

FCW HOLDINGS BERHAD (Company No. : 3116 K)
Summary of Key Financial Information for the period ended 31 March 2019

	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	%
	31/3/2019	31/3/2018			31/3/2019	31/3/2018		
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
1 Revenue	7,116	7,211	(95)	-1%	20,736	23,681	(2,945)	-12%
2 Profit / (Loss) Before Tax	(2,701)	(3,725)	1,024	-27%	579	(1,690)	2,269	-134%
3 Loss for the Period	(2,923)	(3,454)	531	-15%	(622)	(2,225)	1,603	-72%
4 Profit for the Period and Other Comprehensive Income Attributable to Owners of the Company	(2,923)	(3,454)	531	-15%	(622)	(2,225)	1,603	-72%
5 Basic earnings / (loss) per share (sen)	(1.17)	(1.38)	0.21	-15%	(0.25)	(0.89)	0.64	-72%
6 Proposed/Declared dividend per share (sen)	10.00	0.00	10.00		10.00	0.00	10.00	

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

	INDIVIDUAL		Individual changes	
	Current Year Quarter	Immediate Preceding Quarter	Amount	%
	31/3/2019	31/12/2018	RM'000	
1 Revenue	7,116	6,741	375	5.6%
2 Profit / (Loss) Before Tax	(2,701)	1,468	(4,169)	-284%
3 Profit / (Loss) for the Period	(2,923)	888	(3,811)	-429%
4 Profit / (Loss) for the Period and Other Comprehensive Income / (Loss) Attributable to Owners of the Company	(2,923)	888	(3,811)	-429%
5 Basic Profit / (Loss) per share (sen)	(1.17)	0.36	(1.53)	-425%
6 Proposed/Declared dividend per share (sen)	10.00	-	10.00	-

	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)	0.57	0.68

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	RM'000	RM'000	RM'000	RM'000
1 Gross interest income	1,534	1,339	4,237	4,109
2 Gross interest expense	(11)	(21)	(42)	(68)

FCW HOLDINGS BERHAD (Company No. : 3116 K)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited)

	FY 2018/19 Current Quarter Ended 31-Mar RM'000	FY 2017/18 Comparative Quarter Ended 31-Mar RM'000	FY 2018/19 Current 9 Months Cumulative To Date RM'000	FY 2017/18 Comparative 9 Months Cumulative To Date RM'000
Revenue	7,116	7,211	20,736	23,681
Cost of Sales	<u>(5,678)</u>	<u>(5,535)</u>	<u>(16,331)</u>	<u>(19,329)</u>
Gross Profit	1,438	1,676	4,405	4,352
Other Income	1,380	1,348	4,255	4,143
Other Items of Expenses				
Administrative Expenses	(531)	(460)	(1,504)	(1,592)
Marketing Expenses	(25)	(141)	(43)	(175)
Other Expenses	(1,147)	(1,117)	(2,755)	(2,950)
Share of Results of an Associate	(11,553)	(3,616)	(14,171)	(4,816)
Share of Results of a Joint Venture	<u>7,748</u>	<u>(1,394)</u>	<u>10,434</u>	<u>(584)</u>
Profit / (Loss) From Operations	(2,690)	(3,704)	621	(1,622)
Finance Costs	<u>(11)</u>	<u>(21)</u>	<u>(42)</u>	<u>(68)</u>
Profit / (Loss) Before Tax	(2,701)	(3,725)	579	(1,690)
Taxation	<u>(222)</u>	<u>271</u>	<u>(1,201)</u>	<u>(535)</u>
Loss for the Period	(2,923)	(3,454)	(622)	(2,225)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Loss for the period	<u><u>(2,923)</u></u>	<u><u>(3,454)</u></u>	<u><u>(622)</u></u>	<u><u>(2,225)</u></u>
Loss for the Period and Other Comprehensive Loss Attributable to:				
Owners of the Company	(2,923)	(3,454)	(622)	(2,225)
Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>(2,923)</u></u>	<u><u>(3,454)</u></u>	<u><u>(622)</u></u>	<u><u>(2,225)</u></u>
Loss per share Attributable to Owners of the Parent (sen per share)				
- Basic	(1.17)	(1.38)	(0.25)	(0.89)

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 MARCH 2019
(Unaudited)

	As At 31-Mar FY2019 RM'000	As At 30-Jun FY2018 RM'000
Non Current Assets		
Property, plant and equipment	4,618	4,561
Investment property	3,100	3,100
Investment in an associate	7,327	21,590
Other Investment	670	659
Deferred tax asset	1,041	735
Receivables	73,159	68,345
Goodwill on consolidation	1,726	1,726
	<u>91,641</u>	<u>100,716</u>
Current Assets		
Inventories	5,779	4,177
Receivables	4,671	4,937
Tax recoverable	1,736	1,500
Cash and cash equivalents	111,192	115,388
	<u>123,378</u>	<u>126,002</u>
Total Assets	<u>215,019</u>	<u>226,718</u>
Share Capital	124,997	124,997
Reserves	18,200	43,914
Shareholders' Equity	<u>143,197</u>	<u>168,911</u>
Non-controlling interests	(19)	(19)
Total equity	<u>143,178</u>	<u>168,892</u>
Non Current Liabilities		
Loans and borrowings	21	341
Deferred tax liabilities	212	211
Deferred income	42,914	49,832
	<u>43,147</u>	<u>50,384</u>
Current Liabilities		
Payables	3,228	6,439
Loans and borrowings	467	564
Taxation	-	439
Dividend payable	24,999	
	<u>28,694</u>	<u>7,442</u>
Total Equity And Liabilities	<u>215,019</u>	<u>226,718</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.57</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 MARCH 2019
(Unaudited)

	FY2018/19 9 Months ended 31-Mar-19 RM' 000	FY2017/18 9 Months ended 31-Mar-18 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	579	(1,690)
Adjustments for:		
Non-cash items	169	327
Share of results of an associate	14,171	4,816
Share of results of a joint venture	(10,434)	584
Gain on disposal of property, plant and equipment	-	(2)
Non-operating items	(4,195)	(4,041)
	<u>290</u>	<u>(6)</u>
Net changes in current assets	(1,336)	(2,878)
Net changes in current liabilities	305	(869)
Cash used in operations	<u>(741)</u>	<u>(3,753)</u>
Interest income received	4,237	4,109
Interest expense paid	(42)	(68)
Tax paid	(2,182)	(1,493)
Net cash generated from / (used in) operating activities	<u>1,272</u>	<u>(1,205)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	4	3
Advance to a joint venture	(4,814)	(4,700)
Purchase of property, plant and equipment	(230)	(143)
Placement of other investment	(11)	(12)
Net cash used in investing activities	<u>(5,051)</u>	<u>(4,852)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	(397)	(233)
Repayment of hire purchase creditors	(20)	(49)
Net cash used in financing activities	<u>(417)</u>	<u>(282)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,196)	(6,339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	115,388	118,430
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>111,192</u>	<u>112,091</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 MARCH 2019
(Unaudited)

	Attributable to Shareholders of the Company				Sub-Total	Non-controlling Interests	Grand-Total Equity
	Non-Distributable		Distributable				
	Share Capital	Capital Reserve	Reserves Premium paid on acquisition of NCI	Accumulated Profit			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Year ended 31 March 2019							
At 1st July 2018	124,997	2,704	(1,145)	42,355	168,911	(19)	168,892
Adjustment to accumulated losses upon adoption of MFRS 9				(93)	(93)		(93)
Dividend paid	-	-	-	(24,999)	(24,999)	-	(24,999)
Total comprehensive loss for the period	-	-	-	(622)	(622)	-	(622)
At 31 March 2019	124,997	2,704	(1,145)	16,641	143,197	(19)	143,178
Year ended 31 March 2018							
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 loss for the period	-	-	-	(2,225)	(2,225)	-	(2,225)
At 31 March 2018	124,997	2,704	(1,145)	41,143	167,699	(16)	167,683

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 3th Quarter Ended 31 March 2019**

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 was no dividend paid in the current quarter.

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

7. Segmental Information

(RM'000)	31-03-19 3rd Qtr	31-03-18 3rd Qtr	31-03-19 9 Mths Cum	31-03-18 9 Mths Cum
<u>Segment Revenue</u>				
Contract Manufacturing	7,116	7,211	20,736	23,681
Total	<u>7,116</u>	<u>7,211</u>	<u>20,736</u>	<u>23,681</u>
<u>Segment Results</u>				
Contract Manufacturing	144	566	1,142	1,223
Share of Results of an Associate	(11,553)	(3,616)	(14,171)	(4,816)
Share of Results of a Joint Venture	7,748	(1,394)	10,434	(584)
Others	960	719	3,174	2,487
Total	<u>(2,701)</u>	<u>(3,725)</u>	<u>579</u>	<u>(1,690)</u>

8. Subsequent Events

There was no material events subsequent to the end of the financial quarter ended 31 March 2019.

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 March 2019.

10. Capital Commitments

The Group has no material capital commitment in respect of property, plant and equipment as at 31 March 2019.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Performance review

Contract Manufacturing

Current quarter

Turnover for the current quarter decreased marginally to RM7.1 million from that of RM7.2 million for the preceding year's corresponding quarter in line with continued weak market conditions. Gross profit margins also dropped due to higher costs incurred in bringing in new foreign workers as well as repairs and enhancement works. As a result, profit before tax fell to RM144,000 from that of RM566,000 last year.

Year-to-date

Revenue for the nine-month period declined some 12% to RM20.7 million from that of RM23.7 million for the previous year. Gross margin however was higher for the current year-to-date due to efforts in controlling staff-related operational costs and overall reduced number of workers compared to last year. In addition, write-off of obsolete inventories was lower and there were lower depreciation charges for plant and machinery. Consequent upon the decreased turnover recorded year-to-date, profit before tax was lower at RM1.1 million as compared to that of RM1.2 million for the preceding year.

Power & Telecommunication Cables Manufacturing

Current quarter

The Group's share of its associate's losses in the cables manufacturing segment amounting to RM11.5 million for the current quarter was higher than that of RM3.6 million for the corresponding quarter last year, on the back of a 35% fall in revenue to RM34.8 million. This was aggravated by an impairment loss on property, plant and machinery totalling RM10.3 million and deferred tax assets of RM13.5 million as the latter might not generate sufficient future taxable profits to utilise them for the foreseeable future.

Year-to-date

A drop in sales of 40% for the nine months of the current financial year to RM104.7 million from RM179.7 million for the corresponding period last year saw a lower gross profit contribution for the period under review. This, coupled with the aforesaid impairment losses, resulted in a higher share of the associate's losses of RM14.1 million compared to RM4.8 million for the corresponding period in the previous year.

Property Development

Current quarter

Property development segment carried out through a joint venture company, contributed an after-tax profit of RM7.7 million for the quarter under review as compared to a loss of RM1.4 million for the corresponding quarter in the previous year. This was due to a higher share of its joint-venture profits generated from increased sales revenue and further progress recorded in the completion of units sold in its development known as Riana Dutamas.

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

Year-to-date

For the nine-month year-to-date period, an after-tax profit of RM10.4 million was reported against an after-tax loss of RM584,000 for the corresponding period of the last financial year. Sales value achieved up to the end of the period was at 75% of the total gross development value of Phase One of approximately RM570 million and revenue recognition was at 33% of the sales value.

Others

Current quarter

The increase in profit before tax for the current quarter to RM960,000 from RM719,000 for the corresponding quarter of the preceding year was attributable to higher interest income earned.

Year to date

Profit before tax has increased from RM2.5 million for the preceding year to RM3.2 million for the current year mainly due higher interest income as well as reduced operating and management-related costs.

2. Comparison with preceding quarter's result

Current quarter's performance was materially affected by the share of greater losses of the Group's associate involved in cables manufacturing following the incurrence of certain impairment costs on its assets. The contract manufacturing segment too contributed a lower profit compared to that for the preceding quarter. The impact was however to a certain extent offset by a higher profit contribution from property development activities. In view of the aforesaid, the Group reported a loss before tax of RM2.7 million against a profit before tax of RM1.5 million for the quarter before.

3. Commentary of Prospects

The next couple of months may see greater volatility in both overseas and local markets, given the worsening international trade tensions as well as the slowing domestic growth. The outlook for the major business segments that the Group is engaged in will continue to be challenging. The cable manufacturing business is expected to remain highly competitive while the contract manufacturing segment will be affected by anticipated weaker growth in demand locally and cost containment issues amidst a tougher external environment. The property segment will look to log in progress billings on sales already secured.

4. Variance on profit forecast

Not applicable

5. Items included in the Consolidated Statement of Comprehensive Income

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

	31-03-19 Current Quarter RM'000	31-03-18 Current Quarter RM'000	31-03-19 9-months Cumulative RM'000	31-03-18 9-months Cumulative RM'000
(Gain)/loss on disposal of property, plant & equipment	-	-	-	(2)
Interest income	(1,534)	(1,339)	(4,237)	(4,109)
Other income	-	(5)	-	(13)
Interest expenses	11	21	42	68
Depreciation and amortisation	52	80	169	233
(Gain)/ loss on foreign exchange	(3)	(4)	(18)	(18)
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	571	1,342
- Under / (over) provision in prior years	(43)	165
Deferred Tax		
-Current year	(306)	(306)
	222	1,201
Profit / loss before taxation:	<u>(2,701)</u>	<u>579</u>
Tax at applicable rate of 24%	(648)	139
Effect of share of results of an associate and joint venture	913	897
Income Tax		
-Under / (over) provision in prior years	(43)	165
	222	1,201

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 3 rd quarter ended FY2019		
	Long Term	Short Term	Total Borrowings
	RM'000 Denomination	RM'000 Denomination	RM'000 Denomination
Secured			
Term Loan	-	452	452
Hire Purchase	22	14	36
Total	22	466	488
	As at 3 rd quarter ended FY2018		
	Long Term	Short Term	Total Borrowings
	RM'000 Denomination	RM'000 Denomination	RM'000 Denomination
Secured			
Term Loan	444	545	989
Hire Purchase	36	13	49
Total	480	558	1038

8. Material Litigation

The Group does not have any litigation which would materially affect its financial position.

9. Dividend Declared/Recommended

A first interim single-tier dividend of 10 sen per ordinary share amounting to RM24,999,413 declared in respect of the financial year ending 30 June 2019 was paid on 8 April 2019 to the shareholders whose names appear in the Company's Record of Depositors as at 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	
	31-03-19	31-03-18	31-03-19	31-03-18
	RM'000	RM'000	RM'000	RM'000
Net profit / (loss) attributable to shareholders	(2,923)	(3,454)	(622)	(2,225)
Weighted average number of ordinary shares in issue	249,994	249,994	249,994	249,994
<i>Basic earnings / (loss) per share (sen)</i>	<u><u>(1.17)</u></u>	<u><u>(1.38)</u></u>	<u><u>(0.25)</u></u>	<u><u>(0.89)</u></u>

By Order of the Board

Dato' Teo Ker Wei
Executive Director

29 May 2019
Kuala Lumpur