

FCW HOLDINGS BERHAD (Company No. : 3116 K)
Summary of Key Financial Information for the period ended 31 December 2020

	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	%
	31/12/2020 RM'000	31/12/2019 RM'000	RM'000		31/12/2020 RM'000	31/12/2019 RM'000	RM'000	
1 Revenue	6,699	4,778	1,921	40%	12,145	11,180	965	9%
2 Profit From Continuing Operations Before Tax	5,840	6,408	(568)	-9%	10,695	14,982	(4,287)	-29%
3 Profit From Continuing Operations for the Period	5,379	6,188	(809)	-13%	9,911	14,469	(4,558)	-32%
4 Profit for the Period and Other Comprehensive Income Attributable to Owners of the Company	5,379	4,742	637	13%	9,911	11,252	(1,341)	-12%
5 Basic earnings per share (sen)	2.15	1.90	0.25	13%	3.96	4.50	(0.54)	-12%
6 Proposed/Declared dividend per share (sen)	0.00	0.00	0.00		0.00	0.00	0.00	

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

	INDIVIDUAL		Individual changes	
	Current Year Quarter	Immediate Preceding Quarter	Amount	%
	31/12/2020 RM'000	30/09/2020 RM'000	RM'000	
1 Revenue	6,699	5,446	1,253	23.0%
2 Profit Before Tax	5,840	4,855	985	20%
3 Profit for the Period	5,379	4,532	847	19%
4 Profit for the Period and Other Comprehensive Income Attributable to Owners of the Company	5,379	4,532	847	19%
5 Basic Profit per share (sen)	2.15	1.81	0.34	19%
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)	0.70	0.67

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year To Date	Preceding Year Corresponding Period
	31/12/2020 RM'000	31/12/2019 RM'000			31/12/2020 RM'000	31/12/2019 RM'000
1 Gross interest income	1,374	1,177			2,514	2,348
2 Gross interest expense	-	(2)			-	(8)

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited)

	FY 2020/21 Current Quarter Ended 31-Dec RM'000	FY 2019/20 Comparative Quarter Ended 31-Dec RM'000	FY 2020/21 Current 6 Months Cumulative To Date RM'000	FY 2019/20 Comparative 6 Months Cumulative To Date RM'000
Revenue	6,699	4,778	12,145	11,180
Cost of Sales	<u>(5,355)</u>	<u>(3,759)</u>	<u>(9,515)</u>	<u>(8,951)</u>
Gross Profit	1,344	1,019	2,630	2,229
Other Income	1,381	1,191	2,535	2,379
Other Items of Expenses				
Administrative Expenses	(366)	(483)	(793)	(909)
Marketing Expenses	(20)	(31)	(25)	(36)
Other Expenses	(722)	(889)	(1,408)	(1,727)
Share of Results of a Joint Venture	4,223	5,603	7,756	13,054
Profit From Continuing Operations	5,840	6,410	10,695	14,990
Finance Costs	<u>-</u>	<u>(2)</u>	<u>0</u>	<u>(8)</u>
Profit From Continuing Operations Before Tax	5,840	6,408	10,695	14,982
Taxation	<u>(461)</u>	<u>(220)</u>	<u>(784)</u>	<u>(513)</u>
Profit From Continuing Operations After Tax	5,379	6,188	9,911	14,469
Losses From Discontinued Operation, Including Disposal	-	(1,446)	-	(3,217)
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the year	<u>5,379</u>	<u>4,742</u>	<u>9,911</u>	<u>11,252</u>
Profit for the Period and Other Comprehensive Income Attributable to:				
Owners of the Company	5,379	4,742	9,911	11,252
Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,379</u>	<u>4,742</u>	<u>9,911</u>	<u>11,252</u>
Earnings per share Attributable to Owners of the Company (sen per share)				
- Basic	2.15	1.90	3.96	4.50
(i) Earning per share From Continuing Operation Attributable to Owners of the Company (sen per share)	2.15	2.48	3.96	5.79
(ii) Losses per share From Discontinued Operation Attributable to Owners of the Company (sen per share)	-	(0.58)	-	(1.29)

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 2020.

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(Unaudited)

	As At 31-Dec 2020 RM'000	As At 30-Jun 2020 RM'000
Non Current Assets		
Property, plant and equipment	4,461	4,539
Investment property	3,100	3,100
Investment in an associate	-	-
Other Investment	712	703
Deferred tax asset	1,205	1,040
Receivables	88,052	85,913
Goodwill on consolidation	-	-
Right of use assets - ROU	438	410
	<u>97,968</u>	<u>95,705</u>
Current Assets		
Inventories	5,534	4,683
Receivables	5,003	3,484
Tax recoverable	254	411
Cash and cash equivalents	83,821	83,970
	<u>94,612</u>	<u>92,548</u>
Total Assets	<u>192,580</u>	<u>188,253</u>
Share Capital	124,997	124,997
Reserves	50,374	41,679
Shareholders' Equity	<u>175,371</u>	<u>166,676</u>
Non-controlling interests	(19)	(19)
Total equity	<u>175,352</u>	<u>166,657</u>
Non Current Liabilities		
Loans and borrowings	-	3
Deferred tax liabilities	150	150
Lease Liabilities -ROU	429	429
Deferred income	12,123	18,448
	<u>12,702</u>	<u>19,030</u>
Current Liabilities		
Payables	4,516	2,551
Loans and borrowings	10	15
Taxation	-	-
	<u>4,526</u>	<u>2,566</u>
Total Equity And Liabilities	<u>192,580</u>	<u>188,253</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.70</u>	<u>0.67</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020.

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020
(Unaudited)

	FY2020/21 6 Months ended 31-Dec-20 RM' 000	FY2019/20 6 Months ended 31-Dec-19 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,695	11,765
Adjustments for:		
Non-cash items	83	100
Share of results of an associate	-	3,217
Share of results of a joint venture	(7,756)	(13,054)
Gain on disposal of property, plant and equipment	(3)	-
Non-operating items	(2,514)	(2,340)
	<u>505</u>	<u>(312)</u>
Net changes in current assets	(2,370)	1,397
Net changes in liabilities	2,180	(1,200)
Cash used in operations	<u>315</u>	<u>(115)</u>
Interest income received	2,514	2,348
Interest expense paid	-	(8)
Tax paid	(792)	(832)
Net cash generated from operating activities	<u>2,037</u>	<u>1,393</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	58	28
Advance to a joint venture	(2,139)	(5,145)
Purchase of property, plant and equipment	(60)	(108)
Right of use assets -ROU	(28)	-
Placement of other investment	(9)	(11)
Disposal of investment in associate	-	2,000
Net cash used in investing activities	<u>(2,178)</u>	<u>(3,236)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	-	(285)
Repayment of hire purchase creditors	(8)	(14)
Dividend paid on ordinary shares	-	-
Net cash used in financing activities	<u>(8)</u>	<u>(299)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(149)	(2,142)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,970	86,530
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>83,821</u>	<u>84,388</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020.

FCW HOLDINGS BERHAD (Company No. : 3116 K)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020
(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 December 2020							
At 1st July 2020	124,997	2,704	(1,145)	40,120	166,676	(19)	166,657
Adjustment of the MFRS 123 Borrowing Cost			-	(1,216)	(1,216)	-	(1,216)
Total comprehensive income for the period	-			9,911	9,911	-	9,911
At 31 December 2020	124,997	2,704	(1,145)	48,815	175,371	(19)	175,352
Year ended 31 December 2019							
At 1st July 2019	124,997	2,704	(1,145)	20,872	147,428	(19)	147,409
Dividend paid						-	-
Total comprehensive income for the period	-	-	-	11,252	11,252	-	11,252
At 31 December 2019	124,997	2,704	(1,145)	32,124	158,680	(19)	158,661

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The 2nd Quarter Ended 31 December 2020**

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 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. 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 2020.

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 2020, except as disclosed below:

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2020. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group, other than as disclosed below:

IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”)

March 2019, the IFRIC has concluded that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets.

The Malaysian Accounting Standards Board (“MASB”) announced that non-private entities in the real estate industry might need to change their accounting policy as a result of the IFRIC Agenda Decision. In ensuring consistent application of the MFRS, which are word-for-word the IFRS Standards, the MASB decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020 (“Mandatory Date”). The impact of the change in accounting policy pursuant to the Agenda Decision related to the borrowing costs incurred on property under development in the joint venture is shown in the Statement of Changes in Equity of the unaudited interim financial statements.

FCW HOLDINGS BERHAD (3116-K)

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's financial statements for the year ended 30 June 2020 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.

FCW HOLDINGS BERHAD (3116-K)

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

7. Segmental Information

(RM'000)	31-12-20 2nd Qtr	31-12-19 2nd Qtr	31-12-20 6 Mth Cum	31-12-19 6 Mth Cum
<u>Segment Revenue</u>				
Contract Manufacturing	6,699	4,778	12,145	11,180
Total	<u>6,699</u>	<u>4,778</u>	<u>12,145</u>	<u>11,180</u>
<u>Segment Results</u>				
Contract Manufacturing	525	4	988	260
Share of Results of an Associate	-	(1,446)	-	(3,217)
Share of Results of a Property Development Joint Venture	4,223	5,603	7,756	13,054
Others	1,092	802	1,951	1,670
Total	<u>5,840</u>	<u>4,963</u>	<u>10,695</u>	<u>11,767</u>

8. Subsequent Events

There was no material events subsequent to the end of the financial quarter ended 31 December 2020.

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 2020.

10. Capital Commitments

The Group has no material capital commitment in respect of property, plant and equipment as at 31 December 2020.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Performance review

Contract Manufacturing

Current quarter

Turnover for the quarter increased 40% to RM6.7 million from that of RM4.8 million for the corresponding quarter in previous year. The increase in sales was mainly contributed by two main factors, which are fresh orders from new customer and increasing demand for sanitisation products. Profit before tax for the quarter also increased to RM525,000 compared to RM4,000 as at the same quarter last year on better profit margin from its product mix.

Year to date

The first half of the current financial year saw a 9% increase in turnover to RM12.1 million from RM11.2 million for the corresponding period in the previous year was mainly due to the increased sales from existing customers and also new demand for sanitisation products. Profit before tax also increased from RM260,000 in the preceding year to RM988,000 for the current financial year. This was a result of better sales gross margins on various products coupled with on-going controls over operating costs.

Cables Manufacturing

Current quarter

In the second quarter of the previous financial year, the Group disposed its investment in its associate, Fujikura Federal Cables Sdn Bhd involved in the manufacturing of cables. Hence, there was no contribution from this segment for the current quarter as compared to a loss of RM1.4 million for the corresponding quarter last financial year.

Year to date

As reported above, there was no contribution from this segment for the year to date period as compared to a loss of RM3.2 million for the corresponding period last financial year.

Property Development

Current quarter

The quarter reported a lower after-tax profit at RM4.2 million compared to that of RM5.6million for the corresponding quarter last financial year. Progress billings for Phase One of the Riana Dutamas project were at 79% of its progress work completion with close to 98% of its units sold to-date. Phase Two of the Riana Dutamas project was launched in November 2020. The quarter performance was affected by the adoption of MFRS123 which charged out all the capitalized finance cost according to the Advertising Permit and Developer License (APDL) date.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

Year to date

Profit after tax for the first half of current financial year was reported at RM7.8 million against that of RM13 million for the same period in the previous financial year. The decline was due to the adoption of MFRS123 during the period.

Others

Current quarter

Profit before tax had increased from RM802,000 in the corresponding quarter last financial year to RM1.1 million in the current quarter. The increase was mainly contributed by the interest earnings from the advance to Joint Venture as a result of reducing interest capitalized in Property Development Cost (“PDC”). Savings audit fee for the previously disposed Fujikura Federal Cables Sdn Bhd has also contributed to the profit.

Year to date

Profit before tax had increased from RM1.7 million of the corresponding period in the previous financial year to RM1.9 million in current financial year. The increase was mainly contributed by interest earning from the advance to Joint Venture as a result of reducing interest capitalized in Property Development Cost (“PDC”).

2. Comparison with preceding quarter’s result

Profit before tax from continuing operations of this quarter, recorded at RM5.8 million was higher than that of the preceding quarter of RM4.9 million due to increased profit contributions reported for property development as well as contract manufacturing activities. Construction activities as well as product deliveries picked up in the current quarter as a result of a slight relaxation in the movement control restrictions compared to the preceding quarter.

3. Commentary of Prospects

The Group’s performance for the rest of the financial year will much depend on how the pandemic develops in the near future as the recovery of the economy will have positive impact on the sales of newly launched phase 2 of Riana Dutamas project and also on its progress billings. For the contract manufacturing segment, the demand for its products will also have similar effect. Nevertheless, the Group is cautiously optimistic of positive contributions from its businesses.

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:

	31-12-20 Current Quarter RM'000	31-12-19 Current Quarter RM'000	31-12-20 6-months Cumulative RM'000	31-12-19 6-months Cumulative RM'000
(Gain)/loss on disposal of property, plant & equipment	(1)	-	(3)	-
Interest income	(1,374)	(1,177)	(2,514)	(2,348)
Other income	-	-	-	-
Interest expenses	-	2	-	8
Depreciation and amortisation	41	50	83	100
(Gain)/ loss on foreign exchange	(3)	(7)	(7)	(23)
Loss on disposal at investment	-	510	-	510
Reversal of provision for diminution in investment	-	-	-	-

6. Tax

	Current Qtr Dec'20 RM'000	Current Qtr Dec'19 RM'000
Income Tax: - Current year	490	323
Deferred Tax - Current year	(29)	(103)
	461	220
Profit / loss before taxation:	<u>5,840</u>	<u>6,408</u>
Tax at applicable rate of 24%	1,402	1,538
Effect of share of results of an associate and joint venture	(1,013)	(1,345)
Non-deductible expenses	72	27
	461	220

7. Group Borrowings and Debt Securities

	As at 2nd quarter ended FY2021		
	Long Term	Short Term	Total Borrowings
	RM'000 Denomination	RM'000 Denomination	RM'000 Denomination
Secured			
Term Loan	-	-	-
Hire Purchase	-	10	10
Total	-	10	10
	As at 2nd quarter ended FY2020		
	Long Term	Short Term	Total Borrowings
	RM'000 Denomination	RM'000 Denomination	RM'000 Denomination
Secured			
Term Loan	-	21	21
Hire Purchase	10	15	25
Total	10	36	46

8. Material Litigation

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

9. Dividend Declared/Recommended

There were no dividends declared or recommended during the current financial quarter.

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	
	31-12-20	31-12-19	31-12-20	31-12-19
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders	5,379	4,742	9,911	11,252
Weighted average number of ordinary shares in issue	249,994	249,994	249,994	249,994
<i>Basic earnings per share (sen)</i>	<i>2.15</i>	<i>1.90</i>	<i>3.96</i>	<i>4.50</i>

By Order of the Board**Dato' Teo Ker Wei**
Executive Director**26 February 2021**
Kuala Lumpur