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FCW HOLDINGS BERHAD (3116-K)
2016 ANNUAL REPORT

FCW

FCW HOLDINGS BERHAD

[3116-K]

2016 ANNUAL REPORT

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-First Annual General Meeting of the shareholders of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 8 December 2016 at 10.30 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 2016 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**

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

   (a) Mr Lai Sze Pheng; and **Ordinary Resolution 1**

   (b) Tuan Haji Azizzuddin Bin Haji Hussein **Ordinary Resolution 2**

3. 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 3**

4. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

5. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2016. **Ordinary Resolution 5**

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

By Order of the Board

Lim Lai Sam (MAICSA No. 0877479)
Loh Poh Wah (MAICSA No. 7047338)
Tan Shien Yin (MAICSA No. 7018545)
Secretaries

Kuala Lumpur
31 October 2016

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 Share Registrar, Shareworks Sdn Bhd, No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur 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*
Dato' 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)
Dato' 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
Dato' Thor Poh Seng

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr Teh Kay Yeong
Fax: (603) 4043 6750

COMPANY SECRETARIES
Ms Lim Lai Sam (MAICSA No. 0877479)
Ms Loh Poh Wah (MAICSA No. 7047338)
Ms Tan Shien Yin (MAICSA No. 7018545)

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

FCW

FCW HOLDINGS BERHAD

- FCW INDUSTRIES SDN BHD — 100%
  - FCW ENTERPRISE SDN BHD — 100%
  - PLUSNET COMMUNICATIONS SDN BHD — 100%
  - FEDERAL TELECOMMUNICATIONS SDN BHD — 100%
    - FCW PROPERTY MANAGEMENT SDN BHD — 100%
      - COMETRON SDN BHD — 68%
      - PAGER COMMUNICATIONS SDN BHD — 100%
  - FUJIKURA FEDERAL CABLES SDN BHD — 42.54%
- COSCOLAB SDN BHD — 100%
- 368 SEGAMBUT SDN BHD — 50%

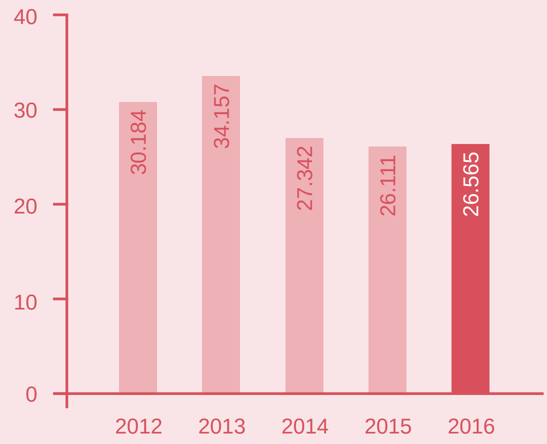
Note: Companies which are dormant or which have ceased operations are excluded.

FINANCIAL HIGHLIGHTS

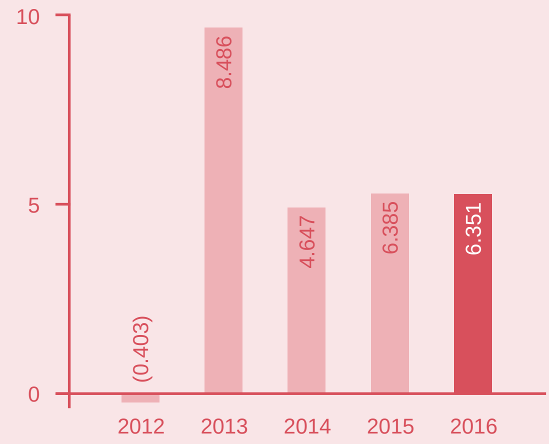
		2012 *(Restated) RM Million	2013 RM Million	2014 RM Million	2015 RM Million	2016 RM Million
Revenue		30.184	34.157	27.342	26.111	26.565
Profit /(Loss)Before Tax		(0.403)	8.486	4.647	6.385	6.351
Profit Attributable to Owners of the Company		3.043	8.651	6.869	54.053	4.412
Dividends Paid		-	-	3.750	12.500	3.751
Shareholders' Funds		138.560	147.818	177.793	218.434	219.095
Earnings Per Share Attributable to Owners of the Company (sen)	Basic	1.56	4.41	2.97	21.62	1.76
	Diluted	1.43	4.08	2.97	21.62	1.76
Net Tangible Assets per Share (sen)		71	75	71	87	88
Dividend Rate (%)		-	-	3%	10%	3%

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

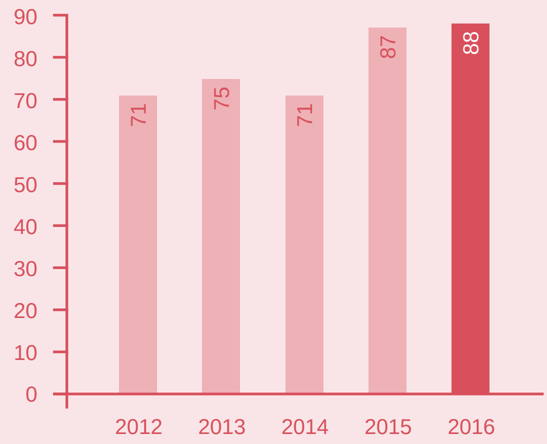
REVENUE (RM MILLION)



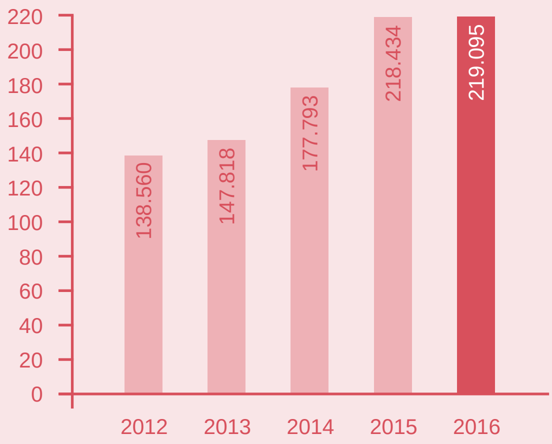
PROFIT /(LOSS) BEFORE TAX (RM MILLION)



NET TANGIBLE ASSETS PER SHARE (SEN)



SHAREHOLDERS' FUNDS (RM MILLION)



PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT

Tan Sri Dato' Tan Hua Choon

Age 75, Male, 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 built-up investments in numerous public listed companies. He is also the Chairman of the Board of Jasa Kita Berhad, JKG Land Berhad, Marco Holdings Berhad and Goh Ban Huat Berhad.

Dato' Thor Poh Seng

Age 56, Male, Malaysian

Non-Independent Non-Executive Director

Dato' 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.

Dato' Thor holds a Bachelor of Engineering degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) and a Master's degree in Business Management from the Asian Institute of Management, Philippines. He has extensive experience in corporate finance and industry. Dato' Thor has served on the Board of several public listed companies, with business activities covering a wide range of industries. He was also an ex-investment banker from CIMB Investment Bank Berhad ("CIMB") and has held senior positions in operations and finance in public listed companies prior to joining CIMB. Currently, he is also a Director of Computer Forms (Malaysia) Berhad and JKG Land Berhad.

Dato' Thor was a Board member of Jasa Kita Berhad from 1993 to 2013, GPA Holdings Berhad from 2000 to 2013, Marco Holdings Berhad from 2001 to 2013, Goh Ban Huat Berhad from 2008 to 2013, Malaysia Aica Berhad (now known as Sunsuria Berhad) from 1995 to 2014 and PDZ Holdings Bhd from 1996 to 2014.

Lai Sze Pheng

Age 55, Male, 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 U.S.A. Upon graduation, he started his career as an auditor at Ernst & Whinney Public Accountants in 1986. He joined PDL Wylex Sdn Bhd (now known as PWE Industries Bhd) which involved in the manufacturing and distribution of electrical accessories, and held various positions during the period from 1987 to 1990.

He joined Hume Industries Malaysia Berhad (A member of the Hong Leong Group) in mid 1990 and held various senior positions with the last position as Chief Operating Officer. He spent 17 years with the said group, managing a divest business in manufacturing and distribution of building materials, and has gained vast experience in both marketing and manufacturing sectors. During his tenure with Hume Industries Malaysia Berhad, he was involved in a wide range of assignment covering general management, new business development and new business set up.

In 2007, he joined Malaysian Mosaic Berhad, a company involved in the manufacturing and distribution of ceramic tiles as the Director of Sales & Marketing. Subsequently, he joined Goh Ban Huat Berhad Group as Executive Director since March 2010.

Tang Tat Chun

Age 51, Male, 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

Age 53, Male, 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.

Haji Azizzuddin Bin Haji Hussein

Age 58, Male, 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 director of A&M Realty Berhad, a property development company from 1994 to 1995. He was a State Assemblyman for the constituency of Mengkebang, Kelantan representing Barisan Nasional from 2004 to 2008. Between 2000 to 2014, Haji Azizzuddin was a Board member of GPA Holdings Berhad, Jasa Kita Berhad, Malaysia Aica Berhad (now known as Sunsuria Berhad) and JKG Land Berhad. He also sits on the Board of Marco Holdings Berhad.

Teo Ker-Wei

Age 40, Male, Malaysian

Managing Director of Coscolab Sdn Bhd

Mr Teo holds a Bachelor of Engineering (Chemical) degree from The University of Melbourne Australia and has extensive experience in the beautycare industry. He started his career as the Research & Development Chemist at Formapac Sdn Bhd (a subsidiary company of UNZA Malaysia) in 1998 before being promoted as the Laboratory Manager & Process Engineer in 2000. Mr Teo founded Coscolab Sdn Bhd ("Coscolab") in year 2002. He sold his equity stake in Coscolab to the Company in 2009 but remained his position as the Managing Director of Coscolab since then. Mr Teo is also an active member of Jabatan Sukarelawan Malaysia (RELA), where he holds the position of Superintendent (SR).

Additional Information on members of the Board and Key Senior Management

- There is no other family relationship among the Board members, the key senior management 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 key senior management and the Company.
- None of the Board members or key senior management 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

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 2016.

FINANCIAL REVIEW

For the financial year ended 30th June 2016, the Group recorded a revenue of RM26.57 million, an increase of 1.8% over the RM26.11 million registered in the previous financial year.

Despite the marginal increase in revenue, the Group recorded a reduction in profit after tax of RM4.41 million compared with RM54.05 million in the previous financial year, mainly due to the one-off gain on disposal of its assets held for sales recognised in the previous financial year.

OPERATIONS REVIEW

The contract manufacturing segment registered a revenue of RM26.57 million, representing an increase of 1.8% over the preceding financial year's revenue of RM26.11 million. The segment also registered a higher profit before tax of RM1.01 million as compared with RM0.74 million in the preceding financial year, mainly due to better overall profit margins from its product sales mix.

Our associate company, Fujikura Federal Cables Sdn Bhd, contributed a share of profit of RM0.91 million compared with a RM1.15 million loss in the preceding financial year. The improvement was maily due to lower unrealised foreign exchange loss compared with the preceding financial year.

Our joint venture company, 368 Segambut Sdn Bhd, contributed a share of loss of RM0.95 million compared with a profit of RM0.89 million in the preceding financial year. This was mainly attributed to cessation of rental income received from its property upon expiration of the tenancy agreements as the company prepares for its property development activities, as well as interest expenses incurred for its borrowings.

FUTURE DIRECTION AND PROSPECTS

FCW Holdings Berhad has a 50% stake in 368 Segambut Sdn Bhd, a property development company. Our partner in the joint venture, IJM Land Berhad, is an established property developer. Through this partnership we will leverage on our partner's experience, technical, marketing expertise and branding to make our maiden development project located in Segambut, Kuala Lumpur a success.

On the contract manufacturing front, the Group expects the segment's revenue and profitability to be sustained in the next financial year, but will strive to open up alternative revenue streams to maintain the competitiveness of this segment. To date, this segment has managed to remain competitive by exploring export markets.

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.

DIVIDENDS

A first interim single-tier dividend in respect of the financial year ended 30th June 2016, of 3% per ordinary share of RM0.50/-, amounting to RM3.75 million was declared on 17th December 2015 and paid on 5th February 2016.

The directors do not recommend the payment of final dividends in respect of the financial year ended 30th June 2016.

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.

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 Chairman of the Board plays the role of guiding and overseeing the Board to ensure that the Board practises good governance and functions effectively, and to ensure the Board fulfills its obligation set out in the Board Charter; whilst the Executive Directors are tasked to oversee the running of business and operations of the Group in fulfilling the Group's business objectives, and to ensure management and organisational effectiveness towards achieving the Group's business plans and goals. The Executive Directors communicate with the Management, delegate authorities to the Management and monitor such delegated authorities, oversee and evaluate the implementation of policies, business planning and strategies carried out by the Management.

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 with 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.

The Board as a whole is responsible for the Group's overall strategic direction and policies, reviews business proposals, oversee and ensure proper conduct of businesses, succession planning, risk management and internal controls; whilst the Management is responsible for the implementation and execution of the decisions and policies made by the Board, managing the manpower and resources and the running of day-to-day business operations.

The Code recommends that the board of directors of a public listed company should comprise of majority of independent directors where the chairman of the board is not an independent director. The Board of Directors of the Company, whose Chairman is a Non-Independent Non-Executive Director notwithstanding, is of the opinion that the element of independence which currently exists is adequate to provide assurance that there is balance of power, authority and objectivity on the Board.

The Board acknowledges the importance of Boardroom diversity, including gender, ethnicity and age. The Board considers its current composition with the mix of skills and expertise sufficient and optimum to discharge its duties and responsibilities effectively. Board members are appointed based on their experience, qualifications and suitability for the position, the Nomination Committee does not discriminate against any women candidates. The profiles of each Board member are set out in pages 7 to 9 of this Annual Report.

A. BOARD OF DIRECTORS (continued)

iii) Board Charter

The Board has formalised a Board Charter which sets out the roles and responsibilities of the Board and its committees, and serves as a general statement of intent and expectation as to how the Board will discharge its duties and responsibilities. The content of the Board Charter had been published in the Company's website at http//www.fcw.com.my.

iv) Code of Conduct

The Code of Conduct adopted by the Group describes the standards of business conduct and ethical behavior for Directors and/or employees of the Group in the performance and exercise of their duties and responsibilities. The Code of Conduct is made available on the Company's website.

v) 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, adoption of internal-audit reports, assets acquisition, considerations of major capital expenditure projects and consideration of significant financial matters, Group policies and delegated authority limits.

The Executive Directors chair the Group's management meetings wherein operational procedures 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.

vi) 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 21 to 22 of this Annual Report.

Nomination Committee

The Board's Nomination Committee, which had been established since 21 February 2002 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. The overall duties and responsibilities of the Nomination Committee are set out in its terms of reference, a copy of which is made available at the Company's website.

A. BOARD OF DIRECTORS (continued)

vi) Board Committees (continued)

Nomination Committee (continued)

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

There was one Nomination Committee meeting 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 meeting.

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) Dato' Thor Poh Seng - Non-Independent Non-Executive Director

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

vii) Supply of Information

All the Directors are provided with a set of Board papers consisting of the agenda and all other relevant materials prior to the Board Meetings or Committee Meetings in a timely manner seven days prior to the meeting(s) or any other time frame agreed with the Board when necessary, to ensure the Directors receive sufficient relevant information and to allow sufficient time for their detailed review and consideration so as to enable them to participate effectively in the Board's decisions. Board papers are comprehensively prepared covering aspects such as Group financial performance, business plans and proposals, quarterly result announcements, proposed policies and procedures, operational issues and updates on statutory regulations and requirements affecting the Group if any.

Besides, the Board would also be provided with texts of any corporate announcements to be released to Bursa Securities and kept informed of any new legislation, rules and regulations issued by the various regulatory authorities, where relevant. The Board would also be served on quarterly basis, notices relating to closed-periods for trading in the Company's shares pursuant to the MMLR.

A. BOARD OF DIRECTORS (continued)

vii) Supply of Information (continued)

Whenever necessary, members of the Management or external advisers are invited to attend Board meetings to explain and clarify matters within their competencies in order for the Board to make informed decisions.

Minutes of various Board Committees meetings duly confirmed as the correct proceedings are circulated to all Board members from time to time for their notation.

All incoming correspondences from external parties or relevant authorities addressed to the Board of Directors as a whole or specifically to any individual director but sent to the Company's registered office, are forwarded to all Board members or the respective individual director on a timely basis.

viii) Board Access to Management, Company Secretary and Independent Professional Advisers

The Directors as a full Board or in their individual capacity have access to all information relating to the Group as well as unrestricted access to the advice of the senior management and the Company Secretaries. The Directors may also engage independent professional services, at the Company's expense, where necessary.

Senior Managers are expected to provide clear and in depth information relating to the Group's business affairs whenever it is requested by the Board or its various Committees members to enable them to discharge their duties effectively to arrive at informed decisions.

The Company Secretaries are suitably qualified and are members of professional body. The Company Secretaries play a supporting role to the Board to ensure the Company's compliance with the MMLR and other rules and regulations whichever applicable to the Company. The Secretaries also ensure that adequate and accurate records of proceedings of Board meetings and circular resolutions passed are taken and maintained in the statutory books of the Company.

ix) Appointments to the Board

The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. Such process has been reviewed and adopted by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory requirements are complied with.

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.

Criteria adopted by the Nomination Committee in the selection process includes the candidate's background, qualification, skill, experience, time commitment; and whether the potential candidates have any conflict of interest with the Group or with any existing individual director.

In addition to the above, the criteria as set out in the Code and the MMLR with regard to the definition of Independence will also be considered in the case of appointment of independent directors.

x) 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)

x) 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. BDO Executive Briefing - Staying ahead on Global transfer pricing developments	Taxation
2. Focus Group Series: Corporate Governance Disclosure - "What makes good, bad and ugly Corporate Governance Reporting?"	Corporate Governance
3. Corporate Governance Breakfast Series: Future of Auditor Reporting - The Game changer for Boardroom	Corporate Governance
4. Ring the Bell for Gender Equality	Corporate Governance
5. Independent Director Programme: The Essense of Independence	Corporate Governance
6. CG Breakfast Series with Directors - "The Strategy, the Leadership, the Stakeholders and the Board"	Corporate Governance
7. CG Breakfast Series with Directors - How to maximise Internal Audit	Corporate Governance
8. Anti Money Laundering & Anti Terrorism Financing - A Client Based Focus	Financial Criminology
9. The analysis, use & abuse of Financial Statements - Analyzing Corporate Performance	Accounting
10. Today's Synergy Tomorrow Reality - MIA Conference 2015	Accounting

xi) 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.

xii) Assessment of Board Effectiveness

The Board reviews the required mix of skills, experience, time commitment, contribution (collectively and individually), integrity, and other qualities, including core competencies which the Non-Executive Directors should bring to the Board. Individual Director who is the subject of evaluation is to abstain from such deliberation.

A formal performance evaluation is carried out on the Board as a whole, Board Committees and Individual Directors on an annual basis. The Nomination Committee sets out all the criteria of assessment in the prescribed forms designed to fulfill the respective objectives of the evaluation.

A. BOARD OF DIRECTORS (continued)

xii) Assessment of Board Effectiveness (continued)

Effectiveness of the Board is assessed based on its size and structure, mix of skills, experience and qualities, effectiveness of Board meetings, frequency of Board meetings and other considerations.

In addition to the criteria above, other criteria such as nature and extent of the functions performed are also taken into consideration in assessing the effectiveness of the Board Committees.

Performance of individual directors is assessed based on their character, experience, level of integrity, core competencies, contributions towards Board deliberations and various meetings held and whether they have contributed sufficient time to effectively discharge their duties and responsibilities. The Executive Directors, particularly, are assessed further on their contribution towards the Group's business development and growth, their leadership and management skills, and results on any specific areas which the Executive Directors are expected to achieve.

The collective view based on ratings given by the members of Nomination Committee together with the minutes of the Nomination Committee will be tabled to the Board for notation and further consideration.

xiii) Reinforce Independence

The Board reviews the element of independence amongst its Independent Directors annually, albeit its Independent Directors fulfill the test of independence as set out in the MMLR. The Board also ensure the acts of its Independent Directors have indeed given effect to the spirit, intention and purpose of the definition of independence.

During the financial year, the Board had conducted separate assessments on the two Independent Directors of the Company and concluded that each of them had continued to fulfill the test of independence as set out in the MMLR. The Board affirms that each of the Independent Directors had exercised due care in discharging their responsibilities and had demonstrated independent judgement and brought objective and constructive views to Board deliberations and decision making. The Board is satisfied with the level of independence demonstrated by the two Independent Directors.

The Board noted the point for independent directors to serve for not more than nine years as recommended by the Code. In the case of the Company, none of the independent directors has served for more than 9 years. Notwithstanding, the Board does not fix a term limit for its Independent Directors as the Board assesses the level of independence of such Directors based on the perceived credentials and ability of them to serve independently and effectively in the best interest of the shareholders rather than the length of their service tenure with the Company.

B. DIRECTORS' REMUNERATION

i) Level and make-up

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

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

B. DIRECTORS' REMUNERATION (continued)

ii) Procedure

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

iii) Disclosure

The details of Directors' remuneration payable to all the Directors of the Company who served during the financial year ended 30th June 2016 (including the remuneration for services rendered to the Group) are as follows:-

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

Category of Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
(a) Fees	-	156,000	156,000
(b) Salaries and other emoluments	589,156	2,000	591,156
(c) Estimated value of benefits-in-kind	9,000	-	9,000
Total	**598,156**	**158,000**	**756,156**

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

Band (RM)	No. of Executive Directors	No. of Non-Executive Directors	Total
1 – 50,000	-	3	3
50,001 – 100,000	-	-	-
100,001 – 150,000	-	1	1
150,001 – 200,000	-	-	-
200,001 – 250,000	1	-	1
250,001 – 300,000	-	-	-
300,001 – 350,000	1	-	1
Total	**2**	**4**	**6**

Note: None of the Directors of the Company has received remuneration from any of the subsidiary companies.

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)

i) Dialogue between Company and Investors (continued)

The Board is committed in ensuring that any public disclosures regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent and broadly disseminated.

The Board is also committed to uphold the value of transparent, consistent and coherent communications with investors taking into considerations of commercial confidentiality and compliance with disclosure obligations as required under the MMLR as well as other regulatory requirements.

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 at http//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 overseeing the information for public disclosure so as to ensure accuracy, adequacy and completeness as well as giving a true and fair view of the state of affairs of the Group, which includes 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 adopted them.

A statement by Directors of their responsibilities in preparing the financial statements is set out in page 88 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 23 to 24 of this Annual Report.

D. ACCOUNTABILITY AND AUDIT (continued)

iii) Relationship with External Auditors

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

The Board's Audit Committee would assist to monitor the suitability and independence of the External Auditors. In this regard, the External Auditors had confirmed that they had been independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

The External Auditors are appointed to hold office until the conclusion of the next AGM following their appointment, and will be subjected to re-appointment by the Shareholders at the said AGM. The External Auditors of the Group have been re-appointed for four consecutive years, and they have indicated their willingness and consent to accept re-appointment as Auditors of the Company at this AGM.

The External Auditors can also be engaged by the Company to perform non-audit services at a fee to be agreed upon from time to time, which services are not perceived to have any conflict with their role as the Group's External Auditors.

The External Auditors are available at the AGM to answer the Shareholders' questions with regards to the financials and contents of the audit report.

The role of the Audit Committee and its relationship with the External Auditors is set out in pages 21 to 22 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 has developed and established occupational safety and health practices to ensure a safe work place environment for our employees, customers and neighbours.

All staff, regardless of age, gender, race, religious background or marital status, are entitled to equal opportunities in the workplace and within the organisation.

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 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 a water treatment company 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.

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

iii. Training/ Staff functions

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

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.

Our associate company, Fujikura Federal Cables Sdn Bhd ("FFC"), participated in a dialogue with the Special Police Unit's Police Chief on security and safety requirements in the Mak Mandin area on 19th November 2015.

FFC had also conducted a study tour for 40 students from Engineering Department of the Universiti Sains Malaysia.

F. ADDITIONAL COMPLIANCE INFORMATION

1. Audit Fee

The Company incurred audit fee payable to the external auditors of RM78,500 for the financial year ended 30th June 2016. Such audit fee includes fee payable to the external auditors for their review of the financial statements of Fujikura Federal Cables Sdn Bhd and 368 Segambut Sdn Bhd, which were audited by other auditors. On Group basis, the total audit fee payable amounted to RM130,000.

2. Non Audit Fee

Non-audit fee payable to the external auditors and a firm affiliated with the external auditors by the Company and the Group amounted to RM9,100 and RM36,450 respectively.

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 30th June 2016, 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 had been established since 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
Dato' Thor Poh Seng	Member	Non-Independent Non-Executive Director
Haji Azizzuddin Bin Haji Hussein	Member	Independent Non-Executive Director

MEETINGS

The Audit Committee held four meetings during the financial year ended 30 June 2016 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.

SUMMARY OF WORK

During the financial year ended 30 June 2016, the Audit Committee had carried out work in accordance with its terms of reference, which are summarised as follows:-

1. Reviewed the audited financial statements of the Group for the financial year ended 30 June 2015, 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 for adoption and onwards announcement to Bursa Securities;

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 internal audit findings and actions to be taken to improve the systems of internal control on the areas concerned;

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

5. Reviewed the financial statements of the Group with the external auditors for the financial year ended 30 June 2015, including the significant audit findings and accounting matters and the manner in which they have been resolved by the management so as to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval of submission to Bursa Malaysia Securities Berhad and Securities Commission and for the presentation to the Shareholders;

SUMMARY OF WORK (continued)

6. Reviewed for any provisions, write-offs and capital expenditures required to be made during each quarter of the financial year;

7. Reviewed the inter-company transactions and any related/interested party transactions that may arise within the Company and the Group to ensure compliance with approved accounting standards and disclosure requirements, MMLR and requirements of other relevant authorities;

8. Met with the external auditors without the presence of the Executive Directors and management team on 25 August 2015 and 25 May 2016 to discuss on matters relating to integrity of management and financial reporting. The Audit Committee had during the discussions, confirmed with the External Auditors that there had been no issue of any fraud nor suspected fraud affecting the Group that had come to the knowledge of the Audit Committee;

9. Reviewed the external audit planning in respect of the Group's audit exercise for the financial year ended 30 June 2016; and

10. Reviewed the Group Budget for the financial year ended 30 June 2016.

INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function to an internal audit consultancy company which assists 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 2016 was RM72,000.00. The activity of the internal audit function is detailed in the Statement on Risk Management & Internal Control on pages 23 to 24 of this Annual Report.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

In compliance with Paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements and the "Statement on Risk Management & Internal Control - Guidelines for Directors of Public Listed Issuers", the Board is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2016.

1. Board's Responsibility

The Board recognizes its overall responsibility for the adequacy and effectiveness of the risk management framework and system of internal controls within the Group. However, the Board is equally aware that such systems and processes 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.

The Board, through its Audit Committee, reviews the adequacy and effectiveness of the risk management and internal control system in relation to the internal audits conducted. The internal audit observations, together with Management's response and propose action plans are presented to the Audit Committee on a quarterly basis. In addition, the review of the internal audit reports is part of the agenda of the Board meeting.

2. Risk Management Framework

The Group adopts an enterprise wide risk management approach and all the active businesses of the companies within the Group are considered and categorized 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 identification and evaluation process

The risks are identified through a series of interviews and discussions with the key personnel and management of the Group. The risk identification process includes consideration of both internal and external environmental factors. External environmental factors include economic and political changes, changes in the behavior of competitors, new regulations or legislations and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures. Next, the risks identified are evaluated by examining the potential ***impact*** on the Group if a risk was to crystallize as well as the ***likelihood*** of occurrence. The risk levels rated *low*, *medium* and *high* and are determined according to the Risk Analysis Matrix. The risks are also classified into four categories according to their potential impact on the Group:

- Business Risks
- Strategic Risks
- Operational Risks
- Financial Risks

Risk adoption and monitoring process

All the risk identified are documented into a "Business Risk Profile". The Business Risk Profile of the Group is updated on an ongoing basis and approved by the Board.

The Business Risk Profile serves as a tool for the heads of department/business unit for managing key risks applicable to their areas of business. All key risks and issues are regularly reviewed and resolved by the Management team at regular meeting. Through these mechanisms, key risks identified in the Business Risk Profile are assessed in a timely manner and control procedures or mitigating factors are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

The Internal Audit Function reviews the effectiveness and adequacy of control procedures adopted by the Group on a regular basis in mitigating the key risks identified in the Business Risk Profile. Any weaknesses noted during the review are reported to the Audit Committee. Through these mechanisms, the Audit Committee can be assured that the key risks of the Group are regularly reviewed and appropriately managed to an acceptable level.

3. System of 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:

- The Group has an appropriate organizational structure for planning, executing, controlling and monitoring business operations in order to achieve the Group's business objectives;
- Management has clear responsibility for identifying and evaluating the risks of their business and implementing procedures to mitigate and monitor such risks. In addition, issues are identified, discussed and resolved at management meetings within the Group, and where necessary, these are reviewed and reported to the Audit Committee;
- Clearly documented internal policies are set out in a set of Standard Operating Procedures, covering key business processes of the Group. The Standard Operating Procedures are subject to regular reviews, enhancement and improvement;
- 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 reviewed on monthly basis by the Chairman, Executive Directors and senior management for effective monitoring and decision-making;
- Monthly management reports are also submitted by major associates and subsidiaries to management to monitor financial and operational performance;
- The Executive Directors review with the Audit Committee on financial performance and all significant issues pertinent to the Group on quarterly basis;
- There is a detailed and comprehensive budgeting process for monitoring monthly performance against the budget. The budget is submitted to the Executive Directors 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;
- The Group engages the services of an internal audit function which provides independent assurance on the adequacy and effectiveness of the Group's system of internal controls and advise the Management on areas for improvement; and
- 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.

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 that to the best of their knowledge the risk management and internal control system of the Group are operating adequately and effectively, in all material respects, based on the risk management and internal control described above.

5. Review of the Statement by External Auditors

The external auditors, Messrs Baker Tilly Monteiro Heng, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30th June 2016 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30th June 2016.

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 8 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	4,409	5,418
Profit for the year attributable to:		
Owners of the Company	4,412	5,418
Non-controlling interests	(3)	-
	4,409	5,418

DIVIDENDS

A first interim single-tier dividend in respect of the financial year ended 30th June 2016, of 3% per ordinary share of RM0.50/-, amounting to RM3,750,912/- each have been declared on 17th December 2015 and paid on 5th February 2016.

The directors do not recommend the payment of final dividends in respect of the financial year ended 30th June 2016.

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

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

CURRENT ASSETS

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

CURRENT ASSETS (continued)

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS

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

Tan Sri Dato' Tan Hua Choon
Dato' Thor Poh Seng
Tang Tat Chun
Lai Sze Pheng
Teh Kay Yeong
Haji Azizzuddin Bin Haji Hussein

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 2016 are as follows:

	Number of ordinary shares of RM0.50/- each			
	At 1.7.2015	**Acquired**	**Disposed**	**At 30.6.2016**
The Company:				
Tan Sri Dato' Tan Hua Choon				
- Direct interest	27,869,377	-	-	27,869,377
- Indirect interest	35,498,308	-	-	35,498,308

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 as disclosed in Note 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

AUDITORS

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

On behalf of the Board,

....

TAN SRI DATO' TAN HUA CHOON
Director

....

TANG TAT CHUN
Director

Kuala Lumpur

Date: 4th October 2016

STATEMENTS OF FINANCIAL POSITION
as at 30th June 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	4,956	5,441	112	160
Investment property	6	3,100	3,100	-	-
Goodwill on consolidation	7	1,726	1,726	-	-
Investment in subsidiaries	8	-	-	17,243	17,243
Investment in an associate	9	30,809	29,899	-	-
Investment in a joint venture	10	-	-	250	250
Other investments	11	131	10,127	-	10,000
Investment in securities	12	-	-	-	-
		40,722	50,293	17,605	27,653
Current assets					
Inventories	13	4,661	4,516	-	-
Trade and other receivables	14	56,751	37,274	55,701	35,233
Tax recoverable		68	422	-	198
Derivatives	15	-	-	-	-
Cash and bank balances	16	174,051	180,711	66,229	73,982
		235,531	222,923	121,930	109,413
TOTAL ASSETS		276,253	273,216	139,535	137,066
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	124,997	124,997	124,997	124,997
Reserves	18	1,559	1,559	-	-
Retained profits/ (Accumulated losses)		92,539	91,878	(7,267)	(8,934)
		219,095	218,434	117,730	116,063
Non-controlling interests		(14)	(11)	-	-
TOTAL EQUITY		219,081	218,423	117,730	116,063
Non-current liabilities					
Loans and borrowings	19	1,272	1,636	-	-
Deferred tax liabilities	20	196	472	-	-
Deferred income	21	48,472	47,824	-	-
		49,940	49,932	-	-
Current liabilities					
Trade and other payables	22	5,994	3,932	21,508	21,003
Loan and borrowings	19	359	378	-	-
Tax payable		879	551	297	-
		7,232	4,861	21,805	21,003
TOTAL LIABILITIES		57,172	54,793	21,805	21,003
TOTAL EQUITY AND LIABILITIES		276,253	273,216	139,535	137,066

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 30th June 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
CONTINUING OPERATIONS					
Revenue	23	26,565	26,111	3,841	13,336
Cost of sales	24	(21,627)	(21,674)	-	-
Gross profit		4,938	4,437	3,841	13,336
Other income		7,680	8,389	4,480	1,650
Administrative expenses		(1,847)	(1,857)	(1,849)	(1,450)
Selling and distribution expenses		(167)	(176)	(164)	(173)
Other expenses		(4,073)	(3,974)	-	-
Operating profit		6,531	6,819	6,308	13,363
Finance costs	25	(142)	(170)	-	-
Share of results of an associate		910	(1,149)	-	-
Share of results of a joint venture		(948)	885	-	-
Profit before taxation	26	6,351	6,385	6,308	13,363
Income tax expenses	27	(1,942)	(1,566)	(890)	-
Profit from continuing operations		4,409	4,819	5,418	13,363
DISCONTINUED OPERATION					
Profit from discontinued operation, net of tax	28	-	49,231	-	-
Profit for the financial year		4,409	54,050	5,418	13,363
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		4,409	54,050	5,418	13,363
Profit attributable to:					
Owners of the Company		4,412	54,053	5,418	13,363
Non-controlling interests		(3)	(3)	-	-
		4,409	54,050	5,418	13,363
Total comprehensive income attributable to:					
Owners of the Company		4,412	54,053	5,418	13,363
Non-controlling interests		(3)	(3)	-	-
		4,409	54,050	5,418	13,363
Earnings per share attributable to owners of the Parent (sen):					
Basic, earnings per ordinary share (sen)	29(a)				
- continuing operations		1.76	1.93		
- discontinued operation		-	19.69		
Diluted, earnings per ordinary share (sen)	29(b)				
- continuing operations		1.76	1.93		
- discontinued operation		-	19.69		

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 30th June 2016

	Note	Share Capital RM'000	Capital Reserve RM'000	Premium Paid on Acquisition of Minority Interest RM'000	Distributable- Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total RM'000
		← Attributable to owners of the Company →						
Group								
At at 1st July 2014		124,997	2,704	(233)	50,325	177,793	2,803	180,596
Acquired shares of a subsidiary from its non-controlling interest		-	-	(912)	-	(912)	(2,811)	(3,723)
Dividend paid	37	-	-	-	(12,500)	(12,500)	-	(12,500)
Profit for the financial year		-	-	-	54,053	54,053	(3)	54,050
At 30th June 2015		124,997	2,704	(1,145)	91,878	218,434	(11)	218,423
Dividend paid	37	-	-	-	(3,751)	(3,751)	-	(3,751)
Profit for the financial year		-	-	-	4,412	4,412	(3)	4,409
At 30th June 2016		124,997	2,704	(1,145)	92,539	219,095	(14)	219,081

	Noted	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
Company				
At at 1st July 2014		124,997	(9,797)	115,200
Dividend paid	37	-	(12,500)	(12,500)
Profit for the financial year		-	13,363	13,363
At 30th June 2015		124,997	(8,934)	116,063
Dividend paid	37	-	(3,751)	(3,751)
Profit for the financial year		-	5,418	5,418
At 30th June 2016		124,997	(7,267)	117,730

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

STATEMENTS OF CASH FLOWS
for the financial year ended 30th June 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax				
- continuing operations	6,351	6,385	6,308	13,363
- discontinued operation	-	49,583	-	-
	6,351	55,968	6,308	13,363
Adjustments for:				
Bad debts written off	255	337	-	-
Depreciation of property, plant and equipment	551	656	48	48
Gain on disposal of:				
- non-current assets held for sale	-	(48,946)	-	-
- other investments	-	(2,300)	-	-
(Reversal of)/Impairment loss on trade and other receivables	(255)	(337)	116	21
Interest expense:				
- hire purchases	3	8	-	-
- term loans	139	162	-	-
Interest income:				
- deposits	(6,394)	(5,640)	(2,628)	(1,650)
- joint venture	(926)	-	(1,851)	-
- other investments	(4)	(3)	-	-
Inventories written down	-	7	-	-
Impairment on slow moving stock	134	-	-	-
Reversal of fair value on derivatives	-	194	-	194
Share of results of:				
- an associate	(910)	1,149	-	-
- a joint venture	948	(885)	-	-
Unrealised (gain)/loss on foreign exchanges	(58)	70	-	-
Operating cash flows before changes in working capital	(166)	440	1,993	11,976
Changes in working capital:				
Inventories	(279)	163	-	-
Receivables	675	(802)	(388)	90
Payables	894	(21,673)	(9)	(14)
Net cash flows from operations	1,124	(21,872)	1,596	12,052
Interest received	6,394	5,640	2,628	1,447
Interest paid	(142)	(170)	-	-
Tax paid	(1,536)	(1,780)	(395)	(158)
Net Operating Cash Flows	5,840	(18,182)	3,829	13,341

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in subsidiaries' balances	-	-	469	9,522
Advances to a joint venture	(18,300)	(19,200)	(18,300)	(19,200)
Placement of deposits with licensed banks	(13,164)	-	(2,187)	-
Purchase of additional shares of subsidiary	-	(3,723)	-	(3,723)
Purchase of property, plant and equipment	(66)	(76)	-	-
Proceeds from disposal of:				
- unquoted shares	-	2,300	-	-
- investment in securities	-	262	-	262
Investment in:				
- long term fund investment	-	(10,000)	-	(10,000)
Discontinued operations:				
- proceeds from disposal of non-current assets held for sale	-	187,974	-	-
- tax paid on gain on disposal	-	(188)	-	-
Net Investing Cash Flows	(31,530)	157,349	(20,018)	(23,139)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(3,751)	(12,500)	(3,751)	(12,500)
Redemption of preference shares	-	-	-	72,000
Repayment of:				
- hire purchase payables	(73)	(110)	-	-
- term loans	(310)	(289)	-	-
Net Financing Cash Flows	(4,134)	(12,899)	(3,751)	59,500
NET CHANGES IN CASH AND CASH EQUIVALENTS	(29,824)	126,268	(19,940)	49,702
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	180,711	54,443	73,982	24,280
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	150,887	180,711	54,042	73,982
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	8,190	38,640	487	19,268
Deposits placed with licensed bank	165,861	142,071	65,742	54,714
	174,051	180,711	66,229	73,982
Less: Non short term fixed deposits	(23,164)	-	(12,187)	-
	150,887	180,711	54,042	73,982

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

1. CORPORATE INFORMATION

The principal activities of the Company during the financial year were investment holding and providing management services. The principal activities of its subsidiaries are disclosed in Note 8 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 13A & 15, Blok A, Tingkat 3, 10 Boulevard, Jalan Cempaka, Kampung Sungai Kayu Ara, PJU 6A, 47400 Petaling Jaya, Selangor, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 4th October 2016.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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.

2.2 New MFRSs and Amendments/Improvements to MFRSs

(a) Adoption of Amendments/Improvements to MFRSs

The Group and the Company had adopted the amendments/improvements to MFRSs that are mandatory for the current financial year.

The adoption of the amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") 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 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments/Improvements to MFRSs		
MFRS 2	Share-based Payment	1 January 2018
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016

2. BASIS OF PREPARATION (continued)

2.2 New MFRSs and Amendments/Improvements to MFRSs (continued)

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Amendments/Improvements to MFRSs (continued)

MFRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 107	Statement of Cash Flows	1 January 2017
MFRS 112	Income Taxes	1 January 2017
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate financial statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 141	Agriculture	1 January 2016

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

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

2. BASIS OF PREPARATION (continued)

2.2 New MFRSs and Amendments/Improvements to MFRSs (continued)

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

2. BASIS OF PREPARATION (continued)

2.2 New MFRSs and Amendments/Improvements to MFRSs (continued)

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures (continued)

- Exemption from presenting consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

- Consolidation of intermediate investment entities: the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 107 Statement of Cash Flows

Amendments to MFRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more that their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

2. BASIS OF PREPARATION (continued)

2.2 New MFRSs and Amendments/Improvements to MFRSs (continued)

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

2.3 Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.4 Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.5 Use of Estimates and Judgement

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 judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement 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 that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 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 3.5 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.

3.2 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group remains control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The transaction costs of the investments shall be recognised as expense in the profit or loss in the period in which the costs are incurred.

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 3.15 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3.4 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.

3.5 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 3.15 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Goodwill on Consolidation (continued)

(ii) Acquisition on or after 1st January 2011 (continued)

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.

3.6 Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.7 Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Joint arrangements (continued)

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

When the Group's investment in joint venture is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its shares of the profits equals the share of losses not recognised.

3.8 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 3.15 to the financial statements.

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

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

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

Depreciation of other 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%

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 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 impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15 to the financial statements.

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

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 Note 3.8 to the financial statements up to the date of change in use.

3.10 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.

3.11 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial Instruments (continued)

(i) Financial Assets (continued)

Financial assets at fair value through profit or loss (continued)

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial Instruments (continued)

(ii) Financial Liabilities (continued)

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 recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(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.

(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 expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

3.12 Cash and Cash Equivalents

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Income Tax

(i) Income Tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current Tax

Income tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Income Tax (continued)

(ii) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.14 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.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of Assets (Continued)

(i) Impairment of Financial Assets (Continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Deferred Income

The Group recognises the portion of the unrealised profit arising from transactions with joint venture as a reduction in investment in joint venture. Any unabsorbed remaining portion exceeding the carrying value of the investment in joint venture will be recognised as deferred income.

The deferred income balance will be realised and recognised in the profit or loss when the assets are being realised through sale.

3.17 Revenue and Other Income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and other income can be reliably measured.

The following specific recognition criteria must also be met before revenue and other income 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) Rental Income

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

(iii) Interest Income

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

(iv) Management Fees

Management fees are recognised when services are rendered.

(v) Dividend Income

Dividend income is recognised when the right to receive payment is established.

3.18 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.

3.19 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Employee Benefits (continued)

(ii) Defined contribution plans

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.

3.20 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to those assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred. The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Any upfront lease payments are classified as land use rights within intangible assets.

(b) Lessor accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease.

Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 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.

3.22 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. Operating segment 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 36 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.23 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(i) Useful lives of property, plant and equipment (Note 5)

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 (Note 5)

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 (Note 7)

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 2016 is disclosed in Note 7 to the financial statements.

(iv) Impairment of investment in subsidiaries and associate (Note 8 and 9)

The Group reviews the investment in subsidiaries and associate for impairment when there is an indication of impairment. The Group and 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 management 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.

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.

(v) Allowance for impairment of receivables (Note 14)

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.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM'000	Buildings RM'000	Plant and Machineries RM'000	Motor Vechicles RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Total RM'000
Group							
2016							
Cost							
At 1st July 2015	2,100	2,400	2,329	791	1,446	388	9.454
Additions	-	-	26	-	12	28	66
Disposals	-	-	-	-	-	(3)	(3)
At 30th June 2016	2,100	2,400	2,355	791	1,458	413	9,517
Accumulated Depreciation							
At 1st July 2015	-	307	1,963	542	860	341	4,013
Depreciation for the financial year	-	55	180	133	164	19	551
Disposals	-	-	-	-	-	(3)	(3)
At 30th June 2016	-	362	2,143	675	1,024	357	4,561
Carrying Amount							
At 30th June 2016	2,100	2,038	212	116	434	56	4,956

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold Land RM'000	Buildings RM'000	Plant and Machineries RM'000	Motor Vechicles RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Total RM'000
Group							
2015							
Cost							
At 1st July 2014	2,100	2,400	2,283	791	1,441	363	9,378
Additions	-	-	46	-	5	25	76
At 30th June 2015	2,100	2,400	2,329	791	1,446	388	9,454
Accumulated Depreciation							
At 1st July 2014	-	252	1,720	376	697	312	3,357
Depreciation for the financial year	-	55	243	166	163	29	656
At 30th June 2015	-	307	1,963	542	860	341	4,013
Carrying Amount							
At 30th June 2015	2,100	2,093	366	249	586	47	5,441

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	2016 RM'000	2015 RM'000
Company		
Motor Vehicles		
Cost		
At 1st July/30th June	240	240
Accumulated Depreciation		
At 1st July	80	32
Depreciation for the financial year	48	48
At 30th June	128	80
Carrying Amount		
At 30th June	112	160

(i) The freehold land and buildings of the Group at the carrying amount of RM4.138 million (2015: RM4.193 million) are pledged 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:-

	2016 RM'000	2015 RM'000
Plant and machineries	-	67
Motor vehicles	1	85
	1	152

6. INVESTMENT PROPERTY

	Group	
	2016 RM'000	2015 RM'000
At Cost		
At 1st July/30th June	3,100	3,100

During the financial year, the direct operating expenses arising from investment property that did not generate rental income amounted to RM10,786/- (2015: RM7,637/-).

6. INVESTMENT PROPERTY (continued)

Fair value information

Fair value of investment property is categorised as follow:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2016	-	3,500	-	3,500
2015	-	3,200	-	3,200

(i) Level 1: Quoted prices (unadjusted) in active markets for identical investment property that the entity can access at the measurement date.

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3: Inputs for the investment property that is not based on observable market data (unobservable inputs).

The fair value for the investment property of the Group amounting to approximately RM3.5 million is based on valuation performed by independent valuer using the market value method of valuation.

7. GOODWILL ON CONSOLIDATION

	Group	
	2016 RM'000	2015 RM'000
At Cost - Wholesale segment		
At 1st July/30th June	1,726	1,726

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that since all the CGU's are to be held on a long term basis, value in use would best reflect its recoverable amount. 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 2017 to financial year 2021 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 9.9% discount rate is pre-tax used based on the weighted average cost of capital of the Company.

The values assigned to the above key assumptions represent Directors' 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, Directors believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the cash-generating units ("CGUs") to exceed its recoverable amounts.

8. INVESTMENT IN SUBSIDIARIES

	Company 2016 RM'000	Company 2015 RM'000
Unquoted shares, at cost		
At 1st July	213,571	281,847
Redemption of preference shares	-	(72,000)
Purchase of shares from a subsidiary	-	3,724
At 30th June	213,571	213,571
Less: Accumulated impairment losses		
At 1st July/30th June	196,328	196,328
Carrying Amount		
At 30th June	17,243	17,243

(a) The equity interest in the subsidiaries which are all incorporated in Malaysia and their respective principle activities are as follows:

Name of Companies	Proportion Ownership Interest/Voting Rights 2016 %	Proportion Ownership Interest/Voting Rights 2015 %	Principal Activities
FCW Industries Sdn. Bhd.	100	100	Investment holding, provision of management services, and renting of properties.
Coscolab Sdn. Bhd.	100	100	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	Property investment.
FCW Housing and Realty Development Sdn. Bhd.	100	100	Property development - dormant.
Federal Telecommunications Sdn. Bhd.	100	100	Renting of properties
United Malaysian Steel Mills Berhad	77	77	Manufacturing and trading of steel products - dormant.
FT Spares & Services Sdn. Bhd.	100	100	Servicing of telecommunications equipment - dormant.
Plusnet Communications Sdn. Bhd.	100	100	Retailing of telecommunications equipment - dormant.

8. INVESTMENT IN SUBSIDIARIES (continued)

Name of Companies	Proportion Ownership Interest/Voting Rights 2016 %	2015 %	Principal Activities
Subsidiaries of Federal Telecommunications Sdn. Bhd.			
FCW Property Management Sdn. Bhd.	100	100	Property management.
Pedoman Jitu Sdn. Bhd.	100	100	Trading of telecommunications equipment - dormant.
Subsidiaries of FCW Property Management Sdn. Bhd.			
Pager Communications Sdn. Bhd.	100	100	Renting of communication access - dormant.
Ultra Matrix Sdn. Bhd	100	100	Investment holding - dormant.
Cometron Sdn. Bhd.	68	68	Sale and hire of telecommunications equipment and electronic goods and the provision of paging services - dormant.

(b) The Group does not have any material non-controlling interests.

(c) In previous financial year, the Company acquired the remaining 20% of equity interest in Coscolab Sdn. Bhd. (“Coscolab”) for a purchase consideration amounting to RM3,723,969/- which was settled by cash. Coscolab became a wholly owned subsidiary of the Company upon the acquisition.

9. INVESTMENT IN AN ASSOCIATE

	Group 2016 RM’000	2015 RM’000
At Cost		
Unquoted shares	32,365	32,365
Share of post-acquisition reserves	6,599	5,689
At 30th June	38,964	38,054
Less: Accumulated impairment losses		
At 1st July/30th June	(8,155)	(8,155)
Carrying Amount		
At 30th June	30,809	29,899

9. INVESTMENT IN AN ASSOCIATE (continued)

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

Name of Associate	Principal Place of Business	Effective Equity Interest Held 2016 %	2015 %	Principal Activities
Held by FCW Industries Sdn. Bhd.				
Fujikura Federal Cables Sdn. Bhd. *	Malaysia	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 associate not adjusted for the proportion of ownership interest held by the Group is as follow:

	Group 2016 RM'000	Group 2015 RM'000
As at 30th June		
Non-current assets	45,828	47,538
Current assets	121,018	121,135
Current liabilities	(94,422)	(98,389)
	72,424	70,284
For the Financial Year Ended 30th June		
Revenue	367,521	266,538
Expenses including finance cost and tax expenses	(365,382)	(269,239)
Profit/(Loss) for the financial year	2,139	(2,701)

10. INVESTMENT IN A JOINT VENTURE

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Unquoted shares, at cost				
At 1st July	-	237	250	250
Share of post-acquisition reserves	(1,226)	885	-	-
	(1,226)	1,122	250	250
Share of unrealised gain of disposal to joint venture	-	(1,122)	-	-
Obligation under joint venture (Note 22)	1,226	-	-	-
At 30th June	-	-	250	250

10. INVESTMENT IN A JOINT VENTURE (continued)

Investment in a joint venture represents investment in 368 Segambut Sdn. Bhd. ("368 SSB") which is principally engaged in the property development activities in Malaysia.

The summarised financial information of joint venture not adjusted for the proportion of ownership interest held by the Group is as follow:

	Group	
	2016	**2015**
Percentage of ownership interest	50%	50%
Percentage of voting interest	50%	50%
	RM'000	**RM'000**
As at 30th June		
Non-current assets	193,807	194,512
Current assets	54,728	17,086
Non current liabilities	(149,403)	(150,000)
Current liabilities	(99,316)	(59,353)
Cash and cash equivalents	16,159	9,928
Year ended 30th June		
(Loss)/Profit for the financial year/ Total comprehensive profit	(2,451)	1,770
Reconciliation of net assets to carrying amount As at 30th June		
Group's share of net assets/(liabilities) carrying amount	(22,294)	(21,134)
Group's share of results Year ended 30th June		
Group's share of (loss)/profit/ Total comprehensive (loss)/profit/	(948)	885

11. OTHER INVESTMENTS

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Unquoted shares, at cost	20	5,626	-	-
Disposal	-	(5,606)	-	-
	20	20	-	-
Less: Accumulated impairment loss	20	5,626	-	-
Disposal	-	(5,606)	-	-
	20	20	-	-
	-	-	-	-
Cash management fund	131	127	-	-
Long term fixed deposit with licensed bank	-	10,000	-	10,000
	131	10,127	-	10,000

11. OTHER INVESTMENTS (continued)

(a) The details of other investments are as follows:

Name of Associate	Country of Incorporation	Effective Equity Interest Held 2016 %	Effective Equity Interest Held 2015 %	Principal Activities
Held by FCW Industries Sdn. Bhd.				
Ghamal Industries Company Limited	Ghana	27.50	27.50	Design, supply, installation, testing and commissiong of the Copper Subcribes and access network in Ghana - dormant.

The 27.50% equity interest is classified as other investment as the Group does not have significant influence on the investment due to the absence of board representation.

(b) The interest rate of the long term fixed deposit with licensed bank as at the reporting date of the Company is 4.00% per annum with a maturity period of 24 months.

(c) In the previous financial year, the Company had disposed its unquoted shares held in Federal Power Sdn. Bhd. for a total cash consideration of RM2.3 million.

12. INVESTMENT IN SECURITIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fair value through profit or loss				
Unit trusts quoted in Malaysia	-			
At 1st July	-	262	-	262
Disposal	-	(262)	-	(262)
At 30th June	-	-	-	-

13. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
At Net Realisable Value		
Raw materials	1,404	1,646
Packing materials	2,406	2,132
Work-in-progress	220	437
Finished goods	631	301
	4,661	4,516

During the financial year, inventories of the Group recognised as cost of sales amounted to RM18,867,526/- (2015: RM18,432,725/-).

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade receivables				
Third parties	6,634	7,811	-	-
Amount due from subsidiaries	-	-	1,492	1,492
	6,634	7,811	1,492	1,492
Less: Allowance for impairment				
Third parties	(30)	(285)	-	-
Amount due from subsidiaries	-	-	(2)	(2)
	(30)	(285)	(2)	(2)
	6,604	7,526	1,490	1,490
Other receivables deposits and prepayments				
Amount due from subsidiaries	-	-	7,400	7,355
Amount due from a joint venture	49,102	28,950	49,102	28,950
Other receivables	825	315	603	203
Deposits	76	70	5	5
Prepayments	144	413	-	12
	50,147	29,748	57,110	36,525
Less: Allowance for impairment				
Amount due from subsidiaries	-	-	(2,899)	(2,782)
	50,147	29,748	54,211	33,743
	56,751	37,274	55,701	35,233

(i) The Group's normal trade credit terms are non-interest bearing and generally within 30 to 90 days (2015: 30 to 90 days). Other credit terms are assessed and approved on a case-to-case basis.

(ii) Ageing analysis on trade receivables

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

	Group	
	2016 RM'000	2015 RM'000
Neither past due nor impaired	4,966	6,162
Past due but not impaired:		
- 1 to 30 days	1,144	657
- 31 to 120 days	475	460
- More than 121 days	19	247
	1,638	1,364
Impaired	30	285
	6,634	7,811

14. TRADE AND OTHER RECEIVABLES (continued)

(ii) Ageing analysis on trade receivables (continued)

(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	
	2016 RM'000	**2015 RM'000**
Trade receivables		
- nominal amounts	30	285
Less: Allowance for impairment	(30)	(285)
	-	-

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

	Group	
	2016 RM'000	**2015 RM'000**
At 1st July	285	622
Less: Reversal of impairment loss no longer required	(255)	(337)
At 30th June	30	285

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are long outstanding with no collection. These receivables are not secured by any collateral or credit enhancements.

14. TRADE AND OTHER RECEIVABLES (continued)

(iii) Amounts due by subsidiaries whether trade nor non-trade are unsecured, non-interest bearing, repayable on demand, and is expected to be settled in cash.

(iv) Amount due by joint venture represents advance to joint venture. The amount due is unsecured, bears interest at 5% (2015: Nil) per annum, repayable on demand and is expected to be settled in cash.

(v) Approximate 62% (2015: 72%) of the Group's third parties' trade receivables arise from 2 customers (2015: 2). 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.

15. DERIVATIVES

	Group and Company	
	2016 RM'000	2015 RM'000
Option to purchase additional shares in Coscolab Sdn. Bhd.		
At 1st July	-	194
Execise of option	-	(194)
At 30th June	-	-

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

During last financial year, Mr. Teo Ker-Wei has exercised the Put Option to sell and the Company has accepted the Put Option to buy from him the remaining equity interest not already owned for a total cash consideration of RM3,723,969/-.

16. CASH AND BANK BALANCES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	8,190	38,640	487	19,268
Deposits placed with licensed banks	165,861	142,071	65,742	54,714
	174,051	180,711	66,229	73,982

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	
	2016	2015	2016	2015
Interest rate (%) (per annum)	3.30 - 4.00	2.90 - 3.80	3.85 - 4.00	2.90 - 3.80
Maturity (days)	30 - 365	5 - 90	90 - 180	5 - 90

17. SHARE CAPITAL

	Group and Company			
	2016		2015	
	Number of share '000 Unit	RM'000	Number of share '000 Unit	RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At 1st July/30th June	600,000	300,000	600,000	300,000
Issued and fully paid:				
At 1st July/30th June	249,993	124,997	249,993	124,997

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.

18. RESERVES

	Group	
	2016 RM'000	2015 RM'000
Non-distributable		
Capital reserve	2,704	2,704
Premium paid on acquisition of minority interest	(1,145)	(1,145)
	1,559	1,559

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

19. LOANS AND BORROWINGS

	Group	
	2016 RM'000	2015 RM'000
Current		
Floating rate bank loan (note a)	329	305
Hire purchase payables (note b)	30	73
	359	378
Non-current		
Floating rate bank loan (note a)	1,272	1,606
Hire purchase payables (note b)	-	30
	1,272	1,636
Total loans and borrowings	1,631	2,014

19. LOANS AND BORROWINGS (continued)

(a) Floating rate bank loan

	Group	
	2016 **RM'000**	**2015** **RM'000**
Current liabilities:		
- Repayable within one year	329	305
Non-current liabilities:		
- Later than one year but not later than two years	735	700
- Later than two years but not later than five years	537	820
- Later than five years	-	86
	1,272	1,606
	1,601	1,911

The effective interest rate as at reporting date is 7.60% (2015: 7.60%) per annum.

The floating rate bank loan and bankers' acceptance of the Group are secured and supported by:

(i) legal charges over certain property, plant and equipment of the Group, as disclosed in Note 5 to the financial statements; and

(ii) corporate guarantee by the Company.

(b) Hire purchase payables

	Group	
	2016 **RM'000**	**2015** **RM'000**
Minimum hire purchase payments		
- not later than one year	30	76
- later than one year but not later than two years	-	30
	30	106
Less: Amount representing future finance charges	-	(3)
Present value of minimum hire purchase payment	30	103
Represented by:		
Current		
- not later than one year	30	73
Non-current		
- later than one year but not later than two years	-	30
	-	30
	30	103

19. LOANS AND BORROWINGS (continued)

(b) Hire purchase payables (continued)

Obligations under hire purchase:

(i) The obligations under finance leases bear interest at flat rates ranging from 4.70% to 7.56% (2015: 4.43% to 8.09%) per annum;

(ii) These obligations are secured by a charge over the leased assets as disclosed in Note 5 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.

20. DEFERRED TAX

	Group	
	2016 RM'000	**2015 RM'000**
At 1st July	472	532
Recognised in profit or loss (Note 27)	(276)	(60)
At 30th June	196	472
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	(196)	(472)

(i) The deferred liabilities are arising from:

	Group	
	2016 RM'000	**2015 RM'000**
Deferred tax liabilities:		
- Accelerated capital allowances	(196)	(472)

(ii) Unrecognised deferred tax assets

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

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Deferred tax assets:				
- Excess of tax written down value over corresponding carrying amounts	(97)	(140)	(97)	(140)
Unabsorbed tax losses	25,023	25,023	7,857	7,857
Unabsorbed capital allowances	513	508	42	37
	25,439	25,391	7,802	7,754
Potential deferred tax assets not recognised at 24% (2015: 24%)	6,106	6,094	1,873	1,861

21. DEFERRED INCOME

	Group 2016 RM'000	Group 2015 RM'000
At Cost		
At 1st July	47,824	-
Addition	648	47,824
At 30th June	48,472	47,824

Deferred income represents the unrecognised profit arising from transactions with the joint venture company.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables				
Third parties	4,069	3,079	-	-
Other payables and accruals				
Amount due to subsidiaries	-	-	21,283	20,769
Other payables	49	451	17	55
Deposits	9	9	-	-
Accruals	637	393	208	179
GST payables	4	-	-	-
Obligation under joint venture	1,226	-	-	-
	1,925	853	21,508	21,003
	5,994	3,932	21,508	21,003

(i) The normal trade credit term granted to the Group range from 30 to 90 days (2015: 30 to 90 days).

(ii) The amounts due to subsidiaries are unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

23. REVENUE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Continuing operations				
Sales of pharmaceutical, cosmetics, toiletries, and other related products	26,565	26,111	-	-
Management fee income	-	-	90	378
Dividend income	-	-	3,751	12,958
	26,565	26,111	3,841	13,336

24. COST OF SALES

	Group	
	2016 RM'000	2015 RM'000
Continuing operations		
Sales of pharmaceutical, cosmetics, toileries, and other related products	21,627	21,674

25. FINANCE COSTS

	Group	
	2016 RM'000	2015 RM'000
Hire purchase interest	3	8
Term loan interest	139	162
	142	170

26. PROFIT BEFORE TAX

Profit before tax has been arrived at:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
After charging:				
Audit fees:				
- audit	128	125	79	73
- under accruals in prior years	2	3	-	-
- non-audit	4	4	4	4
Bad debts written off	255	337	-	-
Depreciation	551	656	48	48
Direct operating expenses arising from investment properties:				
- rental generating properties	11	9	-	-
Directors' remuneration *	1,477	1,311	747	629
Employee benefits expenses:				
- salaries and other emoluments	1,540	1,546	32	48
- defined contribution plans	235	211	4	4
- other staff related expenses	83	155	19	9
Reversal of fair value gain on derivatives	-	194	-	194
Impairment loss on trade and other receivables	-	-	116	21
Inventories written down	-	7	-	-
Impairment on slow moving stock	134	-	-	-
Rental of office premises	57	52	24	27
Unrealised foreign exchange loss	24	70	-	-

26. PROFIT BEFORE TAX (continued)

Profit before tax has been arrived at: (continued)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
And crediting:				
Dividend income	-	-	(3,751)	(12,958)
Gain on disposal of:				
- other investments	-	(2,300)	-	-
- non-current assets held for sales	-	(48,946)	-	-
Impairment loss on trade and other receivables no longer required	(255)	(337)	-	-
Interest income from:				
- deposits	(6,394)	(5,640)	(2,628)	(1,650)
- joint venture	(926)	-	(1,851)	-
- other investments	(4)	(3)	-	-
Realised foreign exchange gain	(31)	-	-	-
Unrealised foreign exchange gain	(82)	-	-	-

** The estimated monetary value of other benefit not included in the above received by the directors of the Group and the Company are amounts totalling RM17,000/- (2015: RM17,000/-) and RM9,000/- (2015: RM9,000/-).*

27. TAXATION

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Continuing operations				
Income tax				
- current year	2,130	1,279	671	-
- under/(over) provision in prior years	88	(4)	219	-
	2,218	1,275	890	-
Deferred taxation (Note 20)				
- current year	(230)	(29)	-	-
- (over)/under provision in prior years	(46)	320	-	-
	(276)	291	-	-
	1,942	1,566	890	-
Discontinued operation				
Income tax (Note 16)				
- current year	-	503	-	-
- under provision in prior years	-	12	-	-
	-	515	-	-
Real property gains tax	-	188	-	-
Deferred taxation (Note 16 and Note 20)				
- current year	-	(487)	-	-
- under provision in prior years	-	136	-	-
	-	(351)	-	-
	-	352	-	-
	1,942	1,918	890	-

27. TAXATION (continued)

The income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated taxable profit for the fiscal year.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before taxation:				
- continuing operations	6,351	6,385	6,308	13,363
- discountinued operation	-	49,583	-	-
	6,351	55,968	6,308	13,363
Tax at applicable tax rate of 24% (2015: 25%)	(1,524)	(13,992)	(1,514)	(3,341)
Tax effects arising from:				
- non-deductible expenses	(375)	(1,105)	(45)	(41)
- non-taxable income	20	12,906	900	2,972
- reversal of deferred tax assets not recognised in the financial statements	(12)	820	(12)	472
- effect of share of results of an associate and joint venture	(9)	(66)	-	-
- tax effect arising from RPGT on discontinued operation	-	282	-	-
- over provision in prior years	(42)	(464)	(219)	-
- reinvestment tax allowance	-	28	-	-
- changes in tax rate	-	(327)	-	(62)
	(1,942)	(1,918)	(890)	-

28. PROFIT FROM DISCONTINUED OPERATION, NET OF TAX

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

	Group	
	2016 RM'000	2015 RM'000
Revenue	-	852
Other income	-	48,946
Direct operating expenses	-	(215)
Profit before tax	-	49,583
Taxation (Note 27)	-	(352)
Profit for the financial year	-	49,231

28. PROFIT FROM DISCONTINUED OPERATION, NET OF TAX (continued)

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

	Group	
	2016 RM'000	2015 RM'000
And crediting:		
Rental income	-	(852)
Gain on disposal of non-current assets held for sales	-	(48,946)

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

	Group	
	2016 RM'000	2015 RM'000
Net cash inflows from operating activities	-	637
Net cash inflows from investment activities	-	187,786

29. 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	
	2016 RM'000	2015 RM'000
Profit attributable to owners of the Company		
- continuing operations	4,412	4,822
- discontinued operation	-	49,231
	4,412	54,053
	Number of shares	
	Unit'000	Unit'000
Weighted average number of ordinary shares in issue		
At 1st July/30th June	249,993	249,993
Basic earnings per ordinary share (sen)		
- continuing operations	1.76	1.93
- discontinued operation	-	19.69

(b) Diluted earnings per ordinary share

The diluted earnings per share is equal to the basic earnings per share for the financial year 2016 and 2015 as there is no dilutive potential ordinary shares in issue.

30. DIRECTORS' REMUNERATION

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive Directors:				
- salaries and other emoluments	1,184	1,082	527	472
- defined contribution plans	135	128	63	57
- others	2	2	1	1
- benefit-in-kind	17	17	9	9
	1,338	1,229	600	539
Non-Executive Directors:				
- fees	156	99	156	99
	1,494	1,328	756	638

31. 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 8 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 Ceramics Sdn. Bhd.; and
- Good Response Sdn. Bhd.

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

(a) Transaction with related parties

	Group	
	2016 RM'000	2015 RM'000
Subsidiaries		
- FCW Industries Sdn. Bhd.		
Management fee income/(expenses)	(480)	156
Dividend income	3,751	12,958
- Federal Telecommunications Sdn. Bhd.		
Management fee income	-	132
- Coscolab Sdn. Bhd.		
Management fee income	90	90

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Related Parties				
Management fee charged by:				
- Goh Ban Huat Berhad	(64)	(76)	-	-
Rental fee expense charged by:				
- Good Response Sdn. Bhd.	(12)	(12)	(12)	-
- Goh Ban Huat Berhad.	(38)	(36)	(12)	(12)
Rental income from:				
- GBH Ceramics Sdn. Bhd.	-	356	-	-

(c) Key management personnel compensation

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
- salaries and other emoluments	1,638	1,082	527	472
- defined contribution plans	190	128	63	57
- others	4	2	1	1
	1,832	1,212	591	530
- benefit-in-kind	17	17	9	9
	1,849	1,229	600	539

32. FINANCIAL GUARANTEES

	Company	
	2016 RM'000	2015 RM'000
Corporate guarantees given to a financial institution for credit facilities granted to a subsidiary	1,601	1,911
Corporate guarantees given to a financial institution for credit facilities granted to a joint venture company	75,000	75,000

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Loans and receivables;
(ii) Fair value though profit or loss;
(iii) Available-for-sales financial assets; and
(iv) Financial liabilities measured at amortised cost.

	Carrying Amount RM'000	Loans and Receivables RM'000	Fair value through profit or loss RM'000	Available-for-Sale Financial Assets RM'000	Financial Liabilities RM'000
2016					
Financial assets					
Group					
Other investments:					
- cash management fund	131	-	-	131	-
Trade and other receivables #	56,607	56,607	-	-	-
Cash and cash equivalents	174,051	174,051	-	-	-
	230,789	230,658	-	131	-
Company					
Trade and other receivables #	55,701	55,701	-	-	-
Cash and cash equivalents	66,229	66,229	-	-	-
	121,930	121,930	-	-	-
Financial liabilities					
Group					
Loans and borrowings	(1,631)	-	-	-	(1,631)
Trade and other payables *	(5,990)	-	-	-	(5,990)
	(7,621)	-	-	-	(7,621)
Company					
Trade and other payables	(21,508)	-	-	-	(21,508)
	(21,508)	-	-	-	(21,508)

 # Prepayments were excluded from trade and other receivables.

** GST payables were excluded from trade and other payables.*

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

	Carrying Amount RM'000	Loans and Receivables RM'000	Fair value through profit or loss RM'000	Available-for-Sale Financial Assets RM'000	Financial Liabilities RM'000
2015					
Financial assets					
Group					
Other investments:					
- cash management fund	127	-	-	127	-
Investment in securities	10,000	10,000	-	-	-
Trade and other receivables #	36,861	36,861	-	-	-
Cash and cash equivalents	180,711	180,711	-	-	-
	227,699	227,572	-	127	-
Company					
Investment in securities	10,000	10,000	-	-	-
Trade and other receivables #	35,221	35,221	-	-	-
Cash and cash equivalents	73,982	73,982	-	-	-
	119,203	119,203	-	-	-
Financial liabilities					
Group					
Loans and borrowings	(2,014)	-	-	-	(2,014)
Trade and other payables	(3,932)	-	-	-	(3,932)
	(5,946)	-	-	-	(5,946)
Company					
Trade and other payables	(21,003)	-	-	-	(21,003)

 # Prepayments were excluded from trade and other receivables.

(b) Fair value

(i) Determination of Fair Value

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and short term borrowings are reasonable approximation of fair values due to the relatively short term nature of these financial instruments.

(ii) Fair Value Hierarchy

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value disclosed, together with their fair value any carrying amounts shown in the statement of financial position.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(b) Fair value (continued)

(ii) Fair Value Hierarchy (continued)

	Fair value of financial instruments carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
2016						
Financial assets						
Group						
Other investments:						
- cash management fund	131	-	-	131	131	131
2015						
Financial assets						
Group						
Other investments:						
- cash management fund	127	-	-	127	127	127

	Fair value of financial instruments carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
2016						
Group						
Financial assets						
Investment property	-	3,100	-	3,100	3,100	3,100
Financial liabilities						
Bank loans	-	(1,601)	-	(1,601)	(1,601)	(1,601)
Finance lease liabilities	-	(30)	-	(30)	(30)	(30)
	-	(1,631)	-	(1,631)	(1,631)	(1,631)
2015						
Group						
Financial assets						
Investment property	-	3,100	-	3,100	3,100	3,100
Financial liabilities						
Bank loans	-	(1,911)	-	(1,911)	(1,911)	(1,911)
Finance lease liabilities	-	(103)	-	(103)	(103)	(103)
	-	(2,014)	-	(2,014)	(2,014)	(2,014)

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(b) Fair value (continued)

(ii) Fair Value Hierarchy (continued)

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value

Level 3 fair value is estimated using inputs for the financial assets or liabilities that is not based on observable market data (unobservable inputs).

(c) 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 incorporates various inputs and assumptions. 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.

34. 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.

(a) 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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit Risk (Continued)

(i) 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 14 to the financial statements.

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 14(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.

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

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14 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.

Information regarding financial assets that are past due or impaired is disclosed in Note 14 to the financial statements.

(iii) Inter-company 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.

(iv) 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 the subsidiary would default on repayment.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) 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.

	Contractual interest rate %	Carrying amount RM'000	Contractual cash flow RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2016						
Group						
Financial liabilitiess						
Trade and other payables	-	5,994	5,994	5,994	-	-
Loans and borrowings:						
- Hire purchase payables	4.70 - 7.56	30	30	30	-	-
- Floating rate bank loan	7.60	1,601	1,939	451	1,488	-
Total undiscounted financial liabilities		7,625	7,963	6,475	1,488	-
Company						
Financial liabilities						
Trade and other payables		21,508	21,508	21,508	-	-
Total undiscounted financial liabilities		21,508	21,508	21,508	-	-
2015						
Group						
Financial assets						
Trade and other payables	-	3,932	3,932	3,932	-	-
Loans and borrowings:						
- Hire purchase payables	4.43 - 8.09	103	106	76	30	-
- Floating rate bank loan	7.60	1,911	2,396	450	1,850	96
Total undiscounted financial liabilities		5,946	6,434	4,458	1,880	96
Company						
Financial liabilities						
Trade and other payables		21,003	21,003	21,003	-	-
Total undiscounted financial liabilities		21,003	21,003	21,003	-	-

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) 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	
	2016 RM'000	**2015 RM'000**
Floating rate instruments		
Financial liability		
Floating rate bank loan	1,601	1,911

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

A change of 1% in interest rates at the reporting date would have immaterial impact on profit after tax.

(d) 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 United State Dollar ("USD") 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 is exposed to foreign currency risk arising from trade payables of which the carrying amount is dominated in THB. The carrying amount included in the trade payables that dominated in THB amounting to RM322,206/- (2015: RM343,010/-).

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.

35. 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 2016.

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

	Group	
	2016 RM'000	**2015 RM'000**
Loan and borrowings	1,631	2,014
Equity attributable to the owners of the Company	219,095	218,434
Gearing ratio	1%	1%

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.

36. 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.

Segment profit

Segment performance is used to measure performance as Group's Chief Executive Officer believes that such information is the most relevant is evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding investment in associates and joint ventures) of a segment, as included in the internal reports that are reviewed by the Group's Chief Executive Officer.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's Chief Executive Officer, hence no disclosures are made on segment liabilities.

36. SEGMENTAL REPORTING (continued)

	Wholesale RM'000	Others RM'000	Eliminations and Adjustments RM'000	Total RM'000	Note	Consolidated RM'000
2016						
Revenue:						
Sales to external customers	26,565	-	-	26,565		26,565
Inter-company sales	-	570	(570)	-	A	-
Dividend income	-	3,751	(3,751)	-	A	-
	26,565	4,321	(4,321)	26,565		26,565
Results:						
Interest income	11	8,239	(926)	7,324		7,324
Interest expense	(142)	-	-	(142)		(142)
Depreciation of property, plant and equipment	(501)	(50)	-	(551)		(551)
Share of associate's results	-	910	-	910		910
Share of joint venture's results	-	(948)	-	(948)		(948)
Taxation	(205)	(1,737)	-	(1,942)		(1,942)
Other non cash expenses	(76)	-	-	(76)	B	(76)
Segment profit	1,006	13,743	(8,398)	6,351		6,351
Assets:						
Segments assets	22,152	242,065	(18,907)	245,310		245,310
Investment in an associate	-	30,809	-	30,809		30,809
Tax recoverable	67	1	-	68		68
Additions to property, plant and equipment	66	-	-	66		66
Total assets	22,285	272,875	(18,907)	276,253		276,253

36. 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
2015							
Revenue:							
Sales to external customers	26,111	-	-	26,111	852		26,963
Inter-company sales	-	738	(738)	-	-	A	-
Dividend income	-	12,958	(12,958)	-	-	A	-
	26,111	13,696	(13,696)	26,111	852		26,963
Results:							
Interest income	11	5,632	-	5,643	-		5,643
Interest expense	(170)	-	-	(170)	-		(170)
Depreciation of property, plant and equipment	(606)	(50)	-	(656)	-		(656)
Share of associate's results	-	(1,149)	-	(1,149)	-		(1,149)
Share of joint venture's results	-	885	-	885	-		885
Taxation	(572)	(994)	-	(1,566)	(352)		(1,918)
Other non cash expenses	(7)	(2,494)	-	(2,501)	48,946	B	46,445
Segment profit/(loss)	736	28,535	(22,886)	6,385	49,583		55,968
Assets:							
Segments assets	20,985	221,412	422	242,819	-		242,819
Investment in an associate	-	29,899	-	29,899	-		29,899
Tax recoverable	216	206	-	422	-		422
Additions to property, plant and equipment	74	2	-	76	-		76
Total assets	21,275	251,519	422	273,216	-		273,216

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

36. 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:

	2016 RM'000	2015 RM'000
Continuing operations		
Wholesale		
Bad debts written off	-	337
Inventories written off	-	7
Impairment on slow moving stock	134	-
Reversal of impairment loss on trade and other receivables	-	(337)
Unrealised gain/(loss) on foreign exchange	(58)	-
	76	7
Others		
Bad debt written off	255	-
Reversal of fair value derivatives	-	194
Gain on disposal of other investments	-	2,300
Reversal of impairment loss on trade and other receivables	(255)	-
	-	2,494
Discontinued operation		
Gain on disposal of non-current assets held for sale	-	(48,946)
	76	(46,445)

Information about major customers

Two major customers from the wholesale segment contribute approximately 67% (2015: 56%) of Group's total revenue.

37. DIVIDENDS

	Group and Company	
	2016 RM'000	2015 RM'000
Dividends paid in respect of the financial year ended 30th June 2015 - first interim dividend of 10% per ordinary share	-	12,500
Dividends paid in respect of the financial year ended 30th June 2016 - first interim dividend of 3% per ordinary share	3,751	-

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 2016, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- Realised	11,105	10,003	(7,267)	(8,934)
- Unrealised	(138)	(542)	-	-
	10,967	9,461	(7,267)	(8,934)
Total share of accumulated losses from an associate:				
- Realised	(7,431)	(6,739)	-	-
- Unrealised	5,037	3,436	-	-
	8,573	6,158	(7,267)	(8,934)
Total share of retained profits/ (accumulated losses) from a jointly controlled entity:	(76)	872	-	-
- Realised	8,497	7,030	(7,267)	(8,934)
Less: Consolidated adjustments	84,042	84,848	-	-
Total retained profits/(accumulated losses)	92,539	91,878	(7,267)	(8,934)

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.

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 29 to 86 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 2016 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 87 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: 4th October 2016

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 29 to 86 and the supplementary information set out on page 87 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 4th October 2016.

Before me,

....

TAN KIM CHOOI
Commissioner for Oaths
License No. W 661

INDEPENDENT AUDITORS' REPORT
To The Members Of FCW Holdings Berhad
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of FCW Holdings Berhad, which comprise the statements of financial position as at 30th June 2016 of the Group and of the Company, and the statements of profit or loss and other 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 29 to 86.

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 2016 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.

(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 on page 87 are disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 2819/10/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 4th October 2016

ANALYSIS OF SHAREHOLDINGS
as at 5 October 2016

A. SHARE CAPITAL

Authorised Share Capital	:	RM300,000,000 (600,000,000 ordinary shares of RM0.50 each)
Issued & Paid-Up Share Capital	:	RM124,997,063 (249,994,126 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	723	14,388	0.01
100 - 1,000	3,991	1,709,993	0.68
1,001 - 10,000	1,634	5,232,178	2.09
10,001 - 100,000	213	5,407,329	2.16
100,001 to less than 5% of issued shares	30	153,439,601	61.38
5% and above of issued shares	5	84,190,637	33.68
	6,596	249,994,126	100.00

C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	27,869,377	11.15
2.	Ong Wee Shyong	14,641,400	5.86
3.	Puan Sri Datin Poo Choo @ Ong Poo Choi	14,572,580	5.83
4.	Gan Lock Yong @ Gan Choon Hur	14,105,000	5.64
5.	Datin Tan Ching Ching	13,002,280	5.20
6.	Chew Boon Seng	12,269,400	4.91
7.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	12,197,200	4.88
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	12,159,700	4.86
9.	Lee Pui Inn	12,029,200	4.81
10.	Ong Har Hong	12,022,600	4.81
11.	Lim Siew Sooi	11,995,900	4.80
12.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for How Yoke Kam	11,618,900	4.65
13.	Ong Wee Lieh	11,387,700	4.56
14.	Wong Chee Choon	11,247,700	4.50
15.	Chew Huat Heng	10,971,400	4.39

C. THIRTY LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
16.	Neoh Poh Lan	10,770,400	4.31
17.	Ong Poh Lin	10,700,000	4.28
18.	Dato' Sri Tan Han Chuan	7,923,448	3.17
19.	Ong Poh Geok	1,898,200	0.76
20.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	1,158,593	0.46
21.	Sin Len Moi	558,300	0.22
22.	Peh Lai Yian	370,000	0.15
23.	Tong Kim Fatt @ Allen Tong	330,920	0.13
24.	Syarikat Rimba Timur (RT) Sdn Bhd	250,000	0.10
25.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd	242,840	0.10
26.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Bing Yap	215,200	0.09
27.	Lai Weng Chee @ Lai Kok Chye	174,900	0.07
28.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Beng Keat	140,000	0.06
29.	Loh Tze Yee	138,000	0.06
30.	Inmost Tech Sdn Bhd	121,000	0.05

D. SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	27,869,377	11.15
2.	Ong Wee Shyong	14,641,400	5.86
3.	Puan Sri Datin Poo Choo @ Ong Poo Choi	14,572,580	5.83
4.	Gan Lock Yong @ Gan Choon Hur	14,105,000	5.64
5.	Datin Tan Ching Ching	13,002,280	5.20

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	27,869,377	11.15	35,498,308	14.20

LIST OF PROPERTIES

LOCATION	DESCRIPTION	EXISTING USE / AGE OF BUILDING	TENURE	NET BOOK VALUE AS AT 30.06.2016 (RM)	DATE OF ACQUISITION (A)/ 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	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 use/ 9 years old	Freehold	4,140,550	15 April 2010 (R)

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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 Sixty-First Annual General Meeting ("61st AGM") of the shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 8 December 2016 at 10.30 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the notice of the 61st 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		

CDS Account no.	
No. of Shares held	

____
Signature(s)/Seal

Signed this ________ day of ________________, 2016.

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 Share Registrar, Shareworks Sdn Bhd, No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur 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)
c/o. Shareworks Sdn Bhd

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

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