

# **TECHFAST HOLDINGS BERHAD**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	(Unaudited)			(Unaudited)	(Audited)		
	3 months ended (Quarter)			12 months ended (Cumulative)			
	31.12.2018	31.12.2017	%	31.12.2018	31.12.2017		%
	RM'000	RM'000	chg	RM'000	RM'000	chg	
Revenue	7,188	6,784	6.0%	30,421	26,783	13.6%	
Operating expenses	(6,360)	(6,107)		(25,208)	(22,306)		
Operating profit	828	677	22.3%	5,213	4,477	16.4%	
Other operating income	58	97		412	640		
	886	774	14.5%	5,625	5,117	9.9%	
Finance costs	(7)	(9)		(32)	(37)		
<b>Profit before taxation</b>	879	765	14.9%	5,593	5,080	10.1%	
Taxation	(314)	(263)		(1,613)	(1,408)		
<b>Net profit after taxation</b>	<b>565</b>	<b>502</b>	12.5%	<b>3,980</b>	<b>3,672</b>	8.4%	
Other comprehensive income:	-	-		-	-		
<b>Total comprehensive income</b>	<b>565</b>	<b>502</b>		<b>3,980</b>	<b>3,672</b>		
<b>Profit attributable to:</b>							
Owners of the Company	565	502	12.5%	3,980	3,527	12.8%	
Non-controlling interests	-	-		-	145		
	<b>565</b>	<b>502</b>		<b>3,980</b>	<b>3,672</b>		
<b>Total comprehensive income attributable to:</b>							
Owners of the Company	565	502	12.5%	3,980	3,527	12.8%	
Non-controlling interests	-	-		-	145		
	<b>565</b>	<b>502</b>		<b>3,980</b>	<b>3,672</b>		
<b>Earnings per share attributable to owners of the parent:</b>							
Basic (sen)	0.25	0.22		1.74	1.56		
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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

**TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	(Unaudited) As at 31.12.2018 RM'000	(Audited) As at 31.12.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,142	8,317
Other investment	62	62
Goodwill on acquisition	1,110	1,110
	<u>9,314</u>	<u>9,489</u>
<b>Current assets</b>		
Inventories	3,603	3,445
Trade and other receivables	7,298	6,813
Tax recoverable	-	59
Fixed deposits with licensed banks	4,166	3,033
Short term investment	3,752	4,072
Cash and bank balances	2,850	2,543
	<u>21,669</u>	<u>19,965</u>
<b>TOTAL ASSETS</b>	<b><u>30,983</u></b>	<b><u>29,454</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	29,946	29,946
Accumulated losses	(3,692)	(5,390)
<b>Total equity</b>	<b><u>26,254</u></b>	<b><u>24,556</u></b>
<b>Non-current liabilities</b>		
Finance lease liabilities	420	621
Deferred taxation	502	457
	<u>922</u>	<u>1,078</u>
<b>Current liabilities</b>		
Trade and other payables	3,556	3,558
Finance lease liabilities	202	192
Tax payable	49	70
	<u>3,807</u>	<u>3,820</u>
<b>Total liabilities</b>	<b><u>4,729</u></b>	<b><u>4,898</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>30,983</u></b>	<b><u>29,454</u></b>
Net assets per share attributable to equity holders of the parent (sen)	<u>11.5</u>	<u>10.8</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

# TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	← Attributable to Equity Holders of the Parent →							Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable		Non- Controlling Interests RM'000	
			Share Premium RM'000	Other Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000		
<b>Balance at 1 January 2017</b>	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
Resale of treasury shares	-	506	-	1,733	-	2,239	-	2,239
Bonus issue	5,704	-	(3,971)	(1,733)	-	-	-	-
Expenses related to bonus issue	-	-	(168)	-	-	(168)	-	(168)
Dividends paid	-	-	-	-	(1,702)	(1,702)	(370)	(2,072)
Dilution from transaction with non-controlling interest	-	-	-	-	(2,334)	(2,334)	(877)	(3,211)
Effect of implementation of Companies Act 2016	7,131	-	(7,131)	-	-	-	-	-
<b>Balance as at 31 December 2017</b>	<b>29,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,390)</b>	<b>24,556</b>	<b>-</b>	<b>24,556</b>
<b>Balance at 1 January 2018</b>	29,946	-	-	-	(5,390)	24,556	-	24,556
Net profit/(loss) for the period	-	-	-	-	3,980	3,980	-	3,980
Dividends paid	-	-	-	-	(2,282)	(2,282)	-	(2,282)
<b>Balance as at 31 December 2018</b>	<b>29,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,692)</b>	<b>26,254</b>	<b>-</b>	<b>26,254</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

**TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	(Unaudited) 12 Months Ended 31.12.2018 RM'000	(Audited) 12 Months Ended 31.12.2017 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	5,593	5,080
<u>Adjustments for:</u>		
Non-cash items	898	666
Non-operating items	(233)	(49)
Operating profit before working capital changes	6,258	5,697
<u>Changes in working capital:</u>		
Net change in current assets	(641)	(855)
Net change in current liabilities	(2)	(555)
Cash generated from operations	5,615	4,287
Interest paid	(32)	-
Tax (paid)/refunded	(1,530)	(1,449)
<b>Net cash generated from operating activities</b>	<b>4,053</b>	<b>2,838</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	232	137
Purchase of property, plant and equipment	(691)	(993)
Acquisition of additional equity stake in subsidiaries	-	(3,211)
Investment in club membership	-	(62)
Withdrawal/(Placement) of fixed deposits	-	(662)
<b>Net cash used in investing activities</b>	<b>(459)</b>	<b>(4,791)</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from resale of treasury shares	-	2,240
Net repayment of hire purchase creditors	(191)	(239)
Bonus issue expenses	-	(168)
Dividends paid	(2,282)	(2,071)
<b>Net cash used in financing activities</b>	<b>(2,473)</b>	<b>(238)</b>
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS</b>	<b>1,121</b>	<b>(2,191)</b>
<b>Effects of exchange rate changes</b>	<b>-</b>	<b>86</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>9,585</b>	<b>11,029</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>10,706</b>	<b>8,924</b>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	4,166	3,033
Short term investment	3,752	4,072
Cash and bank balances	2,850	2,543
	10,768	9,648
Less : Fixed deposits pledged to a licensed bank	(62)	(64)
Deposits with maturity period of more than three months	-	(660)
	<b>10,706</b>	<b>8,924</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

## **TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

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### **NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018**

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

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##### **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 2017 and the accompanying explanatory notes attached to the interim financial reports. These explanatory notes attached 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 2017.

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 2017, which have been prepared in accordance with MFRS, International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

Additionally, MFRS 9 Financial Instruments came into effect for annual periods beginning 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The new standard contains three principle classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

In summary, the Group has applied the MFRS 9 retrospectively and assessed that there is no material impact to the opening balances of the Statement of Financial Position as at 1 January 2018 and of the Financial Statements for the current financial period under review.

##### **A2. Auditor’s Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the financial year ended 31 December 2017 was not qualified.

##### **A3. Comments about Seasonal or Cyclical Factors**

The business of the fasteners division of the Group is generally not affected by seasonal and cyclical factors. However, the business of the Mould cleaning rubber sheets and LED epoxy encapsulant materials division sell its products to customers in the semi-conductor and manufacturing industries. Therefore, the performance of this division to a certain extent depends on the cyclical nature of the semi-conductor and manufacturing industries.

## **TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

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### **NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018**

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

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##### **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.

##### **A6. Changes in Debt and Equity Securities**

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

##### **A7. Dividend Paid**

An interim single tier dividend of 0.5 sen per share which total RM1,140,740 for the financial year ended 31 December 2018 was paid on 4 October 2018 to shareholders whose names appear in the Record of Depositors of the Company on 19 September 2018.

**TECHFAST HOLDINGS BERHAD**

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018****A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A8. Segmental Information**

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
<b>12 Months Ended</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>31.12.2018</u></b>					
External sales	13,274	17,026	121	-	30,421
Inter-segment revenue	-	2,294	5,140	(7,434)	-
Total	<u>13,274</u>	<u>19,320</u>	<u>5,261</u>	<u>(7,434)</u>	<u>30,421</u>
Operating segment profit/(loss)	1,937	4,376	3,072	(3,760)	5,625
Finance cost	(21)	(11)	-	-	(32)
Profit/(loss) before taxation	<u>1,916</u>	<u>4,365</u>	<u>3,072</u>	<u>(3,760)</u>	<u>5,593</u>
Taxation	(468)	(1,145)	-	-	(1,613)
Net profit/(loss) after taxation	<u>1,448</u>	<u>3,220</u>	<u>3,072</u>	<u>(3,760)</u>	<u>3,980</u>
Segment assets	11,397	13,562	37,274	(32,360)	29,873
Unallocated corporate asset					1,110
					<u>30,983</u>
Segment liabilities	<u>1,731</u>	<u>2,866</u>	<u>594</u>	<u>(462)</u>	<u>4,729</u>



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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018****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
<b>12 Months Ended</b>					
<b><u>31.12.2017</u></b>					
External sales	10,684	15,981	118	-	26,783
Inter-segment revenue	-	1,961	5,370	(7,331)	-
Total	<u>10,684</u>	<u>17,942</u>	<u>5,488</u>	<u>(7,331)</u>	<u>26,783</u>
Operating segment profit/(loss)	1,595	3,991	3,455	(3,924)	5,117
Finance cost	(23)	(14)	-	-	(37)
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>

**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 2017.

**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.

**A11. Changes in Composition of the Group**

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

# TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

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## NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018

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

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#### 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:

Related Party Transactions	(Unaudited) 3 months ended (Quarter)		(Unaudited) 12 months ended (Cumulative)	(Audited) 12 months ended (Cumulative)
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
<b>Company connected to a director</b>				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	-	-	41	44
<b>Firms connected to directors</b>				
Professional fee payable to:				
- Michael Lim & Co.	-	-	60	60
- A.T. Aun & Associates	-	-	-	4

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

## **TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

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### **NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018**

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

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##### **B1. Review of Performance**

###### **4th Quarter 2018 vs 4th Quarter 2017**

The Group revenue for the current quarter of RM7.19 million was 6.0% higher than RM6.78 million recorded for the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 31 December 2018 was 14.9% higher at RM0.88 million compared to RM0.77 million during the corresponding quarter in the previous year.

The self-clinching fastener (“SCF”) segment recorded revenue of RM2.74 million for the current quarter under review compared to RM2.63 million for the corresponding quarter in the previous year. PBT of RM0.02 million for the current FYE was lower compared to RM0.21 million in the corresponding quarter of the previous year mainly due to lower gross profit margins affected by some stock valuation in finished goods.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM1.15 million which was higher than RM0.66 million recorded in the corresponding quarter in the previous year. Sales of RM5.01 million for the quarter under review was also higher compared to RM4.37 million for the corresponding quarter last year. Results were improved largely due to higher sales and lower foreign exchange losses.

###### **4th Quarter 2018 YTD vs 4th Quarter 2017 YTD**

For the financial year ended (“FYE”) 31 December 2018, total turnover of the Group of RM30.42 million was 13.6% higher compared to RM26.78 million recorded in the last year. The Group recorded a PBT of RM5.59 million for the FYE 31 December 2018 which was 10.1% higher than RM5.08 million in the previous year, was due to improvements in both operating segments of the Group.

The SCF segment made a PBT of about RM1.92 million on the back of RM13.27 million of sales revenue for the FYE 31 December 2018. For the FYE 31 December 2017, the SCF recorded PBT of RM1.57 million on sales revenue of RM10.68 million. The improved results were mainly due to higher sales.

The rubber sheets and epoxy segment recorded higher external sales revenue of RM17.03 million for the FYE 31 December 2018 compared to external sales of RM15.98 million for the FYE 31 December 2017. Improved sales came from the domestic market and the China and Taiwan markets collectively improved their sales by about 35% over the same period last year. For the FYE 31 December 2018, PBT of RM4.36 million was higher than RM3.98 million recorded in the last year. The increase in the PBT came from increased sales revenue and lower realized and unrealized foreign exchange losses.

**TECHFAST HOLDINGS BERHAD**

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018****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)		
	31.12.2018	30.09.2018	
	RM'000	RM'000	chg
Revenue	7,188	7,838	-8.3%
Operating expenses	(6,360)	(6,104)	
Operating profit	828	1,734	-52.2%
Other operating income	58	113	
	886	1,847	-52.0%
Finance costs	(7)	(8)	
<b>Profit before taxation</b>	<b>879</b>	<b>1,839</b>	<b>-52.2%</b>
Income tax expense	(314)	(440)	
<b>Net profit after taxation</b>	<b>565</b>	<b>1,399</b>	<b>-59.6%</b>
Other comprehensive income:	-	-	
<b>Total comprehensive income</b>	<b>565</b>	<b>1,399</b>	
<b>Profit attributable to:</b>			
Owners of the Company	565	1,399	-59.6%
Non-controlling interests	-	-	
	<b>565</b>	<b>1,399</b>	
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	565	1,399	-59.6%
Non-controlling interests	-	-	
	<b>565</b>	<b>1,399</b>	

In the current quarter under review, the Group made a PBT of RM0.88 million, which was 52.2% lower than PBT of RM1.84 million for the preceding quarter ended 30 September 2018.

For the current quarter, the SCF segment recorded revenue of RM2.74 million which was lower than RM3.49 million recorded in previous quarter ended 30 September 2018. PBT for the SCF segment for the current quarter of RM0.02 million was lower than RM0.65 million quarter-on-quarter. The current quarter's results were lower mainly due to lower sales and lower gross profit margins from product mix.

The rubber sheets and epoxy material segment recorded a PBT of RM1.15 million on sales revenue of RM5.01 million, which was marginally lower than PBT of RM1.26 million on sales revenue of RM4.94 million recorded in the previous quarter ended 30 September 2018. Lower PBT despite marginally higher sales was due to higher operating costs.

# TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

## NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018

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

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#### B3. Prospects For The Financial Year Ending 31 December 2019

##### SCF Segment

The fastener segment of the company now focuses on securing contracts for higher margin products such as electronic hardware and precision turned parts. Management is also still on the look out to initiate projects within the aerospace industries.

##### Rubber Sheets and Epoxy Segment

The rubber sheets and epoxy segment business of the Group is known to be the only manufacturer of semi-conductor mould cleaning products in the South East Asia region. As a leading manufacturer, the company remains committed to improving operating efficiency and undertaking research and development to stay ahead of its overseas competitors. The company knows that there is still huge market demand in China and Taiwan. As such, business development efforts are focused on capturing larger share of the demand in those markets.

The other business segment of manufacturing epoxy and encapsulation materials has undertaken various projects which had yet to materialise results and the company will continue to explore opportunities for its products.

With these efforts undertaken by the subsidiary companies, the Group is confident that the results for 2019 will be satisfactory, barring any unforeseen circumstances.

#### B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

#### B5. Income Tax Expense

	3 months ended (Quarter)		12 months ended (Cumulative)	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Current tax:				
Malaysian income tax	296	255	1,541	1,425
Deferred taxation	(25)	11	45	(14)
	<u>271</u>	<u>266</u>	<u>1,586</u>	<u>1,411</u>
Underprovision in previous year	43	(3)	27	(3)
Total income tax expense	<u>314</u>	<u>263</u>	<u>1,613</u>	<u>1,408</u>

#### B6. Corporate Proposals

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

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Group Borrowings**

	<b>As at 31.12.2018 RM '000</b>	<b>As at 31.12.2017 RM '000</b>
<b>Finance lease liabilities</b>		
Repayable within one year denominated in Ringgit Malaysia	202	192
Repayable after one year denominated in Ringgit Malaysia	420	621
	<u>622</u>	<u>813</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 from 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 2017.

**B10. Earnings Per Share ("EPS")**

(a) Basic earnings / (loss) per share

	<b>(Unaudited) 3 months ended (Quarter)</b>		<b>(Unaudited) (Audited) 12 Months Ended (Cumulative)</b>	
	<u>31.12.2018</u>	<u>31.12.2017</u>	<u>31.12.2018</u>	<u>31.12.2017</u>
Net profit attributable to owners of the Company (RM '000)	565	502	3,980	3,527
Weighted average number of ordinary shares in issue ( '000)	228,148	228,148	228,148	226,417
Basic earnings per share (sen)	0.25	0.22	1.74	1.56

(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.

**TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

Incorporated in Malaysia

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018****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)	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	82	62	232	251
Interest expense	(7)	(9)	(32)	(38)
Depreciation and amortisation	(202)	(168)	(805)	(679)
Foreign exchange gain/(loss)	(19)	4	45	133

**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
	31.12.2018	31.12.2017
	RM '000	RM '000
<b>Total accumulated losses of the Company and its subsidiaries</b>		
Realised	17,140	15,846
Unrealised	(45)	(508)
	<u>17,095</u>	<u>15,338</u>
Less: Consolidation adjustments	(20,787)	(20,728)
	<u>(3,692)</u>	<u>(5,390)</u>
Total accumulated losses as per consolidated accounts		

Dated: 26 February 2019