FCW HOLDINGS BERHAD
3116-K

2013 ANNUAL REPORT

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CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Eighth 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 Friday, 20 December 2013 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 2013 together with the Reports of the Directors and Auditors thereon.	**Please refer Explanatory Note A**
2. To approve the payment of a first and final dividend of 3% per ordinary share of RM0.50 each under single tier system in respect of the financial year ended 30 June 2013.	**Ordinary Resolution 1**
3. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2013.	**Ordinary Resolution 2**
4. To re-elect Mr Thor Poh Seng, a Director retiring in accordance with Article 85 of the Company's Articles of Association.	**Ordinary Resolution 3**
5. To re-elect Tuan Haji Azizzuddin Bin Haji Hussein, a Director retiring in accordance with Article 92 of the Company's Articles of Association.	**Ordinary Resolution 4**
6. 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 5**
7. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**
8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.	

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Fifty-Eighth Annual General Meeting, a first and final dividend of 3% per ordinary share of RM0.50 each under single tier system will be paid on 20 January 2014 to depositors registered in the Record of Depositors of the Company as at 31 December 2013.

A depositor shall qualify for entitlement only in respect of:-

a. Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 31 December 2013 in respect of ordinary transfers; and

b. Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Loh Poh Wah (MAICSA: 7047338)
Secretary

Kuala Lumpur
28 November 2013

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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr Thor Poh Seng
Non-Independent Non-Executive Director

Mr Teh Kay Yeong
Independent Non-Executive Director

Tuan Haji Azizzuddin Bin Haji Hussein
Independent Non-Executive Director

Mr Lai Sze Pheng
Executive Director

Mr Tang Tat Chun
Executive Director

AUDIT COMMITTEE
Mr Teh Kay Yeong *(Chairman) (MIA)*
Mr Thor Poh Seng
Tuan Haji Azizzuddin Bin Haji Hussein

NOMINATION COMMITTEE
Tan Sri Dato' Tan Hua Choon
Mr Teh Kay Yeong
Tuan Haji Azizzuddin Bin Haji Hussein

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

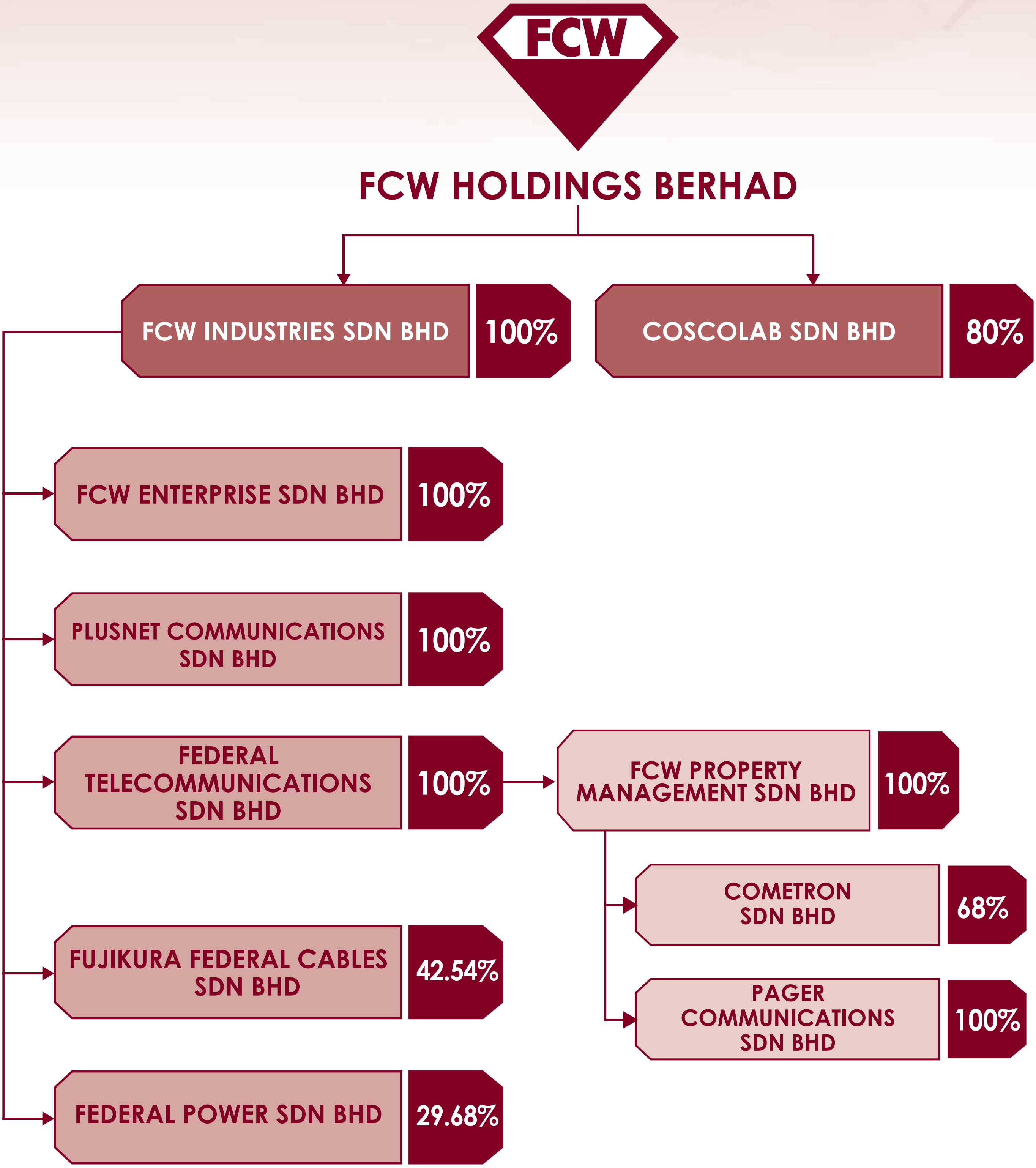
REGISTRARS
Shareworks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Tel: (603) 6201 1120
Fax: (603) 6201 3121/ 6201 5959

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



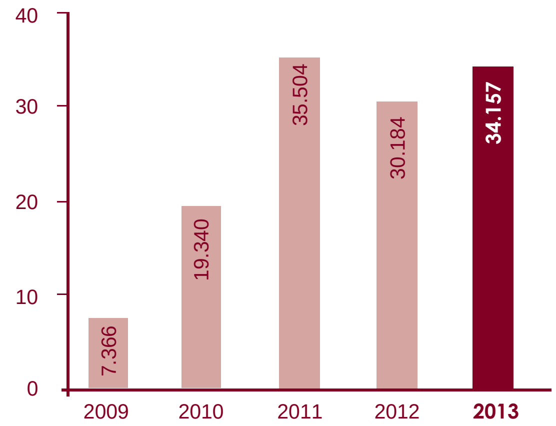
Note: Companies which are dormant or which have ceased operations are excluded.

FINANCIAL HIGHLIGHTS

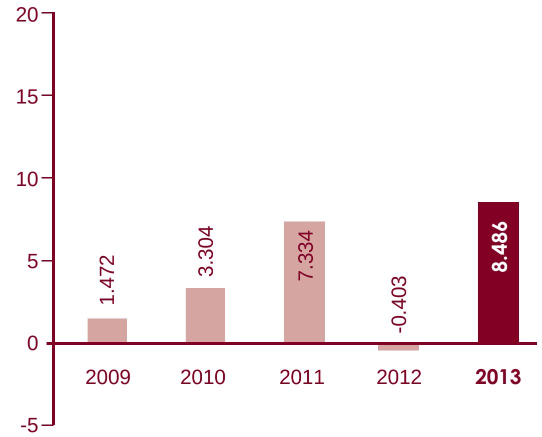
		2009 RM Million	2010 RM Million	2011 RM Million	2012 (Restated) RM Million	2013 RM Million
Revenue		7.366	19.340	35.504	30.184	**34.157**
Profit Before Tax		1.472	3.304	7.334	-0.403	**8.486**
Profit After Tax and Minority Interest Attributable to Shareholders		1.482	2.368	11.138	3.043	**8.651**
Dividends - Net		-	-	-	-	**-**
Shareholders' Funds		122.536	124.904	135.517	138.560	**147.818**
Earnings Per Share Based on Profit After Tax and Minority Interest (sen)	Basic	0.76	1.21	5.71	1.56	**4.41**
	Diluted	0.74	1.15	5.36	1.43	**4.03**
Net Tangible Assets per Share (sen)		63	64	69	71	**75**
Dividend Rate		-	-	-	-	**-**

* *Figures have been restated to reflect the effect of adopting Malaysian Financial Reporting Standards ("MFRS's").*

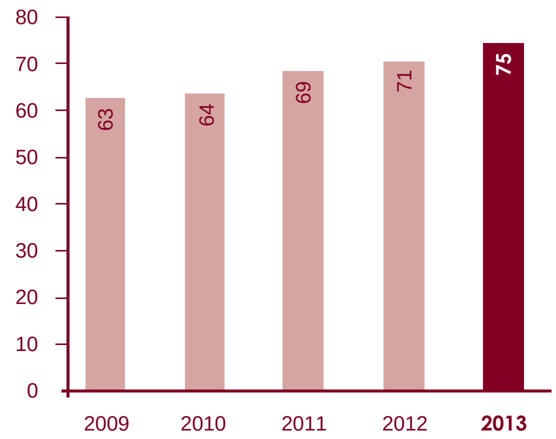
REVENUE (RM MILLION)



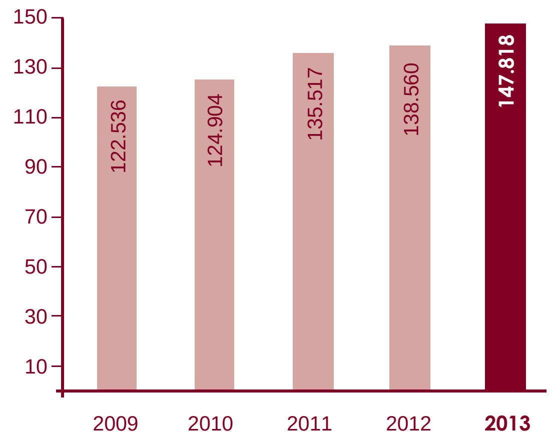
PROFIT BEFORE TAX (RM MILLION)



NET TANGIBLE ASSETS PER SHARE (SEN)



SHAREHOLDERS' FUNDS (RM MILLION)



DIRECTORS' PROFILE

Tan Sri Dato' Tan Hua Choon

Aged 72, 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, Keladi Maju Berhad, Marco Holdings Berhad and Goh Ban Huat Berhad.

He was Chairman of Malaysia Aica Berhad from 1996 to May 2013, GPA Holdings Berhad from 2000 to May 2013 and PDZ Holdings Bhd from 2008 to May 2013.

Thor Poh Seng

Aged 53, 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.

Currently, he is also a Director of Malaysia Aica Berhad, Keladi Maju Berhad, Computer Forms (Malaysia) Berhad and Executive Chairman of PDZ Holdings Bhd.

Mr Thor was a Board member of Jasa Kita Berhad from 1993 to May 2013, GPA Holdings Berhad from 2000 to May 2013, Marco Holdings Berhad from 2001 to May 2013 and Goh Ban Huat Berhad from 2008 to May 2013.

Lai Sze Pheng

Aged 52, 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.

DIRECTORS' PROFILE (continued)

Tang Tat Chun

Aged 48, Malaysian

Executive Director

Mr Tang was appointed to the Board of the Company on 8 August 2012 as a Non-Independent Non-Executive Director. He was then re-designated to the position of Executive Director on 1 January 2013.

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, Jasa Kita Berhad and several other private companies.

Teh Kay Yeong

Aged 50, 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 Malaysia Aica Berhad.

Haji Azizzuddin Bin Haji Hussein

Aged 55, Malaysian

Independent Non-Executive Director

Haji Azizzuddin was appointed to the Board as well as a member of Audit Committee and Nomination Committee on 1 November 2013. He obtained a Higher National Diploma in Business Studies, majoring in Finance and Accounting from Stockport College of Technology (Manchester), United Kingdom in 1979 and did his practical training in London where he was attached to a Chartered Accountants firm from 1980 to 1982. Upon his return to Malaysia, he ventured into private business. From 1992 to 1997, he was a management consultant and at end 1997, he joined Myriad MISM (M) Sdn. Bhd., a software development and management information system consultancy company, as its Finance & Administration Director and left in 2001. He was a State Assemblyman for the constituency of Mengkebang, Kelantan representing Barisan Nasional from 2004 to 2008. He also sits on the Board of Malaysia Aica Berhad and Marco Holdings Berhad.

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 12 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 2013."

FINANCIAL REVIEW

For the financial year ended 30th June 2013, the Group recorded total revenue of RM34.2 million from its continuing operations, an increase of 13% over the RM30.2 million registered in the previous financial year. On the other hand, the discontinued operation recorded a 22% decline in revenue to RM5.2 million for the financial year ended 30th June 2013.

The Group recorded a higher net profit of RM9 million as compared with RM3.4 million in the previous financial year, mainly due to improved contribution from its associate company.

OPERATIONS REVIEW

Property rental (which has been reclassified as discontinued operation following the sale and purchase agreements entered into by 2 subsidiaries of the Group to dispose of 4 plots of land to a joint venture company, in which FCW Holdings Berhad is a 50% partner) 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 for the financial year under review.

Revenue from Property rental segment declined by 22% year-on-year from RM6.7 million for the year ended 30th June 2012 to RM5.2 million for the year under review. Likewise, the profit before tax declined by 26% in the same corresponding period to RM4.4 million for the year ended 30th June 2013. The decline in revenue and profit was mainly due to the lower average rental rate derived from renting out the Group's warehouse properties since the expiry in November 2012 and non-renewal of the en-bloc lease of the warehouse properties to a single main tenant, which had given the Group a stable fixed rental income up to then. The decline was also due to the renegotiation and lowering of monthly rental in respect of a factory block upon the expiry of the lease.

The contract manufacturing segment registered revenue of RM34.2 million, an increase of 13% over the preceding financial year's RM30.2 million.

Our associate company, Fujikura Federal Cables Sdn Bhd, turned in a sterling performance this financial year, contributing a profit of RM7.2 million as compared with a loss of RM1.8 million in the preceding financial year. The improvement in the result of the associate was mainly attributed to better margins and lower foreign exchange loss and helped by a one-off reversal of impairment of a receivable following a debt recovery.

CHAIRMAN'S STATEMENT (continued)

FUTURE DIRECTION AND PROSPECTS

As mentioned in the operations review, 2 subsidiaries of the Group had entered into separate sale and purchase agreements on 19 September 2013 to dispose of 4 plots of land to a joint venture company, in which FCW Holdings Berhad has a 50% stake. The objective is to enable the Group to unlock the value of its assets by realizing the capital appreciation of its investment properties (which are now classified as assets held for sale) and participate in the future development of the land.

Our partner in the joint venture, IJM Land Berhad, is an established and well accepted property developer. Through this partnership we will leverage on our partner's experience, technical, marketing expertise and branding to make our maiden development project a success.

Upon the completion of the disposals, the Group will cease its business in the property rental segment. We expect that rental income will continue to weaken in the next financial year as we run down the existing tenancies and are not able to enter into new long term ones as the properties are to be handed over.

On the contract manufacturing front, the Group expects the segment's revenue and profitability to be sustained in the next financial year.

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.

BOARD CHANGES

We wish to thank Mr Ong Bing Yap who resigned on 30 November 2012, for his services as Executive Director and Mr Lee Yu-Jin who resigned on 1 November 2013, for his services as an Independent Director, member of the Audit Committee and Nomination Committee. At the same time, we wish to welcome Tuan Haji Azizzuddin Bin Haji Hussein, who joined the board on 1 November 2013 as an Independent Non-Executive Director to assume all the positions previously held by Mr Lee in the Company.

DIVIDENDS

We are pleased to propose a first and final dividend of 3% per ordinary share of RM0.50 each under single tier system for the financial year ended 30 June 2013 for your approval at the forthcoming Annual General Meeting.

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 2012 ("the Code") and is committed to ensuring that the principles and best practices of the Code are being observed.

The Board is pleased to report on 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"). 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.

A. BOARD OF DIRECTORS

i) The Board

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

ii) Board Balance

Presently, the composition of the Board comprises six members with two Executive Directors and four Non-Executive Directors (including the Chairman), two of whom are Independent Non-Executive Directors. With this Board composition, the Company 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 7 to 8 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.

CORPORATE GOVERNANCE STATEMENT (continued)

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.

All deliberation and conclusions thereon had been properly recorded by the Company Secretary present at the meetings. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

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) Tuan Haji Azizzuddin Bin Haji Hussein - Independent Non-Executive Director (appointed on 1 November 2013)

Note: Mr Lee Yu-Jin, previous member of the Nomination Committee has resigned on 1 November 2013

There were two Nomination Committee meetings held during the reporting financial year with full attendance of all its members. All deliberation and conclusions thereon had been properly recorded by the Company Secretary present at the meetings.

CORPORATE GOVERNANCE STATEMENT (continued)

A. BOARD OF DIRECTORS (continued)

iv) Board Committees (continued)

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.

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 were two Remuneration Committee meetings held during the financial year with full attendance of its members. All deliberation and conclusions thereon had been properly recorded by the Company Secretary present at the meetings.

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. Making the most of the Chief Financial Officer Role: Everyone's Responsibility?	Corporate Governance
2. Governance, Risk Management and Compliance: What Directors should know?	Corporate Governance
3. The key components of establishing and maintaining world-class audit committee reporting capabilities	Corporate Governance
4. What keeps an audit committee up at night?	Corporate Governance
5. Anti Money Laundering & Counter Financing of Terrorism	Financial Criminology
6. MIA Conference 2012	Financial Reporting Standards/ Accounting
7. Managing Corporate Risk and Achieving Internal Control through Statutory Compliance	Corporate Governance
8. Future of Corporate Reporting	Corporate Governance
9. Special Dialogue & Presentation session on Asean CG Scorecard 2013	Corporate Governance
10. Advocacy sessions on Corporate Disclosure for Directors	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.

CORPORATE GOVERNANCE STATEMENT (continued)

B. DIRECTORS' REMUNERATION (continued)

i) Level and make-up (continued)

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.

iii) Disclosure

The details of Directors' remuneration payable to all the Directors of the Company who served during the financial year ended 30 June 2013 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	-	39,000	39,000
(b) Salaries and other emoluments	230,720	-	230,720
(c) Estimated value of benefits-in-kind	7,000	-	7,000
Total	**237,720**	**39,000**	**276,720**

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	2	-	2
100,001–150,000	1	-	1
150,001–200,000	-	-	-
Total	**3**	**5**	**8**

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.

C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS (continued)

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.

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 Statement on Risk Management & Internal Control 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.

CORPORATE GOVERNANCE STATEMENT (continued)

D. ACCOUNTABILITY AND AUDIT (continued)

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 organised regularly to boost staff morale and improve staff bonding, productivity and team work.

iv. Introduction of organic and/or biodegradable ingredients/materials

CSB's R&D team continuously update themselves on the latest ingredients and materials, and consciously try to implement environmental-friendly processes and procedures for all manufacturing processes. In addition, they are also aware of the impact of non-organic and/or non-biodegradable ingredients/materials to the environment, and are always on the lookout for organic/biodegradable ingredients/materials to be introduced into all their products.

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

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 (SO2), Oxide of Nitrogen (NOx) 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 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.

As some of FFC's employees have been handling chemicals such as solvent, thinner and paint, we have created more awareness by having an in-house course conducted by a professional firm on handling of chemicals to cover our employees comprising end-users, department heads and Emergency Reponse Team. The training will enable us to handle more safely and efficiently any chemical spillage with the use of spill-kit to contain, absorb and collect the spilled chemical by wearing personal protective equipment.

At the same time we comply with the Department of Safely & Health (DOSH) requirements.

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.

F. ADDITIONAL COMPLIANCE INFORMATION

1. Options/Warrants/Convertible Securities

Pursuant to the conditions stipulated in the Deed Poll dated 24 June 2003 constituting the Warrants 2003/2013 ("Warrant A") and Deed Poll dated 19 November 2007 constituting the Warrants 2007/2013 ("Warrant B"), the subscription rights of the Warrant A and Warrant B had both expired at 5.00 p.m. on Monday, 11 November 2013 ("Expiry Date").

As at the Expiry Date, 29,211,830 Warrant A have remained unexercised and 805, 904 Warrant B have remained unexercised. All unexercised Warrant A and unexercised Warrant B have become null and void after the Expiry Date.

Both Warrant A and Warrant B were removed from the Official List of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Tuesday, 12 November 2013.

Save for the above, the Company did not issue any options, warrants or convertible securities during the financial year.

2. Non Audit Fee

Non audit fee payable to the external auditors by the Group for the financial year ended 30 June 2013 amounted to RM19,000.00.

CORPORATE GOVERNANCE STATEMENT (continued)

F. ADDITIONAL COMPLIANCE INFORMATION (continued)

3. 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.

G. 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 to give a true and fair view of the Company and the Group's affairs, results and cash flow position for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2013, 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.

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 *(MIA Member)*	Chairman	Independent Non-Executive Director
Thor Poh Seng	Member	Non- Independent Non-Executive Director
Haji Azizzuddin Bin Haji Hussein *(appointed on 1 November 2013)*	Member	Independent Non-Executive Director

Note: Mr Lee Yu-Jin, previous member of the Audit Committee has resigned on 1 November 2013.

MEETINGS

The Audit Committee held four meetings during the financial year ended 30 June 2013 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 Main Market Listing Requirements ("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.

AUDIT COMMITTEE REPORT (continued)

TERMS OF REFERENCE (continued)

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.

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;

AUDIT COMMITTEE REPORT (continued)

TERMS OF REFERENCE (continued)

5. Duties (continued)

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;

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(“Bursa Securities”);

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.

AUDIT COMMITTEE REPORT (continued)

ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 June 2013, 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 2012, 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.

5. Reviewed with the external auditors, the Statement on Risk Management & Internal Control 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 2012.

7. Reviewed the Group Budget for the financial year ended 30 June 2013.

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 2013 was RM81,058.00. The activity of the internal audit function is detailed in the Statement on Risk Management & Internal Control on pages 24 to 25 of this Annual Report.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of FCW Holdings Berhad is committed to continuously improving the Group's risk management and internal control system and is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 30 June 2013. This Statement is made in pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers, 2012.

1. Board's Responsibility

The Board recognises the importance of sound controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system within the Group. The Board is equally aware that the risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against financial losses or fraud.

2. Risk Management Framework

The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives to evaluate the nature and extent of those risks and to proactively manage them efficiently, effectively and economically. The Group adopts an enterprise wide risk management approach and all the active business of the companies within the Group are considered and categorised in accordance with their main functional activities. This process has been in place for the year under review and up to the date of issuance of the annual report and financial statements.

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 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.

3. Internal Controls

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

- Management has clear responsibility for identifying and evaluating the risks facing their business and 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.

3. Internal Controls (continued)

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

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

- 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 monthly basis 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 the budget. The budget is submitted to the Executive Director for review and approval by the Board. Key variances from the 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 considerations and approval. Monthly management reports are submitted by major associates and subsidiaries to management to monitor financial and operational performance.

- 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.

- 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.

- 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.

4. Assurance from Management

In accordance with the Statement on Risk Management & Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the Executive Director and Finance Manager that to the best of their knowledge the risk management and internal control of the Group are operating effectively and adequately, in all material respects, based on the risk management and internal control framework adopted by the Group.

5. Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors has reviewed this Statement on Risk Management & Internal Control. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the Group.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30th June 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were investment holding and providing management services. The principal activities of its 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		
- Continuing Operations	7,881	978
- Discontinued Operation	1,119	-
Other comprehensive income	-	-
Total comprehensive income for the financial year	9,000	978
Profit attributable to:		
Owners of the Company	8,651	978
Non-controlling interests	349	-
	9,000	978
Total comprehensive income attributable to:		
Owners of the Company	8,651	978
Non-controlling interests	349	-
	9,000	978

DIVIDENDS

At the forthcoming Annual General Meeting, a first and final tax exempt (single-tier) dividend in respect of the financial year ended 30th June 2013, of 3% per ordinary shares of RM0.50 each will be proposed for shareholders' approval.

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.

DIRECTORS' REPORT (continued)

BAD AND 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.

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, other than as disclosed in Note 29 to the financial statements.

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.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

DIRECTORS' REPORT (continued)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company was increased from RM97,533,975/- to RM98,141,115/- via the issuance of 1,214,280 units new ordinary shares of RM0.50/- each in conjunction with the exercise of 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.

During the financial year, the Company had not issued any debentures.

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 in the Bursa Malaysia Securities Berhad. The outstanding warrants for the financial year ended 30th June 2013 are as follows:-

	Number of warrants			
	At 1.7.2012	Exercise	Expired	At 30.6.2013
Warrant A	29,211,830	-	-	29,211,830
Warrant B	55,732,080	(1,214,280)	-	54,517,800

Warrants A

Each Warrants 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 the financial year 2008. The warrants were quoted to the official list of Bursa Malaysia Securities Berhad on 8th January 2008 and will expire on 11th November 2013.

Warrants B

Total 55,733,340 free Warrants B were issued in 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.

During the financial year, there were 1,214,280 Warrants B exercised at RM0.50/-. Total proceeds from the conversion of warrants amounting to RM607,140/-. The details of these warrants are disclosed in Note 17 to the financial statements.

DIRECTORS

The directors in office since the date of the last report are:-

Tan Sri Dato' Tan Hua Choon
Thor Poh Seng
Lee Yu-Jin
Tang Tat Chun
Lai Sze Pheng
Teh Kay Yeong
Lim Lai Sam - Resigned on 29.10.2012
Ong Bing Yap - Resigned on 30.11.2012

DIRECTORS' REPORT (continued)

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 2013 are as follows:-

	Number of ordinary shares of RM0.50 each			
	At 1.7.2012	Acquired	Disposed	At 30.6.2013
The Company				
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 1.7.2012	Acquired	Disposed	At 30.6.2013
The Company				
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 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	**TANG TAT CHUN**
Director	**Director**

Kuala Lumpur

Date: 29th October 2013

STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

We, **TAN SRI DATO' TAN HUA CHOON** and **TANG TAT CHUN**, 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 94 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 2013 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The supplementary information set out on page 95 have been prepared in accordance with the Guidance of 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

…………………………………………..........
TANG TAT CHUN
Director

Kuala Lumpur

Date: 29th October 2013

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, **TANG TAT CHUN**, 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 94 and the supplementary information set out on page 95 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.

....
TANG TAT CHUN

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 29th October 2013.

Before me,

....
TENGKU FARIDDUDIN BIN TENGKU SULAIMAN
Commissioner for Oaths
No. W533

INDEPENDENT AUDITOR'S 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 2013 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 94.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 give a true and fair view of the financial position of the Group and of the Company as at 30th June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(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 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

to the members of FCW Holdings Berhad (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements (continued)

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out in page 95 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

1. As stated in Note 2 to the financial statements, FCW Holdings Berhad adopted the Malaysian Financial Reporting Standards on 1st July 2012 with a transition date of 1st July 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30th June 2012 and 1st July 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30th June 2012 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30th June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1st July 2012 do not contain misstatements that materially affect the financial position as at 30th June 2013 and the financial performance and cash flows for the financial year then ended.

2. 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.

Baker Tilly Monteiro Heng	Lock Peng Kuan
No. AF 0117	No. 2819/10/14 (J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 29th October 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30th June 2013

	Note	30.6.2013 RM'000	Group 30.6.2012 RM'000 *(Restated)*	1.7.2011 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	4	6,545	7,297	7,380
Investment properties	5	3,100	93,557	93,932
Goodwill on consolidation	6	1,726	1,726	1,726
Investment in an associate	8	27,486	20,238	22,009
Deferred tax assets	9	897	3,421	4,859
Other investments	10	-	-	-
Investment in securities	11	377	367	354
		40,131	126,606	130,260
Current assets				
Inventories	12	4,260	4,470	4,545
Trade and other receivables	13	8,745	7,497	5,859
Tax recoverable		7	7	17
Derivatives	14	78	164	375
Cash and bank balances	15	17,009	12,824	7,256
		30,099	24,962	18,052
Assets classified as held for sale	16	90,082	-	-
		120,181	24,962	18,052
TOTAL ASSETS		160,312	151,568	148,312
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	17	98,141	97,534	97,534
Reserves	18	2,471	2,471	2,471
Retained profits		47,206	38,555	35,512
		147,818	138,560	135,517
Non-controlling interests		2,485	2,136	1,811
TOTAL EQUITY		150,303	140,696	137,328
Non-current liabilities				
Loans and borrowings	19	2,423	2,842	3,040
Deferred tax liabilities	9	951	173	165
		3,374	3,015	3,205
Current liabilities				
Trade and other payables	20	5,897	6,001	6,360
Loan and borrowings	19	704	1,727	1,151
Tax payable		34	129	268
		6,635	7,857	7,779
TOTAL LIABILITIES		10,009	10,872	10,984
TOTAL EQUITY AND LIABILITIES		160,312	151,568	148,312

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

STATEMENT OF FINANCIAL POSITION
as at 30th June 2013

	Note	30.6.2013 RM'000	Company 30.6.2012 RM'000	1.7.2011 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	4	-	6	41
Investment in subsidiaries	7	85,519	85,519	13,519
Investment in securities	11	255	248	241
		85,774	85,773	13,801
Current assets				
Trade and other receivables	13	1,695	1,641	72,413
Tax recoverable		-	-	6
Derivatives	14	78	164	375
Cash and bank balances	15	11,165	11,140	5,949
		12,938	12,945	78,743
TOTAL ASSETS		98,712	98,718	92,544
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	17	98,141	97,534	97,534
Accumulated losses		(9,859)	(10,837)	(13,973)
Total Equity		88,282	86,697	83,561
Current liabilities				
Trade and other payables	20	10,426	11,992	8,983
Tax payable		4	29	-
		10,430	12,021	8,983
TOTAL EQUITY AND LIABILITIES		98,712	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 2013

	Note	Group 2013 RM'000	Group 2012 RM'000 *(Restated)*	Company 2013 RM'000	Company 2012 RM'000
CONTINUING OPERATIONS					
Revenue	21	34,157	30,184	378	378
Cost of sales	22	(27,893)	(23,962)	-	-
Gross Profit		6,264	6,222	378	378
Other income		532	607	1,920	3,863
Administrative expenses		(1,693)	(1,459)	(797)	(713)
Selling and distribution expenses		(78)	(37)	(74)	(16)
Other expenses		(3,531)	(3,681)	(452)	(335)
Operating Profit		1,494	1,652	975	3,177
Finance costs	23	(256)	(284)	-	-
Share of results of an associate		7,248	(1,771)	-	-
Profit/(Loss) Before Taxation	24	8,486	(403)	975	3,177
Taxation	25	(605)	(699)	3	(41)
Profit/(Loss) From Continuing Operations		7,881	(1,102)	978	3,136
DISCONTINUED OPERATION					
Profit from discontinued operation, net of tax	16	1,119	4,470	-	-
Profit For The Financial Year		9,000	3,368	978	3,136
Other comprehensive income		-	-	-	-
Total Comprehensive Income For The Financial Year		9,000	3,368	978	3,136
Profit attributable to:					
Owners of the Company		8,651	3,043	978	3,136
Non-controlling interests		349	325	-	-
		9,000	3,368	978	3,136
Total comprehensive income attributable to:					
Owners of the Company		8,651	3,043	978	3,136
Non-controlling interests		349	325	-	-
		9,000	3,368	978	3,136
Earnings per share attributable to owners of the Parent (sen):					
Basic, earnings per ordinary share (sen)	26(a)				
- continuing operations		3.84	(0.73)		
- discontinued operation		0.57	2.29		
Diluted, earnings per ordinary share (sen)	26(b)				
- continuing operations		3.55	(0.67)		
- discontinued operation		0.53	2.10		

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 30th June 2013

	Attributable to owners of the Company						
Group	Share Capital RM'000	Capital Reserve RM'000	Premium Paid on Acquisition of Minority Interest RM'000	Retained Profits/ (Accumulated losses) RM'000	Total RM'000	Non Controlling Interests RM'000	Total RM'000
Balance as at 1st July 2011	97,534	2,704	(233)	35,512	135,517	1,811	137,328
Exercise of warrants	#	-	-	-	#	-	#
Total comprehensive income for the financial year							
- as previously reported	-	-	-	3,418	3,418	325	3,743
- effect of adopting Malaysian Financial Reporting Standards ("MFRSs")	-	-	-	(375)	(375)	-	(375)
As restated	-	-	-	3,043	3,043	325	3,368
Balance as at 30th June 2012	97,534	2,704	(233)	38,555	138,560	2,136	140,696
Exercise of warrants	607	-	-	-	607	-	607
Total comprehensive income for the financial year	-	-	-	8,651	8,651	349	9,000
Balance as at 30th June 2013	98,141	2,704	(233)	47,206	147,818	2,485	150,303

STATEMENTS OF CHANGES IN EQUITY (continued)

for the financial year ended 30th June 2013

Company	Attributable to owners of the Company						
	Share Capital RM'000	Capital Reserve RM'000	Premium Paid on Acquisition of Minority Interest RM'000	Retained Profits/ (Accumulated losses) RM'000	Total RM'000	Non Controlling Interests RM'000	Total RM'000
Balance as at 1st July 2011	97,534	-	-	(13,973)	83,561	-	83,561
Exercise of warrants	#	-	-	-	#	-	#
Total comprehensive income for the financial year	-	-	-	3,136	3,136	-	3,136
Balance as at 30th June 2012	97,534	-	-	(10,837)	86,697	-	86,697
Exercise of warrants	607	-	-	-	607	-	607
Total comprehensive income for the financial year	-	-	-	978	978	-	978
Balance as at 30th June 2013	98,141	-	-	(9,859)	88,282	-	88,282

 # 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 2013

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax				
- continuing operations	8,486	(403)	975	3,177
- discontinued operations	4,389	5,953	-	-
	12,875	5,550	975	3,177
Adjustments for:				
Depreciation of investment properties				
- discontinued operation	375	375	-	-
Bad debts written off	-	2	-	-
Depreciation of property, plant and equipment	792	858	6	35
Fair value loss on derivatives	86	211	86	211
Loss/(gain) on disposal of property, plant and equipment	22	(132)	-	-
Impairment loss on trade and other receivables	42	295	367	123
Impairment loss on trade and other receivables no longer required	-	-	(1,572)	(3,582)
Interest expense	256	284	-	-
Interest income from deposits	(387)	(284)	(341)	(274)
Interest income from other investments	(10)	(13)	(7)	(7)
Inventories written down	-	1	-	-
Property, plant and equipment written off	20	2	#	-
Share of results of an associate	(7,248)	1,771	-	-
Unrealised foreign exchange gain	-	(36)	-	-
Operating cash flows before changes in working capital	6,823	8,884	(486)	(317)
Changes in working capital:				
Inventories	210	74	-	-
Receivables	(1,290)	(1,926)	3	(23)
Payables	(104)	(332)	14	3
Net changes in subsidiaries' balances	-	-	(432)	77,260
Net cash flows from operations	5,639	6,700	(901)	76,923
Interest received	387	284	341	274
Interest paid	(23)	-	-	-
Tax paid	(668)	(865)	(22)	(6)
Net Operating Cash Flows	5,335	6,119	(582)	77,191

STATEMENTS OF CASH FLOWS (continued)
for the financial year ended 30th June 2013

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposits held as security values	204	(10)	-	-
Purchase of property, plant and equipment ^	(111)	(310)	-	-
Proceeds from disposal of property, plant and equipment	29	135	-	-
Acquisition of preference shares	-	-	-	(72,000)
Net Investing Cash Flows	122	(185)	-	(72,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of warrants	607	#	607	#
Interest paid	(233)	(284)		
Net changes in bankers' acceptances	(931)	614	-	-
Repayment of term loan	(251)	(234)	-	-
Repayment of hire purchase payables	(260)	(472)	-	-
Net Financing Cash Flows	(1,068)	(376)	607	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,389	5,558	25	5,191
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	12,620	7,062	11,140	5,949
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	17,009	12,620	11,165	11,140
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	17,009	12,824	11,165	11,140
Less: Deposits held as security values	-	(204)	-	-
	17,009	12,620	11,165	11,140

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

	Group 2013 RM'000	Group 2012 RM'000
Purchase of property, plant and equipment	111	780
Financed by finance lease arrangements	-	(470)
Cash payment on purchase of property, plant and equipment	111	310

Represented by amount less than RM1,000/-.

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

NOTES TO THE 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 its 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.

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 29th October 2013.

2. SUMMARY OF 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements are expressed in Ringgit Malaysia and all values are rounded to the nearest thousand ("000") except when otherwise stated.

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 of the Group and of the Company for the financial year ended 30th June 2013 are the first set of financial statements prepared in accordance with the MFRSs, including MFRS 1 *First-time Adoption of MFRSs*. In the previous financial year, the financial statements of the Group and the Company were prepared in accordance with the Financial Reporting Standards ("FRSs") in Malaysia.

The preparation of financial statements in conformity with MFRSs 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 reporting period. It also requires directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the directors' best knowledge of current events and actions, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int")

(a) Explanation of Transition to 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 Malaysian Accounting Standards Board ("MASB") had on 19th November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

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 2015. 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 the Transitioning Entities have adopted the MFRSs framework including MFRS 1 *First-time Adoption of MFRSs* for the current financial year ended 30th June 2013.

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 have consistently applied the same accounting policies in its opening MFRSs statement of financial position as at 1st July 2011 (date of transition) and throughout all years presented, as if these policies had always been in effect.

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.

Other than as disclosed below, the transition to MFRSs does not have any significant effect on the financial statements of the Group and of the Company.

(i) *Exemption for fair value as deemed cost – investment properties*

In accordance with the exemptions in MFRS 1, the Group elected to measure its investment properties at fair value as at date of transition as their deemed costs as at that date. Other than the depreciation charged amounting to RM375,000/-, there is no material differences between the consolidated statement of financial position presented under the MFRSs and the consolidated statement of financial position presented under the FRSs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

(a) Explanation of Transition to MFRSs (continued)

Reconciliation of total comprehensive income

Other than the depreciation charged amounting to RM375,000/- on the investment properties, there is no other material differences between the statement of comprehensive income presented under the MFRSs and the statement of comprehensive income presented under the FRSs.

Reconciliation of statement of cash flows

Other than the depreciation charged amounting to RM375,000/- on the investment properties, there is no material differences between the statement of cash flows presented under the MFRSs and the statement of cash flows presented under the FRSs.

(ii) *Exemption for previous revaluation as deemed cost – property, plant and equipment*

Under FRSs, the Group had availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in year 1998. The land and building were revalued in 15th April 2010 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustment based on valuation).

Upon transition to MFRSs and in accordance with the exemptions in MFRS 1, the Group elected to use that previous revaluation as their deemed cost under MFRSs. The carrying amount of this land and building has not been restated.

The aggregate fair value of this land and building as at 15th April 2010 was determined to be RM5,000,000/-.

Reconciliation of total comprehensive income

There is no material differences between the statement of comprehensive income presented under the MFRSs and the statement of comprehensive income presented under the FRSs.

Reconciliation of statement of cash flows

There is no material differences between the statement of cash flows presented under the MFRSs and the statement of cash flows presented under the FRSs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

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

The Group and the Company have not adopted the following new and revised MFRSs, amendments/improvements to MFRSs, 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 MFRSs		
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
Revised MFRSs		
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
MFRS 7	Financial Instruments: Disclosures	1 January 2013
MFRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
MFRS 101	Presentation of Financial Statements	1 January 2013
MFRS 116	Property, Plant and Equipment	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
MFRS 134	Interim Financial Reporting	1 January 2013
MFRS 136	Impairment of Assets	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Int 21	Levies	1 January 2014
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

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

A brief discussion on the above significant new and revised MFRSs, amendments/improvements to MFRSs, 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.

MFRS 9 Financial Instruments

MFRS 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 the former MFRS 139 *Financial Instruments: Recognition and Measurement*. 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.

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

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

MFRS 10 brings about convergence between MFRS 127 and IC Int 12 *Consolidation-Special Purpose Entities*, which interprets the requirements of MFRS 10 in relation to special purpose entities. MFRS 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

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

MFRS 11 Joint Arrangements

MFRS 11 supersedes the former MFRS 131 Interests in Joint Ventures. Under MFRS 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 it 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.

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this MFRS 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.

MFRS 13 Fair Value Measurement

MFRS 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.

MFRS 128 Investments in Associates and Joint Ventures (Revised)

This revised MFRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised MFRS 128 exempts the investor from applying equity accounting where the investment in the associated company 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 MFRS 9.

Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in MFRS 12 *Disclosure of Interests in Other Entities* and MFRS 127 *Separate Financial Statements.*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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.

(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. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(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 Company.

(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.

In the Company's separate financial statements, investments in associates are stated 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 investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(e) Goodwill on Consolidation

(i) Acquisition before 1st January 2011

Goodwill represents the excess of the cost of business combination over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Following the initial recognition, goodwill is stated 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.

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. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Negative goodwill represents the excess of the fair value of the Group's share of net assets acquired over the cost of acquisition. Negative goodwill is recognised directly in the statement of comprehensive income.

(ii) Acquisition on or after 1st January 2011

For acquisitions on or after 1st January 2011, the Group measures goodwill at the acquisition date as:-

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

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

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.

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:-

Buildings	2%
Plant and machineries	10% - 33.33%
Motor vehicles	20%
Furniture and fittings	7.5% - 33.33%
Office equipment	10% - 33.33%

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) Investment Properties

Investment properties are freehold land and buildings which are held either to earn rental income or capital appreciation or for both and are not substantially occupied by the Group. Such properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated 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.

No depreciation is provided on the freehold land as it has indefinite useful life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(g) Investment Properties (continued)

Depreciation of buildings are provided on the straight line basis to write off the cost of investment properties to their residual value over their estimated useful lives of the investment properties. The annual rate used to depreciate the buildings is 2%.

Investment properties are derecognised when they have been disposed off or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposals. Any gains and losses on the retirement or disposal of investment properties are recognised in the profit or loss in the year in which they arise.

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.

(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 instrument.

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.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

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

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 statement of comprehensive income.

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.

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.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

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 financial assets 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

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

(ii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated as fair value through profit or loss upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair values with the gain or loss 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 classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned.

A regular way purchase or sale of financial asset is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:-

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

(v) 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 statement 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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 and investment in subsidiaries) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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 cash-generating unit's ("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 CGUs 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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 is 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(q) Leases

Finance Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The corresponding liability is included in the statements of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used in the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowings rate is used.

Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.
The depreciation policy for leased assets and assets under hire purchase is consistent with that for depreciable property, plant and equipment as described in Note 2.3(f) to the financial statements.

(r) 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.

(s) 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 33 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant Accounting Policies (continued)

(t) Assets Classified As Held For Sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Assets once classified as held for sale are not amortised or depreciated.

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.

3.1 Judgements Made in Applying Accounting Policies

In the process of applying the Group's and the Company's accounting policies, the directors has made the following judgement, apart from those involving estimations, which has a significant effect on the amounts recognised in the financial statements:-

Assets classified as held for sale

During the financial year, the Group classified certain investment properties as assets held for sale, as the Group had committed to a plan to sell the investment properties as at date of classification. As disclosed in Note 16 to the financial statements, these investment properties are freehold land and buildings which were held to earn rental income. The rental income which previously reported in the properties renting segment represents one major line of the Group business. The Group had identified a potential buyer for its investment properties and initiated the negotiation with the potential buyer and the Group expects that the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The directors exercise judgement based on the above circumstance that the investment properties shall be reclassified to assets held for sale. The rental income and direct operating expenses generated from these investment properties had been classified to discontinued operation in the statements of comprehensive income.

Subsequently on 19th September 2013, as disclosed in Note 16 to the financial statements, the Group announced its decision to dispose these investment properties to 368 Segambut Sdn. Bhd.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

3.2 Key Sources of Estimation Uncertainty

The key assumption 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:-

(i) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the relevant assets. In addition, the estimation of useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in these factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(ii) Impairment of property, plant and equipment

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGUs") to which goodwill is allocated. Estimating a value in use amount requires management to make an estimation 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 carrying amount of goodwill on consolidation as at 30th June 2013 is disclosed in Note 6 to the financial statements.

(iv) Impairment of investment in subsidiaries and associate

The Company carried out the impairment test based on a variety estimation of including the value-in-use of the cash generating unit. Estimating a value-in-use amount requires the Company to make an estimation of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

3.2 Key Sources of Estimation Uncertainty (continued)

(iv) Impairment of investment in subsidiaries and associate (continued)

The management determined the recoverable amount of the investment in subsidiaries based on the individual assets' value in use and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at reporting date. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

In view of the above, the management are in the opinion that no impairment is required for the investment in subsidiaries as at statement of financial position date.

(v) Allowance for impairment of receivables

The Group makes allowances for impairment based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer credit creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(vi) Net realisable value for inventories

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

(vii) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying amount of unrecognised deferred tax assets of the Group is disclosed in Note 9 to the financial statements.

(viii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

3.2 Key Sources of Estimation Uncertainty (continued)

(ix) Derivatives

Significant judgement is required in determining the changes in fair values of derivatives. Derivatives are 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 of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM'000	Buildings RM'000	Plant and Machineries RM'000	Motor Vehicles RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Total RM'000
Group							
30.6.2013							
Cost							
At 1st July 2012	2,100	2,400	2,162	727	1,667	490	9,546
Additions	-	-	93	-	4	14	111
Disposals	-	-	(5)	-	(182)	(36)	(223)
Write-offs	-	-	(2)	(4)	(54)	(105)	(165)
At 30th June 2013	2,100	2,400	2,248	723	1,435	363	9,269
Accumulated Depreciation							
At 1st July 2012	-	142	936	267	534	370	2,249
Depreciation for the financial year	-	55	402	129	167	39	792
Disposals	-	-	(5)	-	(131)	(36)	(172)
Write-offs	-	-	(2)	(2)	(36)	(105)	(145)
At 30th June 2013	-	197	1,331	394	534	268	2,724
Carrying Amount							
At 30th June 2013	2,100	2,203	917	329	901	95	6,545
30.6.2012							
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

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 30.6.2012 (cont'd)	Freehold Land RM'000	Buildings RM'000	Plant and Machineries RM'000	Motor Vehicles RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Total RM'000
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
Carrying Amount							
At 30th June 2012	2,100	2,258	1,226	460	1,133	120	7,297
At 1st July 2011	2,100	2,313	1,493	212	1,163	99	7,380

Company	Motor Vehicles RM'000	Office Equipment RM'000	Total RM'000
30.6.2013			
Cost			
At 1st July 2012	172	2	174
Addition	-	-	-
Write-offs	-	(2)	(2)
At 30th June 2013	172	-	172
Accumulated Depreciation			
At 1st July 2012	166	2	168
Depreciation for the financial year	6	-	6
Write-offs	-	(2)	(2)
At 30th June 2013	172	-	172
Carrying Amount			
At 30th June 2013	-	-	-
30.6.2012			
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
Carrying Amount			
At 30th June 2012	6	-	6
At 1st July 2011	41	-	41

4. PROPERTY, PLANT AND EQUIPMENT (continued)

(i) The freehold land and buildings of the Group at the carrying amount of RM4.303 million (30.6.2012: RM4.358 million; 1.7.2011: RM4.413 million) are charged to financial institutions as security for banking facilities granted to the Group as stated at Note 19 to the financial statements.

(ii) Included in property, plant and equipment of the Group are assets acquired under hire purchase instalment plans with carrying amount as follows:-

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Motor vehicles	324	447	160
Plant and machineries	456	476	631
	780	923	791

(iii) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use, with a cost as follows:-

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Plant and machineries	696	805	555
Motor vehicles	172	1	1
Furniture and fittings	21	89	89
Office equipment	159	293	283
	1,048	1,188	928

5. INVESTMENT PROPERTIES

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000 *(Restated)*	1.7.2011 RM'000
At Cost			
At 1st July	93,932	93,932	93,857
Additions	-	-	75
At 30th June	93,932	93,932	93,932
Less: Accumulated Depreciation			
At 1st July	(375)	-	-
Effect of adoption of MFRS			
- depreciation for the financial year	(375)	(375)	-
At 30th June	(750)	(375)	-
Less: Transfer to assets classified as held for sale (Note 16)	(90,082)	-	-
Carrying Amount			
At 30th June	3,100	93,557	93,932

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES (continued)

(i) The fair value of the investment property was estimated at RM3.2 million at directors' valuation which was made based on current prices in an active market for the property. The fair value of the investment properties approximates its carrying amount as at 30.6.2012 and 1.7.2011 respectively.

(ii) Investment properties in the previous financial year comprise a number of industrial properties leased to a party in which director of the Company has interests; and

(iii) The following are recognised in the profit or loss in respect of the investment properties:-

	Group	
	30.6.2013 RM'000	30.6.2012 RM'000
Continuing operations		
Rental income	-	-
Discontinued operation		
Rental income (Note 16)	5,181	6,651
Direct operating expenses (Note 16)	(792)	(698)

6. GOODWILL ON CONSOLIDATION

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At Cost			
At 1st July/30th June	1,726	1,726	1,726

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:-

- Cash flows were projected based on past experience and actual operating results. Management believes that this five-year forecasts period was justified due to the long-term nature of the wholesale business.
- The average growth rates in financial year 2014 to financial year 2018 are within the range of 1% to 5%. Based on past performances, these ranges have been its achievable growth. Management believes its growth rate for the next 5 years are justifiable based on several strategies in place such as increase in market share.
- The 7.6% discount rate is pre-tax and reflects the risk relating to the wholesale business.

The values assigned to the above key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal source of information.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumptions would cause the carrying values of the cash-generating units ("CGUs") to exceed its recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN SUBSIDIARIES

	30.6.2013 RM'000	Company 30.6.2012 RM'000	1.7.2011 RM'000
Unquoted shares at cost			
At 1st July	281,847	209,847	209,847
Add : Addition in investment in subsidiary	-	72,000	-
At 30th June	281,847	281,847	209,847
Less: Accumulated impairment losses			
At 1st July/30th June	196,328	196,328	196,328
Carrying Amount			
At 1st July/30th June	85,519	85,519	13,519

The Company's equity interest in the subsidiaries which are all incorporated in Malaysia and their respective principle activities are as follows:-

Name of Companies	Group Effective Equity Interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal Activities
FCW Industries Sdn. Bhd.	100	100	100	Investment holding, provision of management services, trading in telecommunications equipment and renting of properties.
Coscolab Sdn. Bhd.	80	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.	100	100	100	Property investment.
FCW Housing and Realty Development Sdn. Bhd.	100	100	100	Property development - dormant.
Federal Telecommunications Sdn. Bhd.	100	100	100	Turnkey contracting, distribution, servicing of telecommunications equipment and renting of properties.
United Malaysian Steel Mills Berhad	77	77	77	Manufacturing and trading of steel products - ceased operations.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN SUBSIDIARIES (continued)

Name of Companies	Group Effective Equity Interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal Activities
Subsidiaries of FCW Industries Sdn. Bhd. (cont'd)				
FT Spares & Services Sdn. Bhd.	100	100	100	Servicing of telecommunications equipment - dormant.
Plusnet Communications Sdn. Bhd.	100	100	100	Retailing of telecommunications equipment - dormant.
Subsidiaries of Federal Telecommunications Sdn. Bhd.				
FCW Property Management Sdn. Bhd.	100	100	100	Property management
Pedoman Jitu Sdn. Bhd.	100	100	100	Trading of telecommunications equipment - dormant.
Subsidiaries of FCW Property Management Sdn. Bhd.				
Pager Communications Sdn. Bhd.	100	100	100	Renting of communication access - dormant.
Ultra Matrix Sdn. Bhd.	100	100	100	Investment holding - dormant.
Cometron Sdn. Bhd.	68	68	68	Sale and hire of telecommunications equipment and electronic goods and the provision of paging services - dormant.

Investment in Preference Shares

30.6.2012

On 6th October 2011, the Company 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 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At Cost			
Unquoted shares	32,365	32,365	32,365
Share of post-acquisition reserves	3,276	(3,972)	(2,201)
At 1st July/30th June	35,641	28,393	30,164
Less : Accumulated Impairment Losses			
At 1st July/30th June	(8,155)	(8,155)	(8,155)
Carrying Amount			
At 1st July/30th June	27,486	20,238	22,009

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

Name of Associate	Financial Year End	Group's Effective Equity Interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal Activities
Held by FCW Industries Sdn. Bhd.					
Fujikura Federal Cables Sdn. Bhd. *	31st December	42.54	42.54	42.54	Manufacture and marketing of power, telecommunications cables and wires.

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

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 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Assets and liabilities			
Current assets	51,072	54,775	57,644
Non-current assets	136,975	156,987	228,867
Total assets	188,047	211,762	286,511
Total liabilities	(123,435)	(164,191)	(234,777)
Results			
Revenue	318,318	387,348	363,486
Expenses including finance cost and tax expense	(301,277)	(391,511)	(367,744)
Profit/(loss) for the financial year	17,041	(4,163)	(4,258)

9. DEFERRED TAX ASSETS/(LIABILITIES)

(i) The deferred tax assets and liabilities are made up of the following:-

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At 1st July	3,248	4,694	(115)
Recognised in profit or loss (Note 25)	(3,302)	(1,446)	4,809
At 30th June	(54)	3,248	4,694
Presented after appropriate offsetting as follows:			
Deferred tax assets	897	3,421	4,859
Deferred tax liabilities	(951)	(173)	(165)
	(54)	3,248	4,694

(ii) Recognised deferred tax assets/(liabilities)

The components of the recognised deferred tax assets and liabilities are as follows:-

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Deferred tax assets:			
- Unabsorbed capital allowances	-	766	354
- Unused tax losses	897	3,475	5,205
	897	4,241	5,559
Deferred tax liabilities:			
- Accelerated capital allowances	(951)	(993)	(865)
	(54)	3,248	4,694

(iii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:-

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	Company 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Deferred tax assets:						
- Excess of tax written down value over corresponding carrying amounts	3,631	785	795	76	78	88
Unabsorbed tax losses	53,346	46,465	46,453	7,830	7,830	7,830
Unused reinvestment allowances	1,001	1,001	1,001	1,001	1,001	1,001
	57,978	48,251	48,249	8,907	8,909	8,919
Potential deferred tax assets not recognised at 25%	14,495	12,063	12,062	2,227	2,227	2,230

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. OTHER INVESTMENTS

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At Cost			
Unquoted shares			
At 1st July/30th June	5,626	5,626	5,626
Less: Accumulated Impairment Losses			
At 1st July/30th June	5,626	5,626	5,626
Carrying Amount			
At 1st July/30th June	-	-	-

In the financial year 2007, the Group owned 27.50% and 29.68% of Ghamal Industries Company Limited and Federal Power Sdn. Bhd. respectively. Although the ownership interests in these companies more than 20%, these investments have been reclassified to other investments due to the lack of significant influence as the Company has no representation on the investees' boards of directors.

The details of other investments are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal Activities
Held by FCW Industries Sdn. Bhd.					
Federal Power Sdn. Bhd.	Malaysia	29.68	29.68	29.68	Manufacture and sale of power cables and electronical conductors.
Ghamal Industries Company Limited	Ghana	27.50	27.50	27.50	Design, supply, installation, testing and commissiong of the Copper Subcribes and access network in Ghana - dormant

11. INVESTMENT IN SECURITIES

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	Company 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Available for sale financial assets						
Unit trusts quoted in Malaysia						
At 1st July	367	354	354	248	241	241
Interest recognised in profit or loss	10	13	-	7	7	-
At 30th June	377	367	354	255	248	241

The carrying amount of investment in securities is approximate their market value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. INVENTORIES

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At Cost			
Raw materials	1,430	1,618	1,669
Packing materials	1,637	1,834	1,748
Work-in-progress	820	632	729
Finished goods	373	386	380
	4,260	4,470	4,526
At Net Realisable Value			
Finished goods	-	-	19
	4,260	4,470	4,545

13. TRADE AND OTHER RECEIVABLES

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Trade receivables						
Third parties	8,742	6,968	5,348	-	-	-
Amount due by related parties	-	347	18	-	-	-
Amount due by subsidiaries	-	-	-	1,524	1,540	1,557
	8,742	7,315	5,366	1,524	1,540	1,557
Less: Allowance for impairment						
Third parties	(622)	(580)	(285)	-	-	-
Amount due by subsidiaries	-	-	-	(2)	(2)	(2)
	(622)	(580)	(285)	(2)	(2)	(2)
	8,120	6,735	5,081	1,522	1,538	1,555
Other receivables deposits and prepayments						
Amount due by subsidiaries	-	-	-	2,858	3,990	78,227
Other receivables	69	58	183	43	43	20
Deposits	124	132	90	5	5	5
Prepayments	432	572	505	28	31	31
	625	762	778	2,934	4,069	78,283
Less: Allowance for impairment						
Amount due by subsidiaries	-	-	-	(2,761)	(3,966)	(7,425)
	625	762	778	173	103	70,858
	8,745	7,497	5,859	1,695	1,641	72,413

(i) The Group's and the Company's normal trade credit terms are non-interest bearing and generally within 30 to 90 days (30.6.2012: 30 to 90 days and 1.7.2011: 30 to 90 days). Other credit terms are assessed and approved on a case-to-case basis.

13. TRADE AND OTHER RECEIVABLES (continued)

(ii) Ageing analysis on trade receivables

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

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Neither past due nor impaired	3,701	3,086	2,108	10	2	3
Past due but not impaired:						
- 1 to 30 days	1,440	1,567	1,440	10	2	3
- 31 to 120 days	2,953	2,025	1,302	6	6	9
- More than 121 days	26	57	231	1,496	1,528	1,540
	4,419	3,649	2,973	1,512	1,536	1,552
Impaired	622	580	285	2	2	2
	8,742	7,315	5,366	1,524	1,540	1,557

(a) *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.

(b) Receivables that are past due but not impaired

The Group has not made any allowance for impairment for receivables that are past due but not impaired as there has not been a significant change in the credit quality of these receivables and the amounts due are still recoverable.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The Group has policies in place to ensure that credit is extended only to customers with acceptable credit history and payment track records. Allowances for impairment are made on specific trade receivable when there is objective evidence that the Group will not able to collect the amounts due.

(c) 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		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Trade receivables - nominal amounts	622	618	285	2	2	2
Less: Allowance for impairment	(622)	(580)	(285)	(2)	(2)	(2)
	-	38	-	-	-	-

13. TRADE AND OTHER RECEIVABLES (continued)

(ii) Ageing analysis on trade receivables (continued)

(c) Receivables that are impaired (continued)

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

The movement of the allowance accounts used to record the impairment are as follows:-

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At 1st July	580	285	669	2	2	2
Add: Charge for the financial year	42	295	-	-	-	-
Less: Reversal of allowance for impairment	-	-	(384)	-	-	-
At 30th June	622	580	285	2	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.

(iii) Amounts due by subsidiaries are unsecured, non-interest bearing and repayable on demand.

(iv) Amount due by related parties represent amounts due by related companies in which certain director has interests. The amounts due are unsecured, non-interest bearing and repayable on demand.

(v) Approximate 62% (30.6.2012: 75% and 1.7.2011: 72%) of the Group's third parties' trade receivables arise from 3 customers. These receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

14. DERIVATIVES

	Group and Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Option to purchase additional shares in Coscolab Sdn. Bhd.			
At 1st July	164	375	375
Less: Fair value changes for derivaties	(86)	(211)	-
At 30th June	78	164	375

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.

14. DERIVATIVES (continued)

During the financial year, the Group recognised a loss of RM86,000/- (30.6.2012: RM211,000/-) 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 30 to the financial statements.

15. CASH AND BANK BALANCES

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Cash and bank balances	3,960	1,719	1,142	805	240	29
Deposits placed with licensed banks	13,049	11,105	6,114	10,360	10,900	5,920
	17,009	12,824	7,256	11,165	11,140	5,949

(i) Included deposits placed with licensed banks is an amount of RM Nil (30.6.2012: RM204,000/- and 1.7.2011: RM194,000/-) pledged to the licensed financial institutions to secure credit facilities granted to the Group, as disclosed in Note 19 to the financial statements.

(ii) The interest rate as at the reporting date and the remaining maturities of the Group and the Company deposits placed with licensed banks are as follows:-

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Interest rate (%) (per annum)	3.07	2.95	3.15	2.90	3.20	3.15

16. ASSETS CLASSIFIED AS HELD FOR SALE

During the financial year, the Group classified certain investment properties as assets held for sale, as the Group had committed to a plan to sell the investment properties as at date of classification. These investment properties are freehold land and buildings which were held to earn rental income. The rental income which previously reported in the properties renting segment represents one major line of the Group business. The Group had identified a potential buyer for its investment properties and initiated the negotiation with the potential buyer and the Group expects that the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Subsequently on 19th September 2013, the Company entered into a Shareholder Agreement with IJM Land Berhad ("IJM Land") and 368 Segambut Sdn. Bhd. ("368 SSB") to regulate the relationship between the Company and IJM Land as shareholders of 368 SSB in relation to a mixed development of residential and commercial properties project on the 4 pieces of land located at Geran Mukim 335 Lot 32661 Tempat Sungai Keiu, Geran Mukim 2415 Lot 4719 Tempat 4th Mile Railway Line and Geran Mukim 1452 Lot 4722 Tempat 4th Mile, Railway Line and Geran Mukim 6242 Lot 54833 Tempat 4½ Mile Railway Line in Daerah Kuala Lumpur, Negeri Wilayah Persekutuan ("the Land").

Further on the same date, 368 SSB entered into 2 separate Sale and Purchase Agreements (SPAs) with 2 wholly-owned subsidiaries of the Company, namely Federal Telecommunications Sdn. Bhd. ("FTSB") and FCW Industries Sdn. Bhd. ("FCWI"), to acquire the Land for a cash consideration of RM187,973,520/-, upon the terms and conditions as stipulated in the SPAs.

16. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

The investment properties amounting to RM90.082 million have been presented on the consolidated statement of financial position as assets classified as held for sale and the income and expenses derived from these investment properties are presented separately on the consolidated statement of comprehensive income as discontinued operation.

An analysis of the result of the discontinued operation in arriving at the result recognised from the investment properties are as follows:-

	Group	
	2013 RM'000	2012 RM'000
Revenue	5,181	6,651
Expenses	(792)	(698)
Profit Before Tax	4,389	5,953
Taxation	(3,270)	(1,483)
Profit For The Financial Year	1,119	4,470

The following amounts have been included in arriving at operating loss of the discontinued operation:-

	Group	
	2013 RM'000	2012 RM'000
After charging:-		
Depreciation of investment properties	375	375
And crediting:-		
Rental income	(5,181)	(6,651)

The cash flows attributable to the discontinued operation are as follows:-

	Group	
	2013 RM'000	2012 RM'000
Net cash inflows from operating	4,146	6,094

17. SHARE CAPITAL

	Group and Company					
	30.6.2013		30.6.2012		1.7.2011	
	Number of shares '000 Unit	RM'000	Number of shares '000 Unit	RM'000	Number of shares '000 Unit	RM'000
Ordinary shares of RM0.50 each						
Authorised:						
At 1st July/30th June	600,000	300,000	600,000	300,000	600,000	300,000
Issued and fully paid:						
At 1st July	195,067	97,534	195,067	97,534	195,066	97,533
Issue of shares via exercise of Warrants B	1,214	607	#	#	1	1
At 30th June	196,281	98,141	195,067	97,534	195,067	97,534

 # Represented by amount and unit less than RM1,000/- and 1,000 units respectively.

17. SHARE CAPITAL (continued)

(i) *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.

30.6.2013

During the financial year, the issued and paid-up capital of the Company was increased from RM97,533,975/- to RM98,141,115/- via the issuance of 1,214,280 units new ordinary shares of RM0.50/- each in conjunction with the exercise of Warrants B.

30.6.2012

During the financial year, the issued and paid-up capital of the Company was increased from RM97,533,825/- to RM97,533,975/- via the issuance of 300 units new ordinary shares of RM0.50/- each in conjunction with the exercise of Warrants B.

The renounceable rights shares rank pari passu in all respects with the existing issued and fully paid up ordinary shares of RM0.50 each in the Company except that the renounceable rights shares shall not entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid prior to the date of allotment and exercise of Warrants.

(ii) *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 2008 until 5.00 pm on 11th November 2013 and the number of “Warrants A” has been 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 are before the date of allotment of the new shares arising from the exercise of the Warrants.

17. SHARE CAPITAL (continued)

(ii) Warrants (continued)

The numbers of outstanding Warrants as at 30th June 2013 are as follows:-

	Warrants A Unit	Warrants B Unit
At 1st July 2012	29,211,830	55,732,080
Exercise of warrants	-	(1,214,280)
At 30th June 2013	29,211,830	54,517,800

18. RESERVES

	30.6.2013 RM'000	Group 30.6.2012 RM'000	1.7.2011 RM'000
Non-distributable			
Capital reserve	2,704	2,704	2,704
Premium paid on acquisition of minority interest	(233)	(233)	(233)
	2,471	2,471	2,471

Capital reserve represents the capitalisation of earnings for bonus issues by subsidiaries.

19. LOANS AND BORROWINGS

	30.6.2013 RM'000	Group 30.6.2012 RM'000	1.7.2011 RM'000
Current			
Hire purchase payables	148	260	315
Floating rate bank loan	263	243	226
Bankers' acceptances	293	1,224	610
	704	1,727	1,151
Non-current			
Hire purchase payables	213	361	308
Floating rate bank loan	2,210	2,481	2,732
	2,423	2,842	3,040
Total loans and borrowings	3,127	4,569	4,191

(a) The floating rate bank loan and bankers' acceptance of the Group are secured by:-

(i) legal charges over certain property, plant and equipment of the Group, as disclosed in Note 4 to the financial statements; and

(ii) corporate guarantees by the Company given to the financial institutions for credit facilities granted to a subsidiary company, as disclosed in Note 29 to the financial statements.

19. LOANS AND BORROWINGS (continued)

(b) *Hire purchase payables*

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Minimum hire purchase payments			
- not later than one year	163	288	348
- later than one year and not later than two years	119	163	214
- later than two years and not later than five years	106	225	114
	388	676	676
Less: Amount representing future finance charges	(27)	(55)	(53)
Present value of minimum hire purchase payment	361	621	623
Represented by:			
Current			
- not later than one year	148	260	315
Non-current			
- later than one year and not later than two years	111	148	200
- later than two years and not later than five years	102	213	108
	213	361	308
	361	621	623

Obligations under hire purchase

(i) The obligations under finance leases bear interest at flat rates ranging from 4.43% to 8.09% (30.6.2012: 4.43% to 8.09% and 1.7.2011: 4.43% to 8.09%) per annum;

(ii) These obligations are secured by a charge over the leased assets as disclosed in Note 4 to the financial statements of the Group; and

(iii) The hire purchase liabilities are effectively secured on the rights of the assets under hire purchase arrangement.

(c) *Floating rate bank loan*

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Current liabilities:			
- Repayable within one year	263	243	226
Non-current liabilities:			
- Later than one year but not later than two years	394	262	244
- Later than two years but not later than five years	975	912	846
- Later than five years	841	1,307	1,642
	2,210	2,481	2,732
	2,473	2,724	2,958

19. LOANS AND BORROWINGS (continued)

(c) Floating rate bank loan (continued)

The effective interest rate as at reporting date is 7.60% (30.6.2012: 7.60% and 1.7.2011: 7.60%) per annum.

(d) Bankers' acceptances

The effective interest rates as at reporting date is 3.60% (30.6.2012: 3.80% and 1.7.2011: 3.95%) per annum.

20. TRADE AND OTHER PAYABLES

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Trade payables						
Third parties	4,030	3,777	4,251	-	-	-
Other payables and accruals						
Amount due to subsidiaries	-	-	-	10,197	11,777	8,771
Other payables	1,247	2,004	1,817	14	70	43
Accruals	620	220	292	215	145	169
	1,867	2,224	2,109	10,426	11,992	8,983
	5,897	6,001	6,360	10,426	11,992	8,983

(i) Trade payables

The normal trade credit term granted to the Group and the Company range from 30 to 90 days (30.6.2012: 30 to 90 days and 1.7.2011: 30 to 90 days).

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

21. REVENUE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Sales of pharmaceutical, cosmetics, toiletries, and other related products	34,157	30,177	-	-
Sales, hire and servicing of telecommunications equipment and electronic goods	-	7	-	-
Management fee income	-	-	378	378
	34,157	30,184	378	378

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. COST OF SALES

	Group 2013 RM'000	Group 2012 RM'000
Continuing operations		
Sales of pharmaceutical, cosmetics, toileries, and other related products	27,893	23,943
Sales, hire and servicing of telecommunications equipment and electronic goods	-	19
	27,893	23,962

23. FINANCE COSTS

	Group 2013 RM'000	Group 2012 RM'000
Bankers' acceptance interest	6	23
Bank overdraft interest	23	-
Hire purchase interest	29	44
Term loan interest	198	217
	256	284

24. PROFIT/(LOSS) BEFORE TAX

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

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
After charging:				
Audit fees:				
- statutory audit	113	60	68	18
- over accruals in prior years	-	(2)	-	-
- non-statutory audit	4	4	4	4
Bad debts written off	-	2	-	-
Depreciation	792	858	6	35
Depreciation of investment properties	375	375	-	-
Direct operating expenses arising from investment properties:				
- rental generating properties	417	323	-	-
Directors' remuneration	277	207	277	189
Employee benefits expenses	3,741	3,541	54	52
Fair value loss on derivatives	86	211	86	211
Impairment loss on trade and other receivables	42	295	367	123
Inventories written down	-	1	-	-
Loss on disposal of property, plant and equipment	22	-	-	-
Property, plant and equipment written off	20	2	#	-
Rental of office premises	155	239	19	-
Realised foreign exchange loss	36	105	-	-

24. PROFIT/(LOSS) BEFORE TAX (continued)

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
And crediting:				
Gain on disposal of property, plant and equipment	-	(132)	-	-
Impairment loss on trade and other receivables no longer required	-	-	(1,572)	(3,582)
Interest income from:				
- deposits	(387)	(284)	(341)	(274)
- other investments	(10)	(13)	(7)	(7)
Realised foreign exchange gain	(47)	-	-	-
Unrealised foreign exchange gain	-	(36)	-	-

Represented by amount less than RM1,000/-.

25. TAXATION

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Continuing operations				
Income tax				
- current year	681	691	10	41
- (over)/underprovision in prior years	(100)	-	(13)	-
	581	691	(3)	41
Deferred taxation (Note 9)				
- current year	-	(4)	-	-
- (over)/underprovision in prior years	24	12	-	-
	24	8	-	-
	605	699	(3)	41
Discontinued operation				
Income tax (Note 16)				
- current year	14	23	-	-
- (over)/underprovision in prior years	(22)	22	-	-
	(8)	45	-	-
Deferred taxation (Note 9 and Note 16)				
- current year	3,319	1,414	-	-
- (over)/underprovision in prior years	(41)	24	-	-
	3,278	1,438	-	-
	3,270	1,483	-	-
	3,875	2,182	(3)	41

The income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated taxable profit for the fiscal year.

25. TAXATION (continued)

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation:				
- continuing operations	8,486	(403)	975	3,177
- discountinued operation	4,389	5,953	-	-
	12,875	5,550	975	3,177
Tax at applicable tax rate of 25% (2012: 25%)	(3,219)	(1,388)	(244)	(794)
Tax effects arising from:				
- non-deductible expenses	(204)	(362)	(161)	(141)
- non-taxable income	3	39	395	897
- reversal of deferred tax assets not recognised in the financial statements	(41)	(6)	#	(3)
- effect of share of results of an associate	1,812	(443)	-	-
- reversal of deferred tax assets recognised no longer required	(2,390)	-	-	-
- under/(over)provision in prior years	139	(58)	13	-
- reinvestment tax allowance	25	36	-	-
	(3,875)	(2,182)	3	(41)

Represented by amount less than RM1,000/-.

26. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profits for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares in issued during the financial year.

	Group	
	2013 RM'000	2012 RM'000
Profit attributable to owners of the Company		
- continuing operations	7,532	(1,427)
- discontinued operation	1,119	4,470
	8,651	3,043
	Number of shares Unit'000	Unit'000
Weighted average number of ordinary shares in issue		
At 1st July	195,067	195,067
Add: Effect of exercise of warrants	1,214	#
At 30th June	196,281	195,067
Basic earnings per ordinary share (sen)		
- continuing operations	3.84	(0.73)
- discontinued operation	0.57	2.29

 # Represented by amount and unit less than RM1,000/- and 1,000 units respectively.

26. EARNINGS PER SHARE (continued)

(b) Diluted earnings per ordinary share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are Warrants A and Warrants B.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, arising warrants.

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are Warrants A and Warrants B.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, arising warrants.

	Group	
	2013 RM'000	2012 RM'000
Profit attributable to owners of the Company		
- continuing operations	7,532	(1,427)
- discontinued operation	1,119	4,470
	8,651	3,043
	Number of shares	
	Unit'000	Unit'000
Weighted average number of ordinary shares in issue	196,281	195,067
Add: Effect of dilution of share warrants	15,673	17,559
At 30th June	211,954	212,626
Diluted earning per share (sen)		
- continuing operations	3.55	(0.67)
- discontinued operation	0.53	2.10

27. DIRECTORS' REMUNERATION

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive Directors:				
- salaries and other emoluments	231	134	231	134
- benefits-in-kind	7	7	7	7
	238	141	238	141
Non-Executive Directors:				
- fees	39	48	39	48
- other benefits	-	18	-	-
	39	66	39	48
	277	207	277	189

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the Group and the Company or that have an interest in the Group and the Company that give it significant influence over the Group's and the Company's financial operating policies. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting power in the Group and the Company resides with, directly or indirectly.

The Company has a related party relationship with:-

(i) its subsidiaries as disclosed in Note 7 to the financial statements;

(ii) the director who are the key management personnel; and

(iii) companies in which a director of the Company has interest:-
- Goh Ban Huat Berhad;
- GBH Clay Pipes Sdn. Bhd.; and
- GBH Ceramics Sdn. Bhd..

During the financial year under review, the significant related party transactions were as follows:-

(a) Transaction with related parties

	Company	
	2013	**2012**
	RM'000	**RM'000**
Subsidiaries		
- FCW Industries Sdn. Bhd.		
Management fee income	156	156
Management fee expenses	(180)	(180)
Rental expenses	(2)	(12)
- Federal Telecommunications Sdn. Bhd.		
Management fee income	132	132
- Coscolab Sdn. Bhd.		
Management fee income	90	90

(b) Transaction with related parties in which director has interest

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Related Parties				
Administrative fee charged by:-	(2)	-	-	-
- Goh Ban Huat Berhad				
Management fee charged by:-	(81)	-	-	-
- Goh Ban Huat Berhad				
Rental fee expense charged by:-				
- Yeston Sdn. Bhd.	(24)	(143)	-	-
- Goh Ban Huat Berhad	(27)	-	(9)	-
Rental income from:				
- Goh Ban Huat Berhad	1,513	4,125	-	-
- GBH Ceramics Sdn. Bhd.	1,054	-	-	-
- GBH Clay Pipes Sdn. Bhd.	853	2,325	-	-

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Key management personnel compensation

The remuneration of key management personnel, which includes the director's remuneration, is disclosed as follows:-

	Group	
	2013 RM'000	2012 RM'000
Salaries and other related costs	495	717
Director fees	49	60
	544	777

29. CONTINGENT LIABILITIES

As at 30th June 2013, the Company are contingently liable for the followings:-

		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary	2,472	2,724	2,958
	2,472	2,724	2,958

The Group's bank guarantees are secured over certain properties as disclosed in Note 4 to the financial statements.

At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the fair value of the corporate guarantee is nil.

30. 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
Financial Assets	
Other investments	10
Investment in securities	11
Trade and other receivables	13
Derivatives	14
Financial Liabilities	
Loans and borrowings	19
Trade and other payables	20

(a) Except for the derivatives, the carrying amounts of these financial assets and liabilities are reasonable approximation of 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 therefore the fair value hierarchy is not presented.

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

30. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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.

The following summarises the methods used in determining the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair values of the hire purchase payables and term loans are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(b) 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.

(c) 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).

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Financial Asset			
Derivatives			
Level 1	-	-	-
Level 2	78	164	375
Level 3	-	-	-
	78	164	375

31. 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.

(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.

(a) Exposure to credit risk

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables recognised in the statements of financial position.

Information regarding credit enhancements for trade receivables is disclosed in Note 13 to the financial statements.

(b) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the ageing profile of its trade receivables on an on-going basis. The Group's trade receivables credit risk is concentrated in Malaysia.

The significant concentration of credit risk of the Group is disclosed in Note 13(v) to the financial statements. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the statements of financial position.

(c) Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 13 to the financial statements.

Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

(d) Financial assets that are either past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 13 to the financial statements.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit Risk (continued)

(e) Intercompany balances

The Company provides advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

(f) Financial guarantee

The Company provides unsecured financial guarantees to financial institution in respect of bank facilities granted to a subsidiary. The Company monitors on an on-going basis the results of the subsidiary and repayments made by the subsidiary.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(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.

Maturity analysis

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.

	Within 1 Year RM'000	One to Five Years RM'000	More than 5 Years RM'000	Total RM'000
Group				
Financial Liabilities				
30.6.2013				
Trade and other payables	5,897	-	-	5,897
Loans and borrowings	704	1,582	841	3,127
	6,601	1,582	841	9,024
30.6.2012				
Trade and other payables	6,001	-	-	6,001
Loans and borrowings	1,727	1,535	1,307	4,569
	7,728	1,535	1,307	10,570

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity Risk (continued)

Maturity analysis (continued)

	Within 1 Year RM'000	One to Five Years RM'000	More than 5 Years RM'000	Total RM'000
Group				
Financial Liabilities (continued)				
1.7.2011				
Trade and other payables	6,360	-	-	6,360
Loans and borrowings	1,151	1,398	1,642	4,191
	7,511	1,398	1,642	10,551
Company				
Financial Liabilities				
30.6.2013				
Trade and other payables	10,426	-	-	10,426
30.6.2012				
Trade and other payables	11,992	-	-	11,992
1.7.2011				
Trade and other payables	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's and the Company's exposure to interest rate risk arises primarily from their deposits placed with licensed banks and loans and borrowings.

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an on-going basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as the end of the reporting period was:-

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Fixed rate instruments						
Financial liabilities						
Hire purchase payables	361	621	623	-	-	-
Bankers' acceptances	293	1,224	610	-	-	-
Financial asset						
Deposits placed with licensed banks	13,049	11,105	6,114	10,360	10,900	5,920
Floating rate instruments						
Financial liability						
Floating rate bank loan	2,473	2,724	2,958	-	-	-

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest Rate Risk (continued)

The information on maturity dates and interest rate of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss and equity. Therefore, a change in interest rates at the reporting date would not affect profit or loss and equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 1% 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.

	Profit or Loss					
	30.6.2013		30.6.2012		1.7.2011	
	Increase 1% RM'000	Decrease 1% RM'000	Increase 1% RM'000	Decrease 1% RM'000	Increase 1% RM'000	Decrease 1% RM'000
Group						
Variable rate instruments	(25)	25	(27)	27	(30)	30

(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 (a currency which is other than currency of the Group entities) risk, based on carrying amounts as at the end of reporting period is as follows:-

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Denomiated in SGD			
Trade receivables	106	295	358
Denomiated in THB			
Trade payables	(586)	(329)	(694)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign Currency Risk (continued)

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of the Ringgit Malaysia against the respective foreign currencies as at the end of the reporting period would have immaterial impact on profit after tax.

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

		Group	
	30.6.2013 Increase/ (Decrease) RM'000	30.6.2012 Increase/ (Decrease) RM'000	1.7.2011 Increase/ (Decrease) RM'000
Effect on profit or loss and equity			
Singapore Dollar:			
- strengthened by 10%	11	30	36
- weakened by 10%	(11)	(30)	(36)
Thai Baht:			
- strengthened by 10%	(59)	(33)	(69)
- weakened by 10%	59	33	69

32. 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 2013.

The gearing ratio of the Group as at the end of the reporting period was as follows:-

		Group	
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Loan and borrowings	3,127	4,569	4,191
Equity attributable to the owners of the Company	147,818	138,560	135,517
Gearing ratio	2%	3%	3%

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

33. 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:-

(a) Renting of properties;

(b) Wholesale: Wholesaler and processor of pharmaceutical, cosmetics, toiletries and other related products; and

(c) Others: Investment holding and provision of management services.

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.

	Continuing Operations				Discontinued Operation		
	Wholesale RM'000	Others RM'000	Eliminations and Adjustments RM'000	Total RM'000	Renting of Properties RM'000	Note	Consolidated RM'000
30.6.2013							
Revenue:							
Sales to external customers	34,157	-	-	34,157	5,181		39,338
Intercompany sales	-	742	(742)	-	-	A	-
	34,157	742	(742)	34,157	5,181		39,338
Results:							
Depreciation of investment properties	-	-	-	-	(375)		(375)
Interest income	9	388	-	397	-		397
Interest expense	(256)	-	-	(256)	-		(256)
Depreciation of property, plant and equipment	(780)	(12)	-	(792)	-		(792)
Share of associate's results	-	7,248	-	7,248	-		7,248
Income tax expense	(609)	4	-	(605)	(3,270)		(3,875)
Other non cash expenses	(63)	(107)	-	(170)	-	B	(170)
Segment profit/(loss)	2,361	(1,123)	7,248	8,486	4,389		12,875
Assets:							
Segments assets	20,803	20,022	904	41,729	90,082		131,811
Investment in an associate	-	27,486	-	27,486	-		27,486
Deferred tax assets	-	897	-	897	-		897
Tax recoverable	-	7	-	7	-		7
Additions to property, plant and equipment	111	-	-	111	-		111
Total assets	20,914	48,412	904	70,230	90,082		160,312

33. SEGMENTAL REPORTING (continued)

	Continuing Operations				Discontinued Operation		
	Wholesale RM'000	Others RM'000	Eliminations and Adjustments RM'000	Total RM'000	Renting of Properties RM'000	Note	Consolidated RM'000
30.6.2013 (continued)							
Revenue:							
Liabilities:							
Segment liabilities	(7,509)	(530)	(985)	(9,024)	-		(9,024)
Deferred tax liabilities	(197)	(754)	-	(951)	-		(951)
Tax payable	(21)	(13)	-	(34)	-		(34)
Total liabilities	(7,727)	(1,297)	(985)	(10,009)	-		(10,009)
30.6.2012							
Revenue:							
Sales to external customers	30,176	8	-	30,184	6,651		36,835
Intercompany sales	-	762	(762)	-	-	A	-
	30,176	770	(762)	30,184	6,651		36,835
Results:							
Depreciation of investment properties	-	-	-	-	(375)		(375)
Interest income	17	280	-	297	-		297
Interest expense	(284)	-	-	(284)	-		(284)
Depreciation of property, plant and equipment	(804)	(54)	-	(858)	-		(858)
Share of associate's results	-	(1,771)	-	(1,771)	-		(1,771)
Income tax expense	(657)	(42)	-	(699)	1,483		784
Other non cash expenses	(127)	(216)	-	(343)	-	B	(343)
Segment profit/(loss)	2,309	(941)	(1,771)	(403)	5,953		5,550
Assets:							
Segments assets	20,020	13,997	3,428	37,445	90,457		127,902
Investment in an associate	-	20,238	-	20,238	-		20,238
Deferred tax assets	-	3,421	-	3,421	-		3,421
Tax recoverable	-	7	-	7	-		7
Additions to property, plant and equipment	778	2	-	780	-		780
Total assets	20,798	37,665	3,428	61,891	90,457		152,348
Liabilities:							
Segment liabilities	(8,307)	(1,961)	(302)	(10,570)	-		(10,570)
Deferred tax liabilities	(173)	-	-	(173)	-		(173)
Tax payable	(79)	(50)	-	(129)	-		(129)
Total liabilities	(8,559)	(2,011)	(302)	(10,872)	-		(10,872)

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

33. SEGMENTAL REPORTING (continued)

(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:-

	30.6.2013 RM'000	30.6.2012 RM'000
Loss/(gain) on disposal of property, plant and equipment	22	(132)
Unrealised foreign exchange gain	-	(36)
Fair value loss on derivatives	86	211
Property, plant and equipment written off	20	2
Inventories written down	-	1
Impairment loss on trade and other receivables	42	295
Bad debts written off	-	2
	170	343

Information about major customers

(i) Two major customers with revenue equal to more than 10% of Group revenue, amounts to approximately RM24,285,000/- (2012: RM25,390,000/-), arising from the wholesale segment.

(ii) A major customer with revenue equal to more than 10% of Group revenue amounting to RM1,513,000/- (2012: RM6,450,000/-), arising from sales by the discontinuing operations of renting of properties segment.

34. SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

On 19th September 2013, the Company entered into a Shareholder Agreement with IJM Land Berhad ("IJM Land") and 368 Segambut Sdn. Bhd. ("368 SSB") to regulate the relationship between the Company and IJM Land as shareholders of 368 SSB in relation to a mixed development of residential and commercial properties project on the 4 pieces of land located at Geran Mukim 335 Lot 32661 Tempat Sungai Keiu, Geran Mukim 2415 Lot 4719 Tempat 4th Mile Railway Line and Geran Mukim 1452 Lot 4722 Tempat 4th Mile, Railway Line and Geran Mukim 6242 Lot 54833 Tempat 4½ Mile Railway Line in Daerah Kuala Lumpur, Negeri Wilayah Persekutuan ("the Land").

Further on the same date, 368 SSB entered into 2 separate Sale and Purchase Agreements (SPAs) with 2 wholly-owned subsidiaries of the Company, namely Federal Telecommunications Sdn. Bhd. ("FTSB") and FCW Industries Sdn. Bhd. ("FCWI"), to acquire the Land for a cash consideration of RM187,973,520/-, upon the terms and conditions as stipulated in the SPAs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE 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 2013, into realised and unrealised profits, pursuant to the directive, is as follows:-

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Total accumulated losses of the Company and its subsidiaries:				
- Realised	(91,066)	(97,448)	(9,937)	(11,001)
- Unrealised	24	3,448	78	164
	(91,042)	(94,000)	(9,859)	(10,837)
Total share of accumulated losses from an associate:				
- Realised	(15,299)	(24,046)	-	-
- Unrealised	9,582	11,081	-	-
	(96,759)	(106,965)	(9,859)	(10,837)
Less: Consolidated adjustments	143,965	145,520	-	-
Total retained profits/(accumulated losses)	47,206	38,555	(9,859)	(10,837)

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 21 October 2013

A. SHARE CAPITAL

Authorised Share Capital	:	RM300,000,000 (600,000,000 ordinary shares of RM0.50 each)
Issued & Paid-Up Share Capital	:	RM99,541,565 (199,083,130 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	711	14,181	0.01
100 - 1,000	4,542	1,984,183	0.99
1,001 - 10,000	2,024	6,567,080	3.30
10,001 - 100,000	300	7,721,407	3.88
100,001 to less than 5% of issued shares	32	106,933,600	53.71
5% and above of issued shares	6	75,862,679	38.11
	7,615	199,083,130	100.00

C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	21,498,379	10.80
2.	Wong Chee Choon	11,261,800	5.66
3.	Puan Sri Datin Poo Choo @ Ong Poo Choi	11,200,900	5.63
4.	Ong Wee Shyong	11,094,300	5.57
5.	Gan Lock Yong @ Gan Choon Hur	10,783,300	5.42
6.	Tan Ching Ching	10,024,000	5.04
7.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	9,604,000	4.82
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	9,386,400	4.71
9.	Ong Har Hong	9,268,400	4.66
10.	Chew Boon Seng	9,266,600	4.65
11.	Chew Huat Heng	9,159,400	4.60
12.	Ong Poh Lin	9,000,000	4.52
13.	Lim Siew Sooi	8,891,700	4.47
14.	Lee Pui Inn	8,828,500	4.43
15.	Ong Wee Lieh	8,731,200	4.39
16.	How Yoke Kam	8,263,500	4.15
17.	Tan Han Chuan	6,073,800	3.05
18.	Neoh Poh Lan	4,185,600	2.10
19.	Ong Poh Geok	1,201,300	0.60

ANALYSIS OF SHAREHOLDINGS (continued)
as at 21 October 2013

C. THIRTY LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
20.	Chong Mei Kuan	783,900	0.39
21.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Yong Kang @ Wang Yong Kang	500,000	0.25
22.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	492,000	0.25
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	434,000	0.22
24.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Boon Poh	415,000	0.21
25.	Tong Kim Fatt @ Allen Tong	318,360	0.16
26.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	269,600	0.14
27.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd	242,840	0.12
28.	Hou Kok Chung	234,000	0.12
29.	Lim Soh Hong	200,000	0.10
30.	Heng Yong Kang @ Wang Yong Kang	165,400	0.08

D. SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	21,498,379	10.80
2.	Wong Chee Choon	11,261,800	5.66
3.	Puan Sri Datin Poo Choo @ Ong Poo Choi	11,200,900	5.63
4.	Ong Wee Shyong	11,094,300	5.57
5.	Gan Lock Yong @ Gan Choon Hur	10,783,300	5.42
6.	Tan Ching Ching	10,024,000	5.04

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	10.80	27,298,700	13.71

LIST OF PROPERTIES

LOCATION	DESCRIPTION	EXISTING USE / AGE OF BUILDING	TENURE	NET BOOK VALUE AS AT 30.06.2013 (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 warehouses 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/ 39 years old	Freehold	55,852,022.59	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/ 18 years old	Freehold	31,731,685.36	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, PT65497, 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/ 6 years old	Freehold	4,468,150.00	15 April 2010 (R)

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

PROXY FORM

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-Eighth Annual General Meeting ("58th 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 Friday, 20 December 2013 at 11.00 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the notice of the 58th 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		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		

CDS Account no.	
No. of Shares held	

____
Signature(s)/Seal

Signed this ________ day of ______________________, 2013.

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.

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STAMP

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

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