

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			12 months ended (Cumulative)		
	31.12.2017	31.12.2016	%	31.12.2017	31.12.2016	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	6,784	5,898	15.0%	26,784	22,466	19.2%
Operating expenses	(6,107)	(4,555)		(22,305)	(18,478)	
Operating profit	677	1,343	-49.6%	4,479	3,988	12.3%
Other operating income	97	386		639	776	
	774	1,729	-55.2%	5,118	4,764	7.4%
Finance costs	(9)	(11)		(38)	(20)	
Profit before taxation	765	1,718	-55.5%	5,080	4,744	7.1%
Taxation	(263)	(404)		(1,408)	(1,214)	
Net profit after taxation	502	1,314	-61.8%	3,672	3,530	4.0%
Other comprehensive income:	-	-		-	-	
Total comprehensive income	502	1,314		3,672	3,530	
Profit attributable to:						
Owners of the Company	502	1,216	-58.7%	3,527	3,193	10.5%
Non-controlling interests	-	98		145	337	
	502	1,314		3,672	3,530	
Total comprehensive income attributable to:						
Owners of the Company	502	1,216	-58.7%	3,527	3,193	10.5%
Non-controlling interests	-	98		145	337	
	502	1,314		3,672	3,530	
Earnings per share attributable to owners of the parent:						
Basic (sen) *	0.22	0.53		1.55	1.40	
Diluted (sen)	NA	NA		NA	NA	

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

* The total number of 228,148,477 shares after the completion of the bonus issue on 24 October 2017 was used in the earnings per share calculation retrospectively. Please refer to note disclosure for further details.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	(Unaudited) As at 31.12.2017 RM'000	(Audited) As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,317	7,636
Unquoted Investment	62	-
Goodwill on acquisition	1,110	1,110
	<u>9,489</u>	<u>8,746</u>
Current assets		
Inventories	3,446	2,590
Trade and other receivables	6,812	6,311
Tax recoverable	59	42
Fixed deposits with licensed banks	3,033	62
Short term investment	4,072	4,968
Cash and bank balances	2,543	6,061
	<u>19,965</u>	<u>20,034</u>
TOTAL ASSETS	<u>29,454</u>	<u>28,780</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	22,815	17,111
Treasury shares	-	(506)
Share premium	7,131	11,270
Accumulated losses	(5,390)	(4,881)
	<u>24,556</u>	<u>22,994</u>
Non-controlling interests	<u>-</u>	<u>1,102</u>
Total equity	<u>24,556</u>	<u>24,096</u>
Non-current liabilities		
Hire purchase creditors	621	490
Deferred taxation	457	471
	<u>1,078</u>	<u>961</u>
Current liabilities		
Trade and other payables	3,558	3,492
Hire purchase creditors	192	150
Tax payable	70	81
	<u>3,820</u>	<u>3,723</u>
Total liabilities	<u>4,898</u>	<u>4,684</u>
TOTAL EQUITY AND LIABILITIES	<u>29,454</u>	<u>28,780</u>
Net assets per share attributable to equity holders of the parent (sen)*	<u>10.8</u>	<u>10.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

* The total number of 228,148,477 shares after the completion of the bonus issue on 24 October 2017 was used in the calculation of the net assets per share attributable to the equity holders of the parents retrospectively.

TECHFAST HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017

	← Attributable to Equity Holders of the Parent →							Total Equity RM'000
	Non-Distributable				Distributable	Total RM'000	Non- Controlin g Interests RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings/ (Accumu- lated Losses) RM'000			
Balance at 1 January 2016	17,111	(416)	11,270	-	(7,236)	20,729	945	21,674
Net profit/(loss) for the period	-	-	-	-	3,193	3,193	337	3,530
Purchase of own shares	-	(90)	-	-	-	(90)	-	(90)
Dividends paid	-	-	-	-	(838)	(838)	(180)	(1,018)
Balance as at 31 December 2016	17,111	(506)	11,270	-	(4,881)	22,994	922	23,916
Balance at 1 January 2017	17,111	(506)	11,270	-	(4,881)	22,994	1,102	24,096
Net profit/(loss) for the period	-	-	-	-	3,527	3,527	145	3,672
Dividends paid	-	-	-	-	(1,702)	(1,702)	(370)	(2,072)
Resale of treasury shares	5,704	(1)	(4,139)	-	-	1,564	-	1,564
Dilution from transaction with non-controlling interest	-	-	-	-	(2,334)	(2,334)	(877)	(3,211)
Balance as at 31 December 2017	22,815	-	7,131	-	(5,390)	24,556	-	24,556

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	(Unaudited)	
	12 Months Ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	5,080	4,744
<u>Adjustments for:</u>		
Non-cash items	767	493
Non-operating items	(254)	(93)
Operating profit before working capital changes	5,593	5,144
<u>Changes in working capital:</u>		
Net change in current assets	(1,358)	514
Net change in current liabilities	66	704
Cash generated from operations	4,301	6,362
Interest paid	(38)	-
Tax (paid)/refunded	(1,449)	(1,374)
Net cash generated from operating activities	2,814	4,988
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	-	289
Interest received	251	93
Purchase of property, plant and equipment	(1,410)	(656)
Acquisition of additional equity stake in subsidiaries	(3,211)	-
Investment in club membership	(62)	-
Net cash used in investing activities	(4,432)	(268)
Cash Flow From Financing Activities		
Purchase of own shares	(168)	(91)
Proceeds from resale of treasury shares	2,240	-
Net repayment of hire purchase creditors	174	(339)
Dividends paid	(2,071)	(1,018)
Net cash generated from/(used in) financing activities	175	(1,448)
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	(1,443)	3,272
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	11,029	7,751
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	9,586	11,029
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,033	62
Short term investment	4,072	4,968
Cash and bank balances	2,543	6,061
	9,648	11,091
Less : Fixed deposits pledged to licensed banks	(62)	(62)
	9,586	11,029

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 : “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE LR”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial reports. These explanatory notes 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 31 December 2016.

The significant accounting policies and methods of computation adopted by the Group in preparing this condensed report are consistent with those of the audited financial statements for the financial year ended 31 December 2016.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2016 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The business of the Group is generally not affected by seasonal and cyclical factors.

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review.

A5. Significant Estimates and Changes in Estimates

There were no significant estimates nor changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A6. Changes in Debt and Equity Securities

Bonus Issue

On 24 October 2017, the Company completed the proposed bonus issue corporate exercise following the listing of and quotation for 57,036,677 ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A7. Dividend Paid

There were no dividends paid during the quarter under review. The Board of Directors have proposed a single tier final dividend 0.5 cents per share subject to approval of the shareholders at the forthcoming Annual General Meeting.

A8. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
12 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000
<u>31.12.2017</u>					
External sales	10,684	15,982	118	-	26,784
Inter-segment revenue	-	1,961	5,370	(7,331)	-
Total	<u>10,684</u>	<u>17,943</u>	<u>5,488</u>	<u>(7,331)</u>	<u>26,784</u>
Operating segment profit/(loss)	1,595	3,991	3,455	(3,923)	5,118
Finance cost	(23)	(14)	-	(1)	(38)
Profit/(loss) before taxation	<u>1,572</u>	<u>3,977</u>	<u>3,455</u>	<u>(3,924)</u>	<u>5,080</u>
Taxation	(424)	(984)	-	-	(1,408)
Net profit/(loss) after taxation	<u>1,148</u>	<u>2,993</u>	<u>3,455</u>	<u>(3,924)</u>	<u>3,672</u>
Segment assets	11,051	13,072	36,364	(32,143)	28,344
Unallocated corporate asset					<u>1,110</u>
					<u>29,454</u>
Segment liabilities	<u>2,034</u>	<u>2,696</u>	<u>475</u>	<u>(307)</u>	<u>4,898</u>

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017**A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A8. Segmental Information (cont'd)**

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
12 Months Ended					
31.12.2016					
External sales	7,382	14,994	90	-	22,466
Inter-segment revenue	-	3,158	3,060	(6,218)	-
Total	<u>7,382</u>	<u>18,152</u>	<u>3,150</u>	<u>(6,218)</u>	<u>22,466</u>
Operating segment profit/(loss)	719	4,462	1,218	(1,635)	4,764
Finance cost	(4)	(15)	-	(1)	(20)
Profit/(loss) before taxation	<u>715</u>	<u>4,447</u>	<u>1,218</u>	<u>(1,636)</u>	<u>4,744</u>
Taxation	(147)	(1,067)	-	-	(1,214)
Net profit/(loss) after taxation	<u>568</u>	<u>3,380</u>	<u>1,218</u>	<u>(1,636)</u>	<u>3,530</u>
Segment assets	9,768	13,990	32,542	(28,630)	27,670
Unallocated corporate asset					<u>1,110</u>
					<u>28,780</u>
Segment liabilities	<u>1,298</u>	<u>2,908</u>	<u>478</u>	-	<u>4,684</u>

A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment, from the financial year ended 31 December 2016.

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements, which are likely to substantially affect the results of the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A11. Changes in Composition of the Group

There were no changes in the composition of the Group that occurred in the quarter under review.

A12. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM2.40 million granted to the subsidiary companies. As at the end of the current quarter under review, the subsidiary companies did not utilise any of the said banking facilities.

A13. Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at the end of the quarter under review.

A14. Related Party Transactions

There were no other related party transactions which would have a material impact on the financial position and the business of the Group during the current quarter, other than those disclosed below:

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		12 months ended (Cumulative)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Related Party Transactions	RM'000	RM'000	RM'000	RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	-	8	43	42
Firms connected to directors				
Professional fee payable to:				
- Michael Lim & Co.	-	-	60	-
- A.T. Aun & Associates	-	-	5	-

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

4th Quarter 2017 vs 4th Quarter 2016

The Group revenue for the current quarter of RM6.78 million was about 15.0% higher than RM5.90 million recorded for the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 31 December 2017 was 55.5% lower at RM0.77 million compared to RM1.72 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching faster (“SCF”) segment made a PBT of RM0.21 million compared to RM0.49 million in the corresponding quarter of the previous year. PBT was lower despite higher sales of RM2.63 million for the quarter under review compared to RM2.01 million for the corresponding quarter in the previous year. The decline in profit was due to the stronger Ringgit Malaysia which led to foreign exchange losses and higher overseas marketing expenses.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM0.66 million which was lower than RM1.27 million recorded in the corresponding quarter in the previous year. The lower PBT was mainly due to lower sales turnover coupled with the effects of the stronger Ringgit Malaysia which negatively affected the performance of the companies.

Full year 2017 vs full year 2016

For the financial year ended (“FYE”) 31 December 2017, total turnover of the Group of RM26.78 million was more than the RM22.47 million recorded for FYE 31 December 2016. The Group recorded a PBT of RM5.08 million for the current financial year under review, which was 7.1% higher than RM4.74 million recorded last year.

The SCF segment made a PBT of about RM1.57 million on the back of RM10.68 million revenue for the FYE 31 December 2017. For the FYE 31 December 2016, the SCF segment recorded PBT of RM0.72 million on revenue of RM7.38 million. The improved results were mainly due to marketing efforts paying off as evidenced by increased sales from returning customers and better profit margins on precision turned parts sold.

The rubber sheets and epoxy segment recorded marginally higher external sales revenue of RM15.98 million for the FYE 31 December 2017 compared to RM14.99 million in the previous year. For the current financial year under review, PBT of RM3.98 million was lower than RM4.45 million recorded for the same period last year. The lower PBT was due to higher operating costs and a stronger Ringgit Malaysia which affected the profitability of both Cape and Oriem.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B2. Comment on Material Change in Profit Before Taxation of Current Quarter Compared with the Immediate Preceding Quarter

	(Unaudited)		
	3 months ended (Quarter)		
	31.12.2017	30.09.2017	%
	RM'000	RM'000	chg
Revenue	6,784	7,674	-11.6%
Operating expenses	(6,107)	(6,104)	
Operating profit	677	1,570	-56.9%
Other operating income	97	205	
	774	1,775	-56.4%
Finance costs	(9)	(10)	
Profit before taxation	765	1,765	-56.7%
Income tax expense	(263)	(417)	
Net profit after taxation	502	1,348	-62.8%
Other comprehensive income:	-	-	
Total comprehensive income	502	1,348	
Profit attributable to:			
Owners of the Company	502	1,348	-62.8%
Non-controlling interests	-	-	
	502	1,348	
Total comprehensive income attributable to:			
Owners of the Company	502	1,348	-62.8%
Non-controlling interests	-	-	
	502	1,348	

In the current quarter under review, the Group made a PBT of RM0.77 million, which was 56.7% lower compared to RM1.77 million in the preceding quarter ended 30 September 2017.

For the current quarter, the SCF segment recorded revenue of RM2.63 million for the current quarter which was lower than RM2.92 million recorded in previous quarter ended 30 September 2017. For the current quarter under review, PBT for the SCF segment of RM0.21 million, was RM0.19 million lower than RM0.40 million quarter-on-quarter. The current quarter's results were due to lower sales and commissioning costs for new machines that have yet to generate sales and foreign exchange losses as a result of a stronger Ringgit Malaysia in the current quarter.

The rubber sheets and epoxy material segment recorded a PBT of RM0.66 million on revenue of RM4.37 million which was lower than PBT of RM1.44 million on revenue of RM5.33 million recorded in the previous quarter ended 30 September 2017. Performance was affected by reduced sales, higher operating costs and foreign exchange losses from a stronger Ringgit Malaysia.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. The Prospects For The Year 2018

SCF Segment

All the machines that have been purchased for the military and aerospace projects have been commissioned and are operational. Current work-in-progress are on track and the machines are expected to contribute positively to the sales turnover and hence the bottomline of the SCF business segment for the financial year ending 31 December 2018.

Rubber Sheets and Epoxy Segment

Sales to the Taiwan market for the rubber sheets business continue to improve where else marketing efforts to improve sales in China have yet to yield fruitful results. Management will continue to its marketing efforts and increased contribution to the bottom line are expected to be felt in the current financial year ending 31 December 2018.

Following on the announcement of the agreement signed with Tecore Synchem, Inc. on 19 December 2017 for the supply and sale of Tecore's products, the project has now commenced. Samples of Tecore's products have already been submitted to two of Cape and Oriem's customers, which are multinational companies, for evaluation and testing. Cape and Oriem are still awaiting the outcome from the testing at the time of writing this report. The commencement of the sale of Tecore products following a favourable outcome would lead to improved bottomline of the subsidiary companies.

Anticipated or Known Risks

The Group faces the risk of increasing operating costs including the cost of raw materials and exposure to foreign currency fluctuations as a portion of its sales are denominated in foreign currency. To mitigate these anticipated risks, management is continuously looking for more cost efficient services and raw materials substitutes that do not compromise quality. The Group also monitors the volatility of foreign exchange rates and is open to entering non-speculative hedging arrangements when necessary.

Barring unforeseen circumstances, with the business strategies and direction undertaken, the company expects the results of the year 2018 to be positive and satisfactory.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5. Income Tax Expense

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		12 months ended (Cumulative)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	252	387	1,422	1,290
Deferred taxation	11	17	(14)	(41)
	<u>263</u>	<u>404</u>	<u>1,408</u>	<u>1,249</u>
Overprovision for tax in prior year	-	-	-	(35)
Total income tax expense	<u>263</u>	<u>404</u>	<u>1,408</u>	<u>1,214</u>

B6. Corporate Proposals

There were no corporate proposals announced but not yet completed as at the date of this report.

B7. Group Borrowings

	As at	As at
	31.12.2017	31.12.2016
	RM '000	RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	192	150
Repayable after one year denominated in Ringgit Malaysia	<u>621</u>	<u>490</u>
	<u>813</u>	<u>640</u>

B8. Changes in Material Litigation

The Company is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B9. Dividend Policy

A dividend policy of the Company was established and took effect for the financial year ended 31 December 2017. Techfast targets a payout ratio of at least 40% of its audited consolidated profit after taxation attributable to shareholders for each financial year, after excluding any income that is capital in nature.

The dividend policy of the Company is disclosed in full detail in the Annual Report for the financial year ended 31 December 2016.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B10. Earnings Per Share (“EPS”)**

(a) Basic earnings / (loss) per share

	(Unaudited)		(Unaudited)	
	3 months ended		12 Months Ended	
	(Quarter)		(Cumulative)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net profit attributable to owners of the Company (RM '000)	502	1,216	3,527	3,193
Weighted average number of ordinary shares in issue ('000)	228,148	228,148 *	228,148	228,148 *
Basic earnings per share (sen)	0.22	0.53	1.55	1.40

* Comparative figures have been adjusted for issuance of bonus shares to be comparable with the current period's presentation.

For the purpose of comparisons, the table below depicts the comparative figures for the quarterly results as announced for the period ended 31 December 2016.

	(Unaudited)		(Unaudited)	
	3 months ended		12 Months Ended	
	(Quarter)		(Cumulative)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net profit attributable to owners of the Company (RM '000)	502	1,216	3,527	3,193
Weighted average number of ordinary shares in issue ('000)	228,148	167,723 #	228,148	167,723 #
Basic earnings per share (sen)	0.22	0.73	1.55	1.90

Comparative figures based on quarterly announcement for the period ended 31 December 2016 as announced.

(b) Diluted earnings per share

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive shares outstanding at the balance sheet date.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Notes to the Statement of Comprehensive Income

Profit/(Loss) before taxation is arrived at after crediting/(charging) the following income/(expense) items:

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		12 Months Ended (Cumulative)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	62	68	251	93
Interest expense	(9)	(11)	(38)	(20)
Depreciation and amortisation	(168)	(182)	(679)	(892)
Gain/(Loss) on disposal of properties, plant and equipment	-	137	-	242
Foreign exchange gain/(loss)	4	417	133	197

B12. Realised and Unrealised Profit / Losses

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses is as follows:

	(Unaudited)	(Audited)
	As at	As at
	31.12.2017	31.12.2016
	RM '000	RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	15,324	14,047
Unrealised	14	(304)
	<u>15,338</u>	<u>13,743</u>
Less: Consolidation adjustments	(20,728)	(18,624)
	<u>(5,390)</u>	<u>(4,881)</u>
Total accumulated losses as per consolidated accounts		

Dated: 27 February 2018