

FCW HOLDINGS BERHAD (Company No. : 3116 K)
Summary of Key Financial Information for the period ended 31 December 2018

	INDIVIDUAL QUARTER		INDIVIDUAL CHANGES		CUMULATIVE QUARTER		CUMULATIVE CHANGES	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%	Current Year To Date	Preceding Year Corresponding Period	Amount	%
	31/12/2018 RM'000	31/12/2017 RM'000	RM'000		31/12/2018 RM'000	31/12/2017 RM'000	RM'000	
1 Revenue	6,741	8,185	(1,444)	-18%	13,620	16,470	(2,850)	-17%
2 Profit Before Tax	1,468	2,153	(685)	-32%	3,280	2,035	1,245	61%
3 Profit for the Period	888	1,763	(875)	-50%	2,301	1,229	1,072	87%
4 Profit for the Period and Other Comprehensive Income Attributable to Owners of the Company	888	1,763	(875)	-50%	2,301	1,229	1,072	87%
5 Basic earnings per share (sen)	0.36	0.71	(0.35)	-50%	0.92	0.49	0.43	87%
6 Proposed/Declared dividend per share (sen)	0.00	0.00	0.00	0%	0.00	0.00	0.00	0%

Summary of Financial review for current quarter compared with immediate preceding quarter

	INDIVIDUAL		Individual changes	
	Current Year Quarter	Immediate Preceding Quarter	Amount	%
	31/12/2018 RM'000	30/09/2018 RM'000	RM'000	
1 Revenue	6,741	6,879	(138)	-2.0%
2 Profit / (Loss) Before Tax	1,468	1,812	(344)	-19%
3 Profit / (Loss) for the Period	888	1,413	(525)	-37%
4 Profit / (Loss) for the Period and Other Comprehensive Income / (Loss) Attributable to Owners of the Company	888	1,413	(525)	-37%
5 Basic Profit / (Loss) per share (sen)	0.36	0.57	(0.21)	-38%
6 Proposed/Declared dividend per share (sen)	-	-	-	-

	As At End Of Current Quarter	As At Preceding Financial Year End
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	0.68	0.68

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
1 Gross interest income	1,291	1,381	2,703	2,770
2 Gross interest expense	(14)	(22)	(31)	(47)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited)

	FY 2018/19 Current Quarter Ended 31-Dec RM'000	FY 2017/18 Comparative Quarter Ended 31-Dec RM'000	FY 2018/19 Current 6 Months Cumulative To Date RM'000	FY 2017/18 Comparative 6 Months Cumulative To Date RM'000
Revenue	6,741	8,185	13,620	16,470
Cost of Sales	<u>(4,926)</u>	<u>(6,935)</u>	<u>(10,653)</u>	<u>(13,794)</u>
Gross Profit	1,815	1,250	2,967	2,676
Other Income	1,446	1,395	2,875	2,795
Other Items of Expenses				
Administrative Expenses	(456)	(638)	(973)	(1,132)
Marketing Expenses	(13)	(17)	(18)	(34)
Other Expenses	(839)	(849)	(1,608)	(1,833)
Share of Results of an Associate	(1,855)	(569)	(2,618)	(1,200)
Share of Results of a Joint Venture	<u>1,384</u>	<u>1,603</u>	<u>2,686</u>	<u>810</u>
Profit From Operations	1,482	2,175	3,311	2,082
Finance Costs	<u>(14)</u>	<u>(22)</u>	<u>(31)</u>	<u>(47)</u>
Profit Before Tax	1,468	2,153	3,280	2,035
Taxation	<u>(580)</u>	<u>(390)</u>	<u>(979)</u>	<u>(806)</u>
Profit for the Period	888	1,763	2,301	1,229
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	<u>888</u>	<u>1,763</u>	<u>2,301</u>	<u>1,229</u>
Profit for the Period and Other Comprehensive Income Attributable to:				
Owners of the Company	888	1,763	2,301	1,229
Non-controllir Profit / (Loss) Before Tax	-	-	-	-
	<u>888</u>	<u>1,763</u>	<u>2,301</u>	<u>1,229</u>
Earnings per share Attributable to Owners of the Parent (sen per share)				
- Basic	0.36	0.71	0.92	0.49

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2018.

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018
(Unaudited)

	As At 31-Dec FY2018 RM'000	As At 30-Jun FY2018 RM'000
Non Current Assets		
Property, plant and equipment	4,603	4,561
Investment property	3,100	3,100
Investment in an associate	18,972	21,590
Interests in a jointly controlled entity		-
Investment in security		-
Other Investment	670	659
Deferred tax asset	735	735
Receivables	70,047	68,345
Goodwill on consolidation	1,726	1,726
	<u>99,853</u>	<u>100,716</u>
Current Assets		
Inventories	6,302	4,177
Receivables	4,696	4,937
Tax recoverable	1,211	1,500
Cash and cash equivalents	114,322	115,388
	<u>126,531</u>	<u>126,002</u>
Total Assets	<u>226,384</u>	<u>226,718</u>
Share Capital	124,997	124,997
Reserves	46,215	43,914
Shareholders' Equity	<u>171,212</u>	<u>168,911</u>
Non-controlling interests	(19)	(19)
Total equity	<u>171,193</u>	<u>168,892</u>
Non Current Liabilities		
Loans and borrowings	46	341
Deferred tax liabilities	212	211
Deferred income	49,109	49,832
	<u>49,367</u>	<u>50,384</u>
Current Liabilities		
Payables	5,240	6,439
Loans and borrowings	584	564
Taxation	-	439
	<u>5,824</u>	<u>7,442</u>
Total Equity And Liabilities	<u>226,384</u>	<u>226,718</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.68</u>	<u>0.68</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2018.

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018
(Unaudited)

	FY2018/19 6 Months ended 31-Dec-18 RM' 000	FY2017/18 6 Months ended 31-Dec-17 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,280	2,035
Adjustments for:		
Non-cash items	117	214
Share of results of an associate	2,618	1,200
Share of results of a joint venture	(2,686)	(810)
Gain on disposal of property, plant and equipment	-	(2)
Non-operating items	(2,672)	(2,723)
Operating profit / (loss) before working capital changes	<u>657</u>	<u>(86)</u>
Net changes in current assets	(1,884)	(809)
Net changes in current liabilities	765	(2,004)
Cash used in operations	<u>(462)</u>	<u>(2,899)</u>
Interest income received	2,703	2,770
Interest expense paid	(31)	(47)
Tax paid	(1,129)	(987)
Net cash generated from / (used in) operating activities	<u>1,081</u>	<u>(1,163)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	22	3
Advance to a joint venture	(1,702)	(4,700)
Purchase of property, plant and equipment	(181)	(106)
Placement of other investment	(11)	(8)
Net cash used in investing activities	<u>(1,872)</u>	<u>(4,811)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	(255)	(160)
Repayment of hire purchase creditors	(20)	(26)
Net cash used in financing activities	<u>(275)</u>	<u>(186)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,066)	(6,160)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	115,388	118,430
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>114,322</u>	<u>112,270</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2018.

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018
(Unaudited)

	Attributable to Shareholders of the Company				Sub-Total	Minority Interest	Grand-Total Equity
	Non-Distributable		Distributable				
	Share Capital	Capital Reserve	Reserves Premium paid on acquisition of MI	Accumulated Profit			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Year ended 31 December 2018							
At 1st July 2018	124,997	2,704	(1,145)	42,355	168,911	(19)	168,892
Total comprehensive income for the period	-	-	-	2,301	2,301	-	2,301
Premium paid on acquisition of minority interest	-	-	-	-	-	-	-
At 31 December 2018	124,997	2,704	(1,145)	44,656	171,212	(19)	171,193
Year ended 31 December 2017							
At 1st July 2017	124,997	2,704	(1,145)	43,368	169,924	(16)	169,908
Dividend paid	-	-	-	-	-	-	-
Premium paid on acquisition of minority interest	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,229	1,229	-	1,229
At 31 December 2017	124,997	2,704	(1,145)	44,597	171,153	(16)	171,137

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2018.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The 2nd Quarter Ended 31 December 2018**

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2018.

Adoption of Malaysian Financial Reporting Standard (“MFRS”) and amendments / improvements to MFRSs

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 30 June 2018, except as disclosed below:

Effective for annual periods commencing on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers

The Group and the Company had early adopted MFRS 15 *Revenue from Contracts with Customers* for the previous financial year.

The adoption of the above MFRS and amendments/improvements to MFRSs did not have any significant impact on the financial statements of the Group and of the Company for the current financial period nor did it result in any significant changes to the Group’s and the Company’s existing accounting policies

New MFRSs, amendments/improvements to MFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective

The Group has not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued, but are not yet effective to the Group and the Company:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 2	Share-based Payment	1 January 2018/ 1 January 2020
MFRS 3	Business Combinations	1 January 2019

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MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138	Intangible Assets	1 January 2020*
<u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
<u>Amendments to IC Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

* *Amendments to References to the Conceptual Framework in MFRS Standards*

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's financial statements for the year ended 30 June 2018 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The operations of the Group are not subject to any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group.

5. Material Changes in Estimates of Amount Reported Previously Affecting Current Interim Period

There were no changes in estimates of amount reported in prior financial years which have a material effect in the current interim period.

6. Dividend Paid

There were no dividends paid during the current interim financial period.

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PART A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

7. Segmental Information

(RM'000)	31-12-18 2nd Qtr	31-12-17 2nd Qtr	31-12-18 6 Mths Cum	31-12-17 6 Mths Cum
<u>Segment Revenue</u>				
Contract Manufacturing	6,741	8,185	13,620	16,470
Total	6,741	8,185	13,620	16,470
<u>Segment Results</u>				
Contract Manufacturing	839	211	998	658
Share of Results of an Associate	(1,855)	(569)	(2,618)	(1,200)
Share of Results of a Joint Venture	1,384	1,603	2,686	810
Others	1,101	908	2,214	1,767
Total	1,469	2,153	3,280	2,035

8. Subsequent Events

There was no material events subsequent to the end of the financial quarter ended 31 December 2018.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter ended 31 December 2018.

10. Capital Commitments

The Group has no material capital commitment in respect of property, plant and equipment as at 31 December 2018.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Performance review

Contract Manufacturing segment

Current quarter

Turnover for the current quarter decreased by 18% to RM6.7 million from that of RM8.2 million for the preceding year's corresponding quarter. The decrease was mainly due to the lingering pricing and market uncertainties following the re-introduction of the Sales and Service Tax on related consumer products manufactured on behalf of the Group's contract customers. Profit before tax nevertheless increased to RM0.84 million from that of RM0.21 million for corresponding quarter the year due mainly to better gross profit from a higher composition of its product mix with generally improved margins.

Year to date

The drop in year-to-date revenue of 17% to RM13.6 million from that of RM16.5 million last year came on the back of a decline in both export and local sales. Apart from weaker demand as a result of trade tensions and uncertainties surrounding tariff changes in certain overseas markets, local manufacturing sales were also affected by specific circumstances affecting the Group's major customers which impacted on their product orders for the period. Profit before tax was however higher at RM1.0 million as compared to that of RM661,000 for the preceding year.

Power & Telecommunication Cables Manufacturing segment (associate company)

Current quarter

The Group's share of its associate's losses for the current quarter in the cables manufacturing segment totalling RM1.85 million was higher than that of RM0.57 million for the corresponding quarter last year. This was due to a fall of 51% in revenue to RM30.6 million for the comparative quarters aggravated by the incurrence of restructuring costs amounting to RM3.5 million during this reporting quarter.

Year to date

A combination of a 45% drop in sales in the first half of the current financial year and lower foreign exchange gains coupled with higher restructuring expenses resulted in a higher share of its associate's losses of RM2.6 million compared to RM1.2 million for the corresponding period in the previous year despite a reduction in certain direct marketing and administrative costs.

Property Development segment (joint venture company)

Current quarter

Property development activities of the Group undertaken through a joint venture company, contributed an after-tax profit of RM1.38 million for the quarter under review as compared to that of RM1.60 million for the corresponding quarter in the previous year when revenue from its development activities was first recognized.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)

Year to date

The segment reported a first half-year after-tax profit of RM2.68 million against that of RM810,000 for the corresponding period of the last financial year. The increase in contribution was from higher revenue pertaining to new sales and progress billings plus recognition of related deferred income from the joint-venture property development.

Others

Current quarter

Profit before tax has increased from RM0.91 million in the corresponding quarter of the preceding year to RM1.10 million due to an increase in interest income earned from advances to the JV company.

Year to date

Profit before tax has increase from RM1.77 million for the preceding year to RM2.21 million for the current year mainly due to reduced operating and management costs incurred.

2. Comparison with preceding quarter's result

Current quarter's performance was pulled down by the higher losses of the Group's associate engaged in cable manufacturing. As a result, the net profit before tax for the quarter under review fell to RM1.47 million from that of the preceding quarter's of RM1.81million despite higher profits reported for the contract manufacturing and property development segments.

3. Commentary of Prospects

The softer performance of the cable manufacturing business is expected to continue into the rest of the financial year mitigated perhaps by better costs control following the rationalization of its operation by the associate company concerned. The contract manufacturing segment's performance, after a period of stabilization following the change in tax regimes and the resolution of market's uncertainties, would generally perform in line with the economy, particularly in regard to related consumer markets while contribution by the property development business is expected to be increasingly significant going into the second half of the financial year.

4. Variance on profit forecast

Not applicable

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5. Items included in the Consolidated Statement of Comprehensive Income

Total comprehensive income for the period is arrived at after charging/ (crediting) the following items:

	31-12-18 Current Quarter RM'000	31-12-17 Current Quarter RM'000	31-12-18 6-months Cumulative RM'000	31-12-17 6-months Cumulative RM'000
(Gain)/loss on disposal of property, plant & equipment	-	-	-	(2)
Interest income	(1,291)	(1,381)	(2,703)	(2,770)
Other income	-	(4)	-	(8)
Interest expenses	14	22	31	47
Depreciation and amortisation	55	78	117	153
(Gain)/ loss on foreign exchange	(4)	(10)	(15)	(14)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of assets held for sale	-	-	-	-
Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Loss on disposal at investment	-	-	-	-
Reversal of provision for diminution in investment	-	-	-	-

6. Tax

	Current Quarter RM'000	Year to date RM'000
Income Tax: -Current year	580	979
Profit before taxation:	<u>1,468</u>	<u>3,280</u>
Tax at applicable rate of 24%	352	787
Effect of share of results of an associate and joint venture	113	(16)
Non-deductible expenses	115	208
	580	979

Current income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the quarter and year- to- date.

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7. Group Borrowings and Debt Securities

	As at 2 nd quarter ended FY2019		
	Long Term	Short Term	Total Borrowings
	RM'000 Denomination	RM'000 Denomination	RM'000 Denomination
Secured			
Term Loan	21	570	591
Hire Purchase	25	14	39
Total	46	584	630
	As at 2 nd quarter ended FY2018		
	Long Term	Short Term	Total Borrowings
	RM'000 Denomination	RM'000 Denomination	RM'000 Denomination
Secured			
Term Loan	701	381	1082
Hire Purchase	39	13	52
Total	740	394	1134

8. Material Litigation

There is no pending material litigation.

9. Dividend Declared/Recommended

The Directors have declared a first interim single-tier cash dividend of 10 sen per ordinary share in the share capital of the Company equivalent to a total sum of RM24,999,412.60 in respect of the financial year ending 30 June 2019, to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 14 March 2019.

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10. Earnings Per Share

Basic earnings per share

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

	Individual Quarter		Cumulative Quarter	
	31-12-18	31-12-17	31-12-18	31-12-17
	RM'000	RM'000	RM'000	RM'000
Net profit / (loss) attributable to shareholders	888	1,763	2,301	1,229
Weighted average number of ordinary shares in issue	249,994	249,994	249,994	249,994
<i>Basic earnings / (loss) per share (sen)</i>	<i>0.36</i>	<i>0.71</i>	<i>0.92</i>	<i>0.49</i>

By Order of the Board

Dato' Teo Ker Wei
Executive Director

27 February 2019
Kuala Lumpur