held four meetings during the financial year ended 30 June 2012 with full attendance of all the Committee members.

The Executive Directors, 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;

Audit Committee Report (continued)

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 2012, 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 2011, 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.

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

ACTIVITIES OF THE COMMITTEE (continued)

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 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 2012 was RM52,500.00. The activity of the internal audit function is detailed in the Statement of Internal Control on pages 24 to 25 of this Annual Report.

Internal **Control Statement**

BOARD RESPONSIBILITY

The Malaysian Code of 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 on the associates as and 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.

- **Organisation 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 organisation 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.

- **Authority Levels**

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

INTERNAL CONTROL STRUCTURE (continued)

- **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

Directors' **Report**

The directors hereby submit their report together with the audited financial statements of FCW Holdings Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 30th June 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were investment holding and providing management services. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	3,743	3,136
Attributable to:		
Owners of the Company	3,418	3,136
Non-controlling interests	325	-
	3,743	3,136

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payments of any dividends in respect of the financial year ended 30th June 2012.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

CURRENT ASSETS (continued)

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

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

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company have 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 195,067,650 to 195,067,950 by way of the issuance of 300 ordinary shares of RM0.50 each of an issue price of RM0.50 with the exercise of 300 warrants B.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

WARRANTS

The warrants A and B of the Company are constituted under a Deed Pool dated 24th June 2003 and 19th November 2007 respectively executed by the Company. The warrants are listed on the Bursa Malaysia Securities Berhad The outstanding warrants for the financial year ended 30th June 2012 are on below:

	Number of warrants			
	At 1.7.2011	Bought	Exercise	At 30.6.2012
Warrants A	29,211,830	-	-	29,211,830
Warrants B	55,732,380	-	(300)	55,732,080

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 8th January 2008 and will expire on 11th November 2013.

55,733,340 free warrants B were issued on 31st 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 8th January 2008 and will expire on 11th November 2013. 300 warrants B were exercised during the financial year.

The details of these warrants are as disclosed in Note 15 to the financial statements.

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	(Resigned on 24.9.2012)
Thor Poh Seng	
Lim Lai Sam	
Ong Bing Yap	
Lee Yu-Jin	
Tang Tat Chun	(Appointed on 8.8.2012)
Lai Sze Pheng	(Appointed on 8.8.2012)
Teh Kay Yeong	(Appointed on 1.10.2012)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30th June 2012 are as follows:

Directors' Report (continued)

DIRECTORS' INTERESTS (continued)

	Number of ordinary shares of RM0.50 each			
	At 1.7.2011	Bought	Sold	At 30.6.2012
The Company:				
FCW Holdings Berhad				
Tan Sri Dato' Tan Hua Choon				
- Direct interest	21,498,379	-	-	21,498,379
- Indirect interest	27,298,700	-	-	27,298,700

	Number of warrants			
	At 1.7.2011	Bought	Sold	At 30.6.2012
The Company:				
FCW Holdings Berhad				
Tan Sri Dato' Tan Hua Choon				
- Direct interest	6,370,998	-	-	6,370,998
- Indirect interest	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 Company's subsidiaries to the extent in which the Company has an interest.

Other than as stated 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' BENEFITS

Since the end of the previous financial year, no director of the Company 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 shown in Note 25 to the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement, whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

TAN SRI DATO' TAN HUA CHOON
Director

ONG BING YAP
Director

Kuala Lumpur
Date: 17 October 2012

Statement by **Directors**

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 financial statements set out on pages 34 to 93 are properly drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30th June 2012 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The supplementary information set out on page 94 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

TAN SRI DATO' TAN HUA CHOON
Director

ONG BING YAP
Director

Kuala Lumpur
Date: 17 October 2012

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 to the best of my knowledge and belief, the financial statements set out on pages 34 to 93 and the supplementary information set out on page 94 are 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 at Kuala Lumpur in
the Federal Territory on 17 October 2012.

ONG BING YAP

Before me,

Arshad Abdullah (W550)
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 statements of financial position as at 30th June 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 93.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 controls relevant to the Company's preparation of financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of 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 the 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 30th June 2012 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the followings:

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia 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 Companies Act, 1965 in Malaysia.

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

(c) Other than those subsidiaries with emphasis of matter paragraph in the auditors' reports as disclosed in Note 7 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 94 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

The financial statements of the Group and of the Company for the financial year ended 30th June 2011 were audited by another firm of chartered accountants whose report dated 12th October 2011 expressed an unmodified opinion on those financial statements.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lock Peng Kuan
No. 2819/10/14 (J)
Partner

Kuala Lumpur
Date: 17 October 2012

Statements of **Financial Position**
as at 30th June 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	7,297	7,380	6	41
Investment properties	5	93,932	93,932	-	-
Intangible asset	6	1,726	1,726	-	-
Investment in subsidiaries	7	-	-	85,519	13,519
Investment in an associate	8	20,238	22,009	-	-
Deferred tax assets	9	3,421	4,859	-	-
Other investments	10	367	354	248	241
		126,981	130,260	85,773	13,801
Current assets					
Inventories	11	4,470	4,545	-	-
Trade and other receivables	12	6,925	5,354	1,610	72,382
Prepayment		572	505	31	31
Tax recoverable		7	17	-	6
Derivatives	13	164	375	164	375
Cash and bank balances	14	12,824	7,256	11,140	5,949
		24,962	18,052	12,945	78,743
TOTAL ASSETS		151,943	148,312	98,718	92,544
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	97,534	97,534	97,534	97,534
Reserves	16	41,401	37,983	(10,837)	(13,973)
Shareholders' funds		138,935	135,517	86,697	83,561
Non-controlling interests		2,136	1,811	-	-
Total equity		141,071	137,328	86,697	83,561
Non-current liabilities					
Loans and borrowings	17	2,842	3,040	-	-
Deferred tax liabilities	9	173	165	-	-
		3,015	3,205	-	-
Current liabilities					
Trade and other payables	18	6,001	6,360	11,992	8,983
Loan and borrowings	17	1,727	1,151	-	-
Current tax payable		129	268	29	-
		7,857	7,779	12,021	8,983
Total liabilities		10,872	10,984	12,021	8,983
TOTAL EQUITY AND LIABILITIES		151,943	148,312	98,718	92,544

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

Statements of **Comprehensive Income**
for the financial year ended 30th June 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	19	36,835	35,504	378	270
Cost of sales	20	(23,962)	(23,258)	-	-
Gross profit		12,873	12,246	378	270
Other items of income					
- Other income	21	607	2,004	3,863	1,892
Other items of expense					
- Administrative expenses		(1,579)	(1,331)	(713)	(457)
- Selling and marketing expenses		(37)	(182)	(16)	(30)
- Other expenses		(3,884)	(3,280)	(335)	(268)
Operating profit		7,980	9,457	3,177	1,407
Finance costs	22	(284)	(312)	-	-
Share of results of associates		(1,771)	(1,811)	-	-
Profit before tax	23	5,925	7,334	3,177	1,407
Taxation	26	(2,182)	4,382	(41)	(14)
Profit net of tax, representing total comprehensive income for the year		3,743	11,716	3,136	1,393
Total comprehensive income attributable to:					
Owners of the Company		3,418	11,138	3,136	1,393
Non-controlling interests		325	578	-	-
		3,743	11,716	3,136	1,393
Earnings per share attributable to owners of the Company	27				
- basic (sen)		1.75	5.71		
- diluted (sen)		1.61	5.36		

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

Statements of **Changes in Equity**

for the financial year ended 30th June 2012

	Attributable to owners of the Company						
	Non-distributable			Distributable			
	Share Capital	Capital Reserve	Premium Paid on Acquisition of Minority Interest	Retained Earnings	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
At 1st July 2010	97,533	2,704	-	24,667	124,904	3,100	128,004
Effects of adopting FRS 139	-	-	-	(293)	(293)	-	(293)
	97,533	2,704	-	24,374	124,611	3,100	127,711
Exercise of warrants	1	-	-	-	1	-	1
Premium paid on acquisition of minority interest	-	-	(233)	-	(233)	(1,867)	(2,100)
Total comprehensive income	-	-	-	11,138	11,138	578	11,716
At 30th June 2011	97,534	2,704	(233)	35,512	135,517	1,811	137,328
Exercise of warrants	*	-	-	-	*	-	*
Total comprehensive income	-	-	-	3,418	3,418	325	3,743
At 30th June 2012	97,534	2,704	(233)	38,930	138,935	2,136	141,071

* Represented by amount less than RM1,000.

Statements of Changes in Equity for the financial year ended 30th June 2012 (continued)

	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
At 1st July 2010	97,533	(15,073)	82,460
Effects of adopting FRS 139	-	(293)	(293)
	97,533	(15,366)	82,167
Exercise of warrants	1	-	1
Total comprehensive income	-	1,393	1,393
At 30th June 2011	97,534	(13,973)	83,561
Exercise of warrants	*	-	*
Total comprehensive income	-	3,136	3,136
At 30th June 2012	97,534	(10,837)	86,697

* Represented by amount less than RM1,000.

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

Statements of **Cash Flows**

for the financial year ended 30th June 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	5,925	7,334	3,177	1,407
Adjustments for:				
Bad debts written off	2	-	-	-
Depreciation for property, plant and equipment	858	723	35	34
Fair value loss/(gains) on derivatives	211	(668)	211	(668)
Gain on disposal of property, plant and equipment	(132)	(7)	-	-
Impairment loss on trade and other receivables	295	-	123	-
Impairment loss on trade and other receivables no longer required	-	(384)	(3,582)	(1,021)
Interest expense	284	312	-	-
Interest income from deposits	(284)	(241)	(274)	(172)
Interest income from other investments	(13)	(31)	(7)	(31)
Inventories written down	1	19	-	-
Property, plant and equipment written off	2	-	-	-
Share of results of an associate	1,771	1,811	-	-
Unrealised foreign exchange gain	(36)	-	-	-
Operating cash flows before changes in working capital	8,884	8,868	(317)	(451)
Changes in working capital:				
Inventories	74	(304)	-	-
Receivables	(1,926)	(1,052)	(23)	7
Payables	(332)	(16,915)	3	12
Net changes in related companies balances	-	-	77,260	(3,922)
Net cash flows from operations	6,700	(9,403)	76,923	(4,354)
Interest received	284	241	274	172
Interest paid	(284)	(312)	-	-
Tax paid	(865)	(901)	(6)	(14)
Net cash flows generated from/(used in) operating activities	5,835	(10,375)	77,191	(4,196)

Statements of Cash Flows
for the financial year ended 30th June 2012 (continued)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposits held as security values	(10)	(5)	-	-
Purchase of property, plant and equipment ^	(310)	(471)	-	-
Proceeds from disposal of property, plant and equipment	135	7	-	-
Proceeds from disposal of quoted, investment securities	-	1	-	-
Disposal of other investments	-	2,000	-	2,000
Subsequent expenditure on investment properties	-	(75)	-	
Acquisition of preference shares	-	-	(72,000)	-
Acquisition of non-controlling interest	-	(2,100)	-	(2,100)
Net cash flows used in investing activities	(185)	(643)	(72,000)	(100)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of warrants	*	1	*	1
Net drawdown of bankers' acceptances	614	610	-	-
Net repayment of term loans	(234)	(224)	-	-
Net repayment of finance lease liabilities	(472)	(380)	-	-
Net cash flows (used in)/ generated from financing activities	(92)	7	-	1
NET CHANGES IN CASH AND CASH EQUIVALENTS	5,558	(11,011)	5,191	(4,295)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	7,062	18,073	5,949	10,244
CASH AND CASH EQUIVALENTS AT THE THE END OF THE FINANCIAL YEAR	12,620	7,062	11,140	5,949

Statements of Cash Flows
for the financial year ended 30th June 2012 (continued)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	12,824	7,256	11,140	5,949
Less: Deposits held as security values	(204)	(194)	-	-
	12,620	7,062	11,140	5,949

^ *During the financial year, the Group makes the following cash payments to purchase property, plant and equipment:*

	Group	
	2012 RM'000	2011 RM'000
Purchase of property, plant and equipment	780	726
Financed by finance lease arrangements	(470)	(255)
Cash payment on purchase of property, plant and equipment	310	471

** Represented by amount less than RM1,000.*

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

1. CORPORATE INFORMATION

The principal activities of the Company during the financial year were investment holding and providing management services. The principal activities of the subsidiaries are disclosed in Note 7. There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and 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 financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17th October 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

At the beginning of current financial year, the Group and the Company adopted revised FRSs which are mandatory for financial periods beginning on or after 1st July 2011 as describe fully in Note 2.2(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand ('000).

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires the directors' best knowledge of current events and actions, and therefore actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

(a) Adoption of Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
FRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 4	Determining Whether an Arrangement contains a Lease
IC Int 18	Transfers of Assets from Customers
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Int

IC Int 13	Customer Loyalty Programmes
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The main effects of the adoption of the above, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below:

Amendments to FRS 7 Financial Instruments: Disclosures

Disclosures on fair value and liquidity have been enhanced upon the adoption of this amendment. In particular, financial instruments measured at fair value are disclosed by class in a three-level fair value measurement hierarchy, with specific disclosures related to transfers between levels in the hierarchy and detailed disclosures on level three of the fair value hierarchy. Certain disclosures on liquidity are also modified. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and the Company.

IC Int 4 Determining Whether an Arrangement Contains a Lease

This IC Int clarifies that when the fulfilment of an arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, then the arrangement should be accounted for as a lease under FRS 117, even though it does not take the legal form of a lease. This interpretation did not have any financial impact on the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (continued)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted

The Group and the Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	1st January 2015
FRS 10	Consolidated Financial Statements	1st January 2013
FRS 11	Joint Arrangements	1st January 2013
FRS 12	Disclosure of Interests in Other Entities	1st January 2013
FRS 13	Fair Value Measurement	1st January 2013
Revised FRSs		
FRS 119	Employee Benefits	1st January 2013
FRS 124	Related Party Disclosures	1st January 2012
FRS 127	Separate Financial Statements	1st January 2013
FRS 128	Investments in Associates and Joint Ventures	1st January 2013
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1st January 2012 and 1st January 2013
FRS 7	Financial Instruments: Disclosures	1st January 2012 and 1st January 2013
FRS 10	Consolidated Financial Statements	1st January 2013
FRS 11	Joint Arrangements	1st January 2013
FRS 12	Disclosures of Interests in Other Entities	1st January 2013
FRS 101	Presentation of Financial Statements	1st July 2012 and 1st January 2013
FRS 112	Income Taxes	1st January 2012
FRS 116	Property, Plant and Equipment	1st January 2013
FRS 132	Financial Instruments: Presentation	1st January 2013 and 1st January 2014
FRS 134	Interim Financial Reporting	1st January 2013
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1st January 2013
Amendments to IC Int		
IC Int 2	Members' Share in Co-operative Entities & Similar Instruments	1st January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (continued)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (continued)

A brief discussion on the above significant new and revised FRSs, amendments/ improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to of the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee'. It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

FRS 11 Joint Arrangements

FRS 11 supercedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (continued)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (continued)

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associates and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Amendments to FRS 112 Income Taxes

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time.

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associates or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (continued)

(c) MASB Approved Accounting Standards, MFRSs (continued)

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs Framework to financial periods beginning on or after 1st January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs Framework for annual periods beginning on or after 1st January 2012.

Accordingly, the Group and the Company which are not Transitioning Entities are required to adopt the MFRSs Framework for the next financial year, being the first set of financial statements prepared in accordance with the MFRSs Framework.

As at 30th June 2012, all FRSs issued under the existing FRSs Framework are equivalent to the MFRSs issued under MFRSs Framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs. As such, except those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b) to the financial statements. The effect is based on the Group's and the Company's best estimates at reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1st January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (continued)

(c) MASB Approved Accounting Standards, MFRSs (continued)

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2.3 Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expense and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in the Note 2.3(e) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(b) Subsidiaries

Subsidiaries are entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights. 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.

An investment in subsidiaries which is eliminated on consolidation is stated in the Company's separate financial statements at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(m) to the financial statements. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

(c) Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners to of the Company.

Changes in the Company owners' interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

(d) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An 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.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates included in the carrying amount of the investment. 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 for 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(d) 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 conterminous 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.

(e) Goodwill on Consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(f) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(m) to the financial statements.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(f) Property, Plant and Equipment and Depreciation (continued)

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

Building	2%
Plant and machinery	10%-33$^{1/3}$%
Motor vehicles	20%
Furniture and fittings	7$^{1/2}$% - 33$^{1/3}$%
Office equipment	10% - 33$^{1/3}$%

Freehold land has an unlimited useful life and therefore is not depreciated.

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values, useful lives and depreciation method are included in the profit or loss for the financial year in which the changes arise.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the financial asset is derecognised.

(g) Investments Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value which reflects market conditions at the reporting date. 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 of retirement of disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in 2.3(f) up to the date of change in use.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(h) Inventories

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

Cost is determined using the first in, first out method.

The cost of raw materials comprises cost of purchase and incidental costs bringing the inventories to their present locations and conditions. The cost of finished goods and work-in-progress consists of raw materials, direct labour and a proportion of manufacturing overheads.

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 recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instruments.

A financial instrument is recognised initially, at its fair value, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

The Group and the Company categorise the financial instruments as follows:

(i) Financial Assets

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near future or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in profit or loss.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market, trade and other receivables and cash and cash equivalents are classified as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

(i) Financial Assets (continued)

Loans and receivables (continued)

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity investments.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirely, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

(ii) Financial Liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains or losses, interest and dividend expenses. Such income and expenses are recognised separately in profit or loss as components of other income or other expense.

The Group and the Company have no designated any financial liabilities as at fair value through profit or loss.

Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, the financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in the profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(iii) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially at fair value, net of transaction cost.

Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

(iv) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(j) Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, other short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated net of bank overdrafts which are repayable on demand.

(k) Taxation

The tax expense in the profit or loss represents the aggregate amount of current tax 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 reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 future 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 goodwill or bargain purchase or from the initial recognition of an asset or liability in a transaction which is not a business combination and at time of the transaction, affects neither accounting profit nor taxable profit.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

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 reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(k) Taxation (continued)

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and current tax liabilities on a net basis.

(l) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the functional currency which is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign Currency Transactions and Translations

Foreign currency transactions are translated to Ringgit Malaysia at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies at the statement of financial position are translated into Ringgit Malaysia at the rates ruling at the reporting date. All exchange differences are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(m) Impairment of Assets

(i) Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(m) Impairment of Assets (continued)

(i) Impairment of Financial Assets (continued)

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

(ii) Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill that has an indefinite useful life and are not available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost 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 risk specific to the asset. Where the carrying amounts of an asset exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGU are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. 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 was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed its 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 other than goodwill is recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(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) Sales 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 of the possible return of goods.

(ii) Revenue from Services

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

(iii) Rental Income

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

(iv) Interest Income

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

(v) Management fees

Management fees are recognised when services are rendered.

(o) Borrowing Costs

Borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowings of funds.

(p) Employee Benefits

(i) *Short term employee benefits*

Wages, salaries, social security contribution, bonuses and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. 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, maternity and paternity leave are recognised when absences occur.

(ii) *Post-employment benefits*

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(q) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, it lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance changes and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any are charge as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expenses over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probably that an outflow of economic resources will be required to settle the obligation, the provision is reversed. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(s) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary share are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of Significant Accounting Policies (continued)

(t) Contingencies

A contingent liability is a possible obligation that arises from past event and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(u) Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in the case are Executive Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustments to the carrying amount of the asset or liability affected in the future. The estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 as stated below:

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

(a) Key sources of estimation uncertainty (continued)

(i) 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 are 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. The key assumptions used for the impairment assessment are stated in Note 6 to the financial statements.

(ii) Depreciation of Property, Plant and Equipment

Property, plant and equipment are depreciated on the straight line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment to be 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment, therefore the future depreciation charges could be revised.

(iii) Taxation

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(iv) 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 tax losses and capital allowances can be utilised. Significant management judgment 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 amount of deferred tax assets not recognised are disclosed in Note 9 to the financial statements.

(v) Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

(vi) Impairment of Loans and Receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 12 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

(a) Key sources of estimation uncertainty (continued)

(vii) Impairment of Investment in Subsidiaries and Recoverability of Amount Owing by Subsidiaries

The Company tests investment in subsidiaries for impairment annually in accordance with its accounting policy. Reviews are performed regularly if events indicate that this is necessary. Costs of investment in subsidiaries which have ceased operations were impaired up to net assets of the subsidiaries. The impairment made on investment in subsidiaries entails an allowance for impairment to be made to the amount owing by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

(viii) 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 valuers to determine fair value as at 30th June 2012. The valuers used the recent transaction prices of similar properties to determine the fair value of the properties.

Significant judgement is required by the professional valuer in determining the value of the land and buildings based on the transaction price of the similar properties in the market.

(ix) Derivatives

Significant judgement is required in determining the changes in fair value of derivatives. Derivative is valued based upon the binomial tree options model with significant unobservable market parameters that must be estimated. The changes in the consideration factors such as risk free rate, stock price's volatility, time step to generate the stock price trees and each probability of going up/down could significantly affect the result of the fair value of derivative of the Group and the Company.

(b) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2.3 to the financial statements above, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

4. 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							
2012							
Cost							
At 1st July 2011	2,100	2,400	2,132	322	1,519	414	8,887
Additions	-	-	140	409	148	83	780
Disposals	-	-	-	(4)	-	-	(4)
Write-offs	-	-	(110)	-	-	(7)	(117)
At 30th June 2012	2,100	2,400	2,162	727	1,667	490	9,546
Accumulated Depreciation							
At 1st July 2011	-	87	639	110	356	315	1,507
Depreciation for the financial year	-	55	407	158	178	60	858
Disposals	-	-	-	(1)	-	-	(1)
Write-offs	-	-	(110)	-	-	(5)	(115)
At 30th June 2012	-	142	936	267	534	370	2,249
Net carrying amount at 30th June 2012	2,100	2,258	1,226	460	1,133	120	7,297

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	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							
2011							
Cost							
At 1st July 2010	2,100	2,400	1,963	254	1,129	428	8,274
Additions	-	-	232	78	391	25	726
Disposals	-	-	(63)	(10)	(1)	(20)	(94)
Write-offs	-	-	-	-	-	(19)	(19)
At 30th June 2011	2,100	2,400	2,132	322	1,519	414	8,887
Accumulated Depreciation							
At 1st July 2010	-	32	295	48	202	320	897
Depreciation for the financial year	-	55	407	72	155	34	723
Disposals	-	-	(63)	(10)	(1)	(20)	(94)
Write-offs	-	-	-	-	-	(19)	(19)
At 30th June 2011	-	87	639	110	356	315	1,507
Net carrying amount at 30th June 2011	2,100	2,313	1,493	212	1,163	99	7,380

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Company			
2012			
Cost			
At 1st July 2011/30th June 2012	172	2	174
Accumulated Depreciation			
At 1st July 2011	131	2	133
Depreciation for the financial year	35	-	35
At 30th June 2012	166	2	168
Net carrying amount at 30th June 2012	6	-	6
2011			
Cost			
At 1st July 2010/30th June 2011	172	2	174
Accumulated Depreciation			
At 1st July 2010	97	2	99
Depreciation for the financial year	34	-	34
At 30th June 2011	131	2	133
Net carrying amount at 30th June 2011	41	-	41

Assets pledged as security

The freehold land and buildings of the Group are pledged to licensed bank as securities for loans and borrowings.

Assets held under finance leases

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

	Group 2012 RM'000	Group 2011 RM'000
Motor vehicle	447	160
Plant and machinery	476	631
	923	791

5. INVESTMENT PROPERTIES

	Group 2012 RM'000	2011 RM'000
At Fair Value		
At 1st July	93,932	93,857
Additions from subsequent expenditure	-	75
At 30th June	93,932	93,932

Investment properties comprise a number of industrial properties leased to a party with common director.

Valuation was performed by an independent professional valuer, Jurukor Hartanah, on 9th August 2012 by using the open market basis.

6. INTANGIBLE ASSET

	Group 2012 RM'000	2011 RM'000
Goodwill		
Cost		
At 1st July/ 30th June	1,726	1,726
Accumulated impairment losses	-	-
Net carrying amount as at 30th June	1,726	1,726

(a) Impairment test of 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 5% (2011: 10%) on average for each year onwards;

(ii) The average growth rates in year 2013 – 2017 are within the range 5% - 8%. Based on past performances, these range has been its achievable growth. Management believes its growth rate for the next five years are justified based on several strategies in place such as increase in line of production, increase in market share via capturing of new sub-segments of the market and expansion into foreign markets;

(iii) Discount rate of 7.60% (2011: 7.82%) is pre-tax and reflects the risk relating to the contract manufacturing segment.

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

Notes to the Financial Statements (continued)

7. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM'000	Company 2011 RM'000
Unquoted shares, at cost	209,847	209,847
Add: Investment of preference shares	72,000	-
Less: Accumulated impairment loss	(196,328)	(196,328)
	85,519	13,519

Details of the subsidiaries are as follows:

Name of Companies	Country of Incorporation	Group's Effective Equity Interest 2012 %	Group's Effective Equity Interest 2011 %	Principal Activities
FCW Industries Sdn. Bhd.	Malaysia	100	100	Investment holding, provision of management services, trading in telecommunications equipment and renting of properties.
Coscolab Sdn. Bhd.	Malaysia	80	80	Engaged as a wholesaler and processor of pharmaceutical, cosmetics, toiletries, and other related products.
Subsidiaries of FCW Industries Sdn. Bhd.				
FCW Enterprise Sdn. Bhd. ^	Malaysia	100	100	Property investment.
FCW Housing and Realty Development Sdn. Bhd.	Malaysia	100	100	Property development - dormant.
Federal Telecommunications Sdn. Bhd.	Malaysia	100	100	Turnkey contracting, distribution, servicing of telecommunications equipment and renting of properties.
United Malaysian Steel Mills Berhad ^	Malaysia	77	77	Manufacturing and trading of steel products - ceased operations.
FT Spares & Services Sdn. Bhd. ^	Malaysia	100	100	Servicing of telecommunications equipment - dormant.
Plusnet Communications Sdn. Bhd. ^	Malaysia	100	100	Retailing of telecommunications equipment.

7. INVESTMENT IN SUBSIDIARIES (continued)

Name of Companies	Country of Incorporation	Group's Effective Equity Interest 2012 %	2011 %	Principal Activities
Subsidiaries of Federal Telecommunications Sdn. Bhd.				
FCW Property Management Sdn. Bhd. *(f.k.a. FT Radiosystems Sdn. Bhd.)* ^	Malaysia	100	100	Distribution and servicing of telecommunications equipment.
Pedoman Jitu Sdn. Bhd. ^	Malaysia	100	100	Trading of telecommunications equipment - dormant.
Subsidiaries of FCW Property Management Sdn. Bhd. *(f.k.a FT Radiosystems Sdn. Bhd.)*				
Pager Communications Sdn. Bhd. ^	Malaysia	100	100	Renting of communication access.
Ultra Matrix Sdn. Bhd.	Malaysia	100	100	Investment holding - dormant.
Cometron Sdn. Bhd. ^	Malaysia	68	68	Sale and hire of telecommunications equipment and electronic goods and the provision of paging services.

^ The auditors' reports of these subsidiaries contain an emphasis of matter paragraph relating to the going concern basis of accounting used in the preparation of the financial statements.

(a) Acquisition of a subsidiary

On 20th 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.

Clause 10 of the Sale of Shares Agreement ("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 ("Option Price I"), at anytime within 30 days after the second anniversary of completion of SSA ("Option Period 1"). 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 RM8,000,000. If the Call and Put Option is not exercised during the Option Period, it shall automatically lapse.

7. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of a subsidiary (continued)

In connection with the SSA dated15th September 2009, the Company had on 30th June 2011 entered into a Supplemental Agreement ("SA") with the minority shareholder of Coscolab, TKW, to amend the terms and conditions of the Call and Put Options under the abovementioned Clause 10 of the SSA as follows:

(i) TKW shall only be entitled to exercise the Put Option within the 180 days period commencing from the date after the third anniversary of the SA date ("Option period II") at the option price equivalent to 1.25 times the net tangible asset per share of the Coscolab based on its latest audited accounts for each option share ("Option Price II"), provided always that Coscolab's then based on its latest audited accounts is not less than RM13,500,000;

(ii) The Company shall be entitled to exercise the Call Option anytime during the Option Period II;

(iii) In the event that TKW ceased to be a Director of the Coscolab for any reason, the Company shall be entitled to exercise the Call Option at the Option Price II within 30 days after the day TKW has ceased to be a Director of the Coscolab; and

(iv) If the Call and Put Option is not exercised during the Option Period II, it shall automatically lapse.

On 13th December 2010, the Company acquired an additional 20% equity interest in Coscolab from its non-controlling interests for a cash consideration of RM2,100,000. As a result of this acquisition, Coscolab became an 80%-owned subsidiary of the Company. On the date of acquisition, the carrying value of the additional interest acquired was RM1,867,000. The difference between the consideration and the book value of the interest acquired of RM233,000 is reflected in equity as premium paid on acquisition of non-controlling interests.

(b) Investment in preference shares

On 6th October 2011, the Company has acquired the entire 45,000,000 and 27,000,000 Preference Share of RM1 each issued by Federal Telecommunications Sdn. Bhd. and FCW Industries Sdn. Bhd..

The holder of the preference shares has the right to receive, in priority to any payment to the holders of any other class of shares out of the profits of the above companies.

8. INVESTMENT IN AN ASSOCIATE

	Group 2012 RM'000	Group 2011 RM'000
Unquoted shares, at cost	32,365	32,365
Share of post-acquisition reserves	(3,972)	(2,201)
Less : Accumulated impairment losses	(8,155)	(8,155)
	20,238	22,009

8. INVESTMENT IN AN ASSOCIATE (continued)

The details of the associate which is incorporated in Malaysia are as below:

Name of Associate	Financial Year End	Group's Effective Equity Interest 2012 %	Group's Effective Equity Interest 2011 %	Principal Activities
Held by FCW Industries Sdn. Bhd.				
Fujikura Federal Cables Sdn. Bhd. *	31st December	42.54	42.54	Manufacture and marketing of power, telecommunications cables and wires.

* Audited by firm other than Messrs. Baker Tilly Monteiro Heng.

^ The management financial statements of this associate were used in the preparation of the consolidated financial statements.

The summarised financial information of Fujikura Federal Cables Sdn. Bhd. not adjusted for the proportion of ownership interest held by the Group is as follow:

	Group 2012 RM'000	Group 2011 RM'000
Assets and liabilities		
Current assets	54,775	57,644
Non-current assets	156,987	228,867
Total assets	211,762	286,511
Total liabilities	(164,191)	(234,777)
Results		
Revenue	387,348	363,486
Expenses including finance cost and tax expense	(391,511)	(367,744)
Loss for the financial year	(4,163)	(4,258)

9. DEFERRED TAX

	Group 2012 RM'000	Group 2011 RM'000
At 1st July	(4,694)	115
Recognised in profit or loss (Note 26)	1,446	(4,809)
At 30th June	(3,248)	(4,694)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(3,421)	(4,859)
Deferred tax liabilities	173	165
	(3,248)	(4,694)

9. DEFERRED TAX (continued)

The components and movement of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Property, plant and equipment RM'000
Deferred tax liabilities	
At 1st July 2010	115
Recognised in profit or loss	750
At 30th June 2011	865
Recognised in profit or loss	128
At 30th June 2012	993

	Unabsorbed capital allowances RM'000	Unused tax losses RM'000	Total RM'000
Deferred tax assets			
At 1st July 2010	-	-	-
Recognised in profit or loss	(354)	(5,205)	(5,559)
At 30th June 2011	(354)	(5,205)	(5,559)
Recognised in profit or loss	(412)	1,730	1,318
At 30th June 2012	(766)	(3,475)	(4,241)

Deferred tax assets have not been recognised in respect of the following items as the Group and the Company could not anticipate their realisation.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deferred tax assets				
Deductible temporary differences	785	795	78	88
Unabsorbed tax losses	46,465	46,453	7,830	7,830
Unused reinvestment allowances	1,001	1,001	1,001	1,001
	48,251	48,249	8,909	8,919
Potential deferred tax assets not recognised @ 25%	12,063	12,062	2,227	2,230

The deductible temporary differences, unabsorbed tax losses and unutilised reinvestment allowances of the subsidiaries are available indefinitely for off-sets 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.

10. OTHER INVESTMENTS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Available-for-sale investments				
Unquoted shares at cost	5,626	5,626	-	-
Less: Accumulated impairment loss	(5,626)	(5,626)	-	-
	-	-	-	-
Unit trust investments				
At market value of unit trust	367	354	248	241
	367	354	248	241

11. INVENTORIES

	Group 2012 RM'000	Group 2011 RM'000
At Cost		
Raw materials	1,618	1,669
Packing materials	1,834	1,748
Work-in-progress	632	729
Finished goods	386	380
	4,470	4,526
Net Realisable Value		
Finished goods	-	19
	4,470	4,545

12. TRADE AND OTHER RECEIVABLES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Trade receivables				
Third parties	6,968	5,348	-	-
Amount owing by related parties	347	18	-	-
Amount owing by subsidiaries	-	-	1,540	1,557
	7,315	5,366	1,540	1,557
Less: Allowance for impairment loss				
- Third parties	(580)	(285)	-	-
- Amount owing by subsidiaries	-	-	(2)	(2)
	(580)	(285)	(2)	(2)
Trade receivables, net	6,735	5,081	1,538	1,555

12. TRADE AND OTHER RECEIVABLES (continued)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Other receivables				
Amount owing by subsidiaries	-	-	3,990	78,227
Sundry receivables	58	183	43	20
Deposits	132	90	5	5
	190	273	4,038	78,252
Less: Allowance for impairment loss - Amount owing by subsidiaries	-	-	(3,966)	(7,425)
	-	-	(3,966)	(7,425)
Other receivables, net	190	273	72	70,827
Total trade and other receivables	6,925	5,354	1,610	72,382

Trade receivables are non-interest bearing and are generally on 30 to 90 (2011: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Analysis of trade receivables
The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Neither past due nor impaired	3,086	2,108	2	3
1 - 30 days past due not impaired	1,567	1,440	2	3
31 - 120 days past due not impaired	2,025	1,302	6	9
More than 121 days past due not impaired	57	231	1,528	1,540
	3,649	2,973	1,536	1,552
Impaired	580	285	2	2
	7,315	5,366	1,540	1,557

Receivables that are neither past due nor impaired
Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

12. TRADE AND OTHER RECEIVABLES (continued)

Receivables that are past due but not impaired

The management has a credit policy in place to monitor and minimise the exposure of default. The Group and the Company trade only with recognised and creditworthy third parties. Trade receivables are monitored on an on going basis. As at the reporting date, there were no significant concentrations of credit risk in the Group and the Company, and receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's and Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired			
	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables - nominal amounts	618	285	2	2
Less: Allowance for impairment loss	(580)	(285)	(2)	(2)
	38	-	-	-

Movements in impairment losses accounts:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1st July	285	669	2	2
Charge for the financial year	295	-	-	-
Reversal of impairment losses	-	(384)	-	-
At 30th June	580	285	2	2

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(i) Amount owing by subsidiaries

Amount owing by subsidiaries are unsecured, non-interest bearing and repayable upon demand.

(ii) Amount owing by related parties

These amounts are owing by companies in which certain director has interests. The amount owing is unsecured, non-interest bearing and repayable upon demand.

13. DERIVATIVES

	Group and Company	
	2012 RM'000	2011 RM'000
Option to purchase additional shares in Coscolab Sdn. Bhd.	164	375

13. DERIVATIVES (continued)

In connection with the Sale of Shares Agreement dated 15th September 2009 ("SSA"), the Company had on 30th June 2011 entered into a Supplemental Agreement ("SA") with the minority shareholder of Coscolab Sdn. Bhd., Mr. Teo Ker-Wei, to amend the terms and conditions of the Call and Put Options under Clause 10 of SSA, particularly on the extension of option and basis of determining the option price.

During the financial year, the Group recognised a loss of RM211,000 (2011: gain of RM668,000) arising from fair value changes of derivative assets. The fair value changes are attributable to changes in the amended terms and conditions of the Call and Put Options. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 31 to the financial statements.

14. CASH AND BANK BALANCES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash on hand and at bank	1,719	1,142	240	29
Deposit with licensed banks	11,105	6,114	10,900	5,920
Cash and bank balances	12,824	7,256	11,140	5,949

Included deposits with licensed banks, there were an amount of RM204,000 (2011: RM194,000) is pledged to the licensed banks as security for banking facilities granted to the Group.

The weighted average effective interest rates of deposits as at 30th June 2012 for the Group and the Company were 2.95% (2011: 3.15%) per annum and 3.20% (2011: 3.15%).

15. SHARE CAPITAL

	Group and Company		Group and Company	
	2012	2011	2012	2011
	Number of shares			
	'000 Units	'000 Units	RM'000	RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At 1st July/30th June	600,000	600,000	300,000	300,000
Issued and fully paid:				
At 1st July	195,067	195,066	97,534	97,533
Exercise of warrants	*	1	*	1
At 30th June	195,067	195,067	97,534	97,534

* Represented by amount and unit less than RM1,000 and 1,000 units respectively.

Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

15. SHARE CAPITAL (continued)

Warrants

On 26th 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 24th 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 shares of RM0.50 in the Company at an adjusted exercise price of RM1.50 at any time during the period from 8th January until 5.00 pm on 11th 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 19th November 2007 made by the Company. Each Warrant entitles its registered holder the right to subscribe for new one ordinary shares 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 8th January 2008 until 5.00 pm on 11th 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, dates 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 30th June 2012 is 84,943,910 (2011: 84,944,210)

	Warrants A	Warrants B	Total
At 1st July 2011	29,211,830	55,732,380	84,944,210
Exercise of warrants	-	(300)	(300)
At 30th June 2012	29,211,830	55,732,080	84,943,910

16. RESERVES

	Group		Company	
	2012 RM’000	2011 RM’000	2012 RM’000	2011 RM’000
Non-distributable				
Capital reserve	2,704	2,704	-	-
Premium paid on acquisition of minority interest	(233)	(233)	-	-
Distributable				
Retained earnings/ (accumulated losses)	38,930	35,512	(10,837)	(13,973)
	41,401	37,983	(10,837)	(13,973)

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

17. LOANS AND BORROWINGS

	Group 2012 RM'000	Group 2011 RM'000
Current		
Finance lease liabilities (secured)	260	315
Floating rate bank loan	243	226
Bankers' acceptances (unsecured)	1,224	610
	1,727	1,151
Non-current		
Finance lease liabilities (secured)	361	308
Floating rate bank loan	2,481	2,732
	2,842	3,040
Total loans and borrowings	4,569	4,191

(a) Finance lease liabilities

	Group 2012 RM'000	Group 2011 RM'000
Minimum lease payments		
- not later than one year	288	348
- later than one year and not later than two years	163	214
- later than two years and not later than five years	225	114
	676	676
Less: Amount representing finance charges	(55)	(53)
Present value of minimum lease payment	621	623
Represented by:		
Current		
- on demand and within one year	260	315
Non-current		
- later than one year and not later than two years	148	200
- later than two years and not later than five years	213	108
	621	623

These obligations are secured by a charge over the leased assets (Note 4). The obligations under finance leases bear interest at flat rates ranging from 4.43% to 8.09% (2011: 4.43% to 8.09%) per annum.

17. LOANS AND BORROWINGS (continued)

(b) Loans and borrowings

	Group	
	2012 RM'000	2011 RM'000
On demand and within one year	1,727	1,151
Later than one year but not later than two years	410	444
Later than two years but not later than five years	1,125	954
Later than five years	1,307	1,642
	4,569	4,191

Floating rate bank loan
The effective interest rate as at reporting date is 7.60% (2011: 7.60%) per annum.

The bank loan is secured by legal charge over freehold land and buildings belong to the Group and corporate guarantee by the Company.

Bankers' acceptances
The effective interest rates as at reporting date is 3.80% (2011: 3.95%) per annum.

The bankers' acceptances are secured by legal charge over freehold land and building belongs to the Group and corporate guarantee by the Company.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables				
Third parties	3,777	4,251	-	-
Other payables				
Amount owing to subsidiaries	-	-	11,777	8,771
Sundry payables	2,004	1,817	70	43
Accruals	220	292	145	169
	2,224	2,109	11,992	8,983
Total trade and other payables	6,001	6,360	11,992	8,983
Add: Loans and borrowings (Note 17)	4,569	4,191	-	-
Total financial liabilities carried at amortised cost	10,570	10,551	11,992	8,983

(a) Trade payables

The trade and other payables are non-interest bearing and are normally settled on 30 to 90 (2011: 30 to 90) days terms.

18. TRADE AND OTHER PAYABLES (continued)

(b) Amounts owing to subsidiaries

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

19. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sales, hire and servicing of telecommunications equipment and electronic goods	7	25	-	-
Sales of pharmaceutical, cosmetics, toiletries, and other related products	30,176	29,283	-	-
Rental income	6,652	6,196	-	-
Management fee income	-	-	378	270
	36,835	35,504	378	270

20. COST OF SALES

	Group	
	2012 RM'000	2011 RM'000
Sales, hire and servicing of telecommunications equipment and electronic goods	19	44
Sales of pharmaceutical, cosmetics, toileries, and other related products	23,943	23,214
	23,962	23,258

Included in cost of sales of the Group are cost of inventories written down amounting to RMNil (2011: RM19,000).

21. OTHER INCOME

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest income from:				
- deposits	284	241	274	172
- other investments	13	31	7	31
Gain on disposal of property, plant and equipment	132	7	-	-
Write back of impairment loss on trade and other receivables	-	384	3,582	1,021
Fair value gain on derivatives	-	668	-	668
Unrealised of foreign exchange gain	36	-		-
Miscellaneous	142	673	-	-
	607	2,004	3,863	1,892

22. FINANCE COSTS

	Group 2012 RM'000	Group 2011 RM'000
Bankers' acceptance interest	23	13
Bank overdraft interest	-	1
Hire purchase interest	44	49
Term loan interest	217	226
Others	-	23
	284	312

23. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Auditors' remuneration				
- statutory audit	60	112	18	41
- overacrrual	(2)	-	-	-
- other services	4	5	4	5
Bad debts written off	2	-	-	-
Depreciation of property, plant and equipment (Note 4)	858	723	35	34
Direct operating expenses arising from investment properties				
- rental generating properties	318	267	-	-
Directors' remuneration (Note 25)	207	198	189	189
Employee benefits expenses (Note 24)	3,541	3,255	52	50
Fair value loss/(gains) on derivatives	211	(668)	211	(668)
Impairment loss on trade and other receivables	295	-	123	-
Impairment loss on trade and other receivables no longer required	-	(384)	(3,582)	(1,021)
Inventories written down	1	19	-	-
Property, plant and equipment written off	2	-	-	-
Rental of office premises	239	203	-	14
Realised foreign exchange loss	105	93	-	-

24. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages and salaries	3,260	2,912	40	38
Contributions to defined contribution plan	207	240	3	3
Other benefits	74	103	9	7
	3,541	3,255	52	48

25. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and the Company during the year are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive:				
- Salaries and other emoluments	134	134	134	134
- Benefits-in-kind	7	7	7	7
Total Executive Directors' remuneration	141	141	141	141
Non-Executive :				
- Fees	48	48	48	48
- Other benefits	18	9	-	-
Total Non-Executive Directors' remuneration	66	57	48	48
Total Directors' remuneration	207	198	189	189

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

	Company Number of Directors	
	2012	2011
Executive Directors:		
Below RM150,000	1	1
Non-Executive Directors:		
Below RM50,000	5	5

26. TAXATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income tax				
- current year	714	552	41	-
- under/(over)accrual in prior year	22	(125)	-	14
	736	427	41	14
Deferred taxation (Note 9)				
- current year	1,410	(4,809)	-	-
- underaccrual in prior year	36	-	-	-
	1,446	(4,809)	-	-
	2,182	(4,382)	41	14

The income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated taxable profit for the fiscal year.

The reconciliation of income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax	5,925	7,334	3,177	1,407
Tax at applicable tax rate of 25% (2011: 25%)	1,482	1,834	794	352
Tax effects arising from:				
- non-deductible expenses	268	44	141	48
- non-taxable income	(39)	(176)	(897)	(430)
- deferred tax assets recognised during the year	-	(5,327)	-	-
- reversal of deferred tax assets not recognised in the financial statements	6	50	3	30
- effect of share of results of associate	443	453	-	-
- under/(over)accrual in prior years	58	(125)	-	14
- unabsorbed tax capital allowances	-	(1,135)	-	-
- reinvestment tax allowance	(36)	-	-	-
Tax expense for the financial year	2,182	(4,382)	41	14

27. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year:

	Group 2012 RM'000	Group 2011 RM'000
Profit attributable to owners of the Company (RM'000)	3,418	11,138
Weighted average number of ordinary shares in issue ('000 units)	195,067	195,067
Basic earnings per share (sen)	1.75	5.71

(b) Diluted Earnings Per Share

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

	Group 2012 RM'000	Group 2011 RM'000
Profit attributable to owners of the Company (RM'000)	3,418	11,138
Weighted average number of ordinary shares in issue	195,067	195,067
Effect of dilution: warrants ('000 units)	17,559	12,806
Weighted average number of ordinary shares for diluted earnings per share computation ('000 units)	212,626	207,873
Diluted earning per share (sen)	1.61	5.36

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Company 2012 RM'000	Company 2011 RM'000
Subsidiaries		
- FCW Industries Sdn. Bhd.		
Management fee income	156	210
Management fee expense	(180)	(180)
Rental expense	(12)	(14)
- Federal Telecommunications Sdn. Bhd.		
Management fee income	132	48
- Coscolab Sdn. Bhd.		
Management fee income	90	-

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Company 2012 RM'000	Company 2011 RM'000
Subsidiaries (continued)		
- FCW Property Management Sdn. Bhd. ***(f.k.a. FT Radiosystems Sdn. Bhd.)***		
Management fee income	-	12

	Group 2012 RM'000	Group 2011 RM'000
Related Parties		
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.	2,325	1,885

Information regarding outstanding balances arising from related party transactions as at 30th June 2012 is disclosed in Note 12 and Note 18 to the financial statements.

The remuneration of directors of the Company during the year is disclosed in Note 25 to the financial statements. The remuneration of other members of key management during the year is as follows:

	Group 2012 RM'000	Group 2011 RM'000
Salaries and other related costs	717	505
Benefits-in-kind	-	7
Director fees	60	35
	777	547

29. COMMITMENTS

(a) Capital commitments

	Group 2012 RM'000	Group 2011 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	-	422
	-	422

29. COMMITMENTS

(b) Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease term of 5 months. All leases are at a fixed rental charge.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2012 RM'000	2011 RM'000
Not later than 1 year	2,688	6,450
Later than 1 year but not later than 5 years	-	2,383
	2,688	8,833

30. FINANCIAL GUARANTEES

The Company has provided corporate guarantees of RM1,400,000 (2011: RM1,400,000) to banks for credit facilities granted to subsidiaries at the reporting date. These amounts represent the maximum exposure to credit risk of the Company arising from corporate guarantee.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of their fair value:

	Note
Trade and other receivables (current)	12
Derivatives	13
Loans and borrowings	17
Trade and other payables (current)	18

The carrying amounts of these financial assets and liabilities are a reasonable approximation of their fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of their fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Call and put options are valued using a valuation technique with no market observable inputs. The applied valuation technique includes binomial tree options model. The model incorporate various inputs and assumptions which includes, among others, stock price's volatility, risk free rate and time step to generate the stock price trees and each probability of going up/down. Since this involves a private company, the share price is not known. The estimated stock price was based on Net Tangible Asset value per share. Volatility used in the model is based on average of yearly log return of the price-to-book ratio of comparable companies.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

The fair value of all unexpired financial guarantees issued by the Company were deemed nil and were not recognised as financial liabilities, as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed party defaulting within the guaranteed period were assessed to be remote.

Fair value hierarchy

The Group classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2012				
Financial asset				
Derivatives	-	164	-	164
2011				
Financial asset				
Derivatives	-	375	-	375

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are subject to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company does not hold any collateral as security and other credit enhancements for the above financial assets.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. The management has a credit policy in place to monitor and minimise the exposure of default. The Group trades only with recognised and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivables are monitored on an on-going basis.

As at reporting date, there were no significant concentrations of credit risk in the Group, except for amounts due from subsidiaries. The maximum exposure to credit risk for the Group is represented by the carrying amount of each financial instrument.

<u>Financial assets that are neither past due nor impaired</u>
Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12 to the financial statements. Deposits with banks and other financial institutions and that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and with no history of default.

<u>Financial assets that are either past due or impaired</u>
Information regarding financial assets that are past due or impaired is disclosed in Note 12 to the financial statements.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. In addition, the Group strive to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institution and balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

<u>Maturity analysis</u>
The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity risk (continued)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2012				
Group				
Financial liabilities				
Trade and other payables	6,001	-	-	6,001
Loans and borrowings	1,727	1,535	1,307	4,569
Total undiscounted financial liabilities	7,728	1,535	1,307	10,570
Company				
Financial liabilities				
Trade and other payables	11,992	-	-	11,992
Total undiscounted financial liabilities	11,992	-	-	11,992
2011				
Group				
Financial liabilities				
Trade and other payables	6,360	-	-	6,360
Loans and borrowings	1,151	1,398	1,642	4,191
Total undiscounted financial liabilities	7,511	1,398	1,642	10,551
Company				
Financial liabilities				
Trade and other payables	8,983	-	-	8,983
Total undiscounted financial liabilities	8,983	-	-	8,983

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group exposure to interest rate risk arises primarily from their loans and borrowings.

<u>Sensitivity analysis for interest rate risk</u>
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

	Profit or loss and Equity			
	2012		2011	
	100bp Increase RM	100bp Decrease RM	100bp Increase RM	100bp Decrease RM
Floating rate bank loans	(27,245)	27,245	(29,578)	29,578

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currency of Group entities, Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are primarily, Singapore Dollar ("SGD"), and Thai Baht ("THB").

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweight the potential risk of exchange rate fluctuations.

The Group's exposure to foreign currency risks are on SGD and TBH which are as follows:

	Group	
	2012 RM'000	2011 RM'000
Denomiated in SGD		
Trade receivables	295	358
Denomiated in THB		
Trade payables	329	694

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of the RM against the respective foreign currencies as at the end of the reporting period would have immaterial impact on profit after tax. This assumes that all other variances remain constant.

Group 2012		Profit/(loss) and equity RM
THB	- strengthen - 10%	(32,878)
SGD	- strengthen - 10%	29,492

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30th June 2012 and 30th June 2011.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve.

	Group	
	2012 RM'000	2011 RM'000
Trade and other payables	6,001	6,360
Loans and borrowings	4,569	4,191
Less: cash and bank balances	(12,824)	(7,256)
Net debts	(2,254)	3,295
Equity attributable to the owners of the Company	138,935	135,517
Total capital	138,935	135,517
Capital and net debts	136,681	138,812
Gearing ratio	-	2%

34. SEGMENTAL REPORTING

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

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

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

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 table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

34. SEGMENTAL REPORTING (continued)

	Tele - communications and cables RM'000	Renting of properties RM'000	Wholesale RM'000	Others RM'000	Eliminations and adjustments RM'000	Total RM'000	Note	Consolidated RM'000
2012								
Revenue:								
Sales to external customers	8	6,651	30,176	-	-	36,835		36,835
Intercompany sales	-	384	-	378	(762)	-	A	-
	8	7,035	30,176	378	(762)	36,835		36,835
Results:								
Interest income	-	-	17	280	-	297		297
Interest expense	-	-	(284)	-	-	(284)		(284)
Depreciation	-	-	(804)	(54)	-	(858)		(858)
Share of results of associate	-	-	-	(1,771)	-	(1,771)		(1,771)
Income tax expense	-	(1,483)	(657)	(42)	-	(2,182)		(2,182)
Other non-cash expenses, net	(1)	-	(127)	(215)	-	(343)	B	(343)
Segment profit/(loss)	(29)	5,723	2,309	(307)	(1,771)	5,925	C	5,925
Assets:								
Investment in associate	-	-	-	20,238	-	20,238		20,238
Additions to non-current assets	-	-	778	2	-	780	D	780
Segments assets	25	91,759	20,020	16,473	23,666	151,943	E	151,943
Segment liabilities	(21)	(1,768)	(8,559)	(222)	(302)	(10,872)	F	(10,872)

34. SEGMENTAL REPORTING (continued)

	Tele - communications and cables RM'000	Renting of properties RM'000	Wholesale RM'000	Others RM'000	Eliminations and adjustments RM'000	Total RM'000	Note	Consolidated RM'000
2011								
Revenue:								
Sales to external customers	26	6,195	29,283	-	-	35,504		35,504
Intercompany sales	-	30	-	630	(660)	-	A	-
	26	6,225	29,283	630	(660)	35,504		35,504
Results:								
Interest income	-	-	5	267	-	272		272
Interest expense	-	-	(312)	-	-	(312)		(312)
Depreciation	(2)	-	(667)	(54)	-	(723)		(723)
Share of results of associate	-	-	-	(1,811)	-	(1,811)		(1,811)
Income tax expense	-	-	(700)	5,082	-	4,382		4,382
Other non-cash expenses, net	370	-	-	670	-	1,040	B	1,040
Segment profit	541	5,722	2,502	380	(1,811)	7,334	C	7,334
Assets:								
Investment in associate	-	-	-	22,009	-	22,009		22,009
Additions to non-current assets	-	75	719	7	-	801	D	801
Segments assets	208	90,832	20,314	10,073	26,885	148,312	E	148,312
Segment liabilities	(65)	(1,612)	(8,605)	(269)	(433)	(10,984)	F	(10,984)

34. SEGMENTAL REPORTING (continued)

Note *Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements*

A Inter-segment revenues are eliminated on consolidation.

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

	Note	2012 RM'000	2011 RM'000
Gain on disposal of property, plant and equipment	21	(132)	(7)
Unrealised foreign exchange gain	21	(36)	-
Fair value loss/(gains) on derivatives	23	211	(668)
Property, plant and equipment written off	23	2	-
Inventories written down	23	1	19
Impairment loss on/(write back of) trade and other receivables	23	295	(384)
Bad debts written off	23	2	-
		343	(1,040)

C The following items are deducted from segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income:

	2012 RM'000	2011 RM'000
Share of results of associate	1,771	1,811

D Additions to non-current asset consist of:

	2012 RM'000	2011 RM'000
Property, plant and equipment	780	726
Investment properties	-	75
	780	801

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2012 RM'000	2011 RM'000
Investment in associate	20,238	22,009
Deferred tax assets	3,421	4,859
Tax recoverable	7	17
	23,666	26,885

34. SEGMENTAL REPORTING (continued)

F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2012 RM'000	2011 RM'000
Deferred tax liabilities	173	165
Current tax payable	129	268
	302	433

Information about a major customer

Revenue from one major customer amount to RM6,450,000 (2011: RM6,010,000), arising from sales by the renting of properties segment.

35. COMPARATIVE FIGURES

The comparative figures have been audited by another firm of chartered accountants other than Messrs. Baker Tilly Monteiro Heng.

Supplementary Information **on the Disclosures of Realised and Unrealised Profits or Losses**

On 25th March 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group and of the Company as at 30th June 2012, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		**Company**	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Total (accumulated losses) /retained profits of the Company and its subsidiaries:				
- Realised	(97,037)	(107,741)	(11,001)	(14,641)
- Unrealised	3,412	5,143	164	668
	(93,625)	(102,598)	(10,837)	(13,973)
Total share of (accumulated losses)/retained profits from associate:				
- Realised	(24,046)	(21,874)	-	-
- Unrealised	11,081	10,681	-	-
	(106,590)	(113,791)	(10,837)	(13,973)
Less: Consolidated adjustments	145,520	149,303	-	-
Total retained earnings /(accumulated losses)	38,930	35,512	(10,837)	(13,973)

The determination of realised and unrealised profits is compiled based on the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20th December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

Analysis of Shareholdings
as at 22 October 2012

A. SHARE CAPITAL

Authorised Share Capital	RM300,000,000 (600,000,000 ordinary shares of RM0.50 each)
Issued & Paid-Up Share Capital	RM97,535,055 (195,070,110 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	725	14,463	0.01
100 - 1,000	4,985	2,207,954	1.13
1,001 - 10,000	2,294	7,156,267	3.67
10,001 - 100,000	325	7,928,597	4.06
100,001 to less than 5% of issued shares	21	88,714,550	45.48
5% and above of issued shares	7	89,048,279	45.65
	8,357	195,070,110	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.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	9,604,000	4.92
9.	Maybank 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	9,105,500	4.67
13.	Lee Pui Inn	8,893,800	4.56
14.	Ong Wee Lieh	8,701,700	4.46
15.	How Yoke Kam	7,390,500	3.79
16.	Chew Huat Heng	7,367,800	3.78
17.	Tan Han Chuan	6,073,800	3.11
18.	Ong Poh Geok	1,201,300	0.62
19.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	798,400	0.41

Analysis of Shareholdings (continued) as at 22 October 2012

C. THIRTY LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
20.	Tong Kim Fatt @ Allen Tong	318,360	0.16
21.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	296,400	0.15
22.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd	242,840	0.12
23.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Bing Yap	165,000	0.08
24.	Sin Len Moi	145,700	0.07
25.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Beng Keat	140,000	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.	Ng Hin Yoong	99,000	0.05

D. SUBSTANTIAL SHAREHOLDERS

	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 22 October 2012

A. WARRANTS 2003/2013

Issued	29,211,830
Exercised to date	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 Warrants	%
1 - 99	848	29,414	0.10
100 - 1,000	1,826	777,183	2.66
1,001 - 10,000	993	3,412,342	11.68
10,001 - 100,000	322	11,087,533	37.96
100,001 to less than 5% of issued warrants	60	13,905,358	47.60
5% and above of issued warrants	0	0	0.00
	4,049	29,211,830	100.00

C. THIRTY LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1.	Wong Sien Ngik	900,000	3.08
2.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kwong Ming Kwei	700,000	2.40
3.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	629,074	2.15
4.	Liew Thong	555,572	1.90
5.	Soo Lai Yin	381,700	1.31
6.	Yii Leh Kiew	373,000	1.28
7.	Lee Nga	372,723	1.28
8.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for RAB- Northwest Fund Limited	368,259	1.26
9.	Low Kok Peng	340,300	1.16
10.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheam Yang Hooi	335,000	1.15
11.	Mohd Desa Bin Senawi	320,000	1.10
12.	Chong Peck Yuen	314,537	1.08
13.	Mohd Zamri Bin Mohd Abdah	294,000	1.01

Analysis of Warrant Holdings (Warrant "A")(continued) as at 22 October 2012

C. THIRTY LARGEST WARRANT HOLDERS (continued)

No.	Name of Warrant Holders	No. of Warrants	%
14.	Maybank Securities Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd	277,532	0.95
15.	Wong Yook Phooi	263,000	0.90
16.	AMSEC Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Lembaga Kumpulan Wang Kawasan Konsesi Hutan	251,629	0.86
17.	Foong Wei Hon	246,300	0.84
18.	Tan See Yin	230,000	0.79
19.	Lawrence Albert Kueh Keh Siah @ Jui Sern	210,000	0.72
20.	Tie Ming Chuon	210,000	0.72
21.	Kow Yeow Choong	209,043	0.72
22.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Nadzri Bin Mohd Nor	200,453	0.69
23.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Kim Hock	200,053	0.68
24.	Yeoh Tian Sang	200,037	0.68
25.	Khoo Pui Sik	200,000	0.68
26.	Chang Gek Teck	200,000	0.68
27.	Boon Chong @ Sia Boon Chong	200,000	0.68
28.	Mohamad Taki Udin Bin Abd Rahman	200,000	0.68
29.	Poh Wei Nee	199,900	0.68
30.	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Siew Moi	198,405	0.68

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 22 October 2012

A. WARRANTS 2007/2013

Issued	55,733,340
Exercised to date	3,420
Outstanding	55,729,920
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 Warrants	%
1 - 99	299	11,857	0.02
100 - 1,000	880	459,301	0.82
1,001 - 10,000	629	2,048,700	3.68
10,001 - 100,000	98	2,897,036	5.20
100,001 to less than 5% of issued warrants	13	7,226,180	12.97
5% and above of issued warrants	12	43,086,846	77.31
	1,931	55,729,920	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.	Maybank 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
12.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	2,800,000	5.02
13.	Ong Wee Lieh	2,656,520	4.77
14.	Tan Han Chuan	1,849,648	3.32
15.	Ong Poh Geok	515,220	0.92
16.	Ong Wan Chin	368,700	0.66

Analysis of Warrant Holdings (Warrant "B") (continued) as at 22 October 2012

C. THIRTY LARGEST WARRANT HOLDERS (continued)

No.	Name of Warrant Holders	No. of Warrants	%
17.	Chia Ah Chor @ Chia Soo Itt	319,192	0.57
18.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Ai Leng	245,000	0.44
19.	Lau Geak Siam	220,000	0.39
20.	Pua Meng Hong	205,500	0.37
21.	Yap Eng Hwa	198,800	0.36
22.	Wong Yuen Kiong	179,700	0.32
23.	Tan You Lang @ Dang Yew Ling	171,300	0.31
24.	Tan Hou Bu	155,000	0.28
25.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Kuang Huang	141,600	0.25
26.	Syarikat Rimba Timur (RT) Sdn Bhd	100,000	0.18
27.	Ngo Kin Wee	100,000	0.18
28.	Chan Boon Cheow	96,500	0.17
29.	Cheong Kuang Huang	92,200	0.17
30.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledeged Securities Account for Lai Weng Chee @ Lai Kok Chye	78,960	0.14

D. DIRECTORS' INTERESTS IN WARRANTS

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

List of Properties

LOCATION	DESCRIPTION	EXISTING USE / AGE OF BUILDING	TENURE	NET BOOK VALUE AS AT 30.06.2012 (RM)	DATE OF LAST REVALUATION (R)
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	3,100,000.00	9 August 2012 (R)
GM 1452 Lot 4722 and GM 335 Lot 32661, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan K.L. together with 9 independent bloks of single storey wearhouses erected thereon bearing postal address Lot 32661, Jalan Segambut, 51200 Kuala Lumpur (Warehouse Block)	Land approved for Industrial Building Development (Area: 432,473.64 sq. ft.)	Warehouse for rental/ 38 years old	Freehold	56,335,021.63	9 August 2012 (R)
GM 6242 Lot 54833, (formerly P.T. No.15519), Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan K.L. together with a single storey office with four adjoining single-storey factories erected thereon bearing postal address 368, Jalan Segambut, 51200 Kuala Lumpur (Factory Block)	Land approved for Industrial Building Development (Area: 252,415.80 sq. ft.)	Office and Factories for rental/ 17 years old	Freehold	31,999,000.00	9 August 2012 (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 rent	Freehold	2,498,111.00	9 August 2012 (R)
HS(M) 24693, PT 65497, Locality of 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 for own used/ 5 years old	Freehold	4,468,150.00	15 April 2010 (R)

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Proxy **Form**

FCW HOLDINGS BERHAD
(3116-K) (Incorporated in Malaysia)

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-Seventh Annual General Meeting ("57th 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, 20 December 2012 at 11.00 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the notice of the 57th 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. 3(c)		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Special Resolution		

CDS Account no.	
No. of Shares held	

____
Signature(s)/Seal

Signed this ________ day of ______________________ , 2012.

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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.

6. 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.

7. 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