

TECHFAST HOLDINGS BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			6 months ended (Cumulative)		
	30.06.2017	30.06.2016	%	30.06.2017	30.06.2016	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	6,877	5,487	25.3%	12,325	10,932	12.7%
Operating expenses	(5,799)	(4,680)		(10,096)	(9,358)	
Operating profit	1,078	807	33.6%	2,229	1,574	41.6%
Other operating income	169	96		337	157	
	1,247	903	38.1%	2,566	1,731	48.2%
Finance costs	(11)	(3)		(18)	(6)	
Profit before taxation	1,236	900	37.3%	2,548	1,725	47.7%
Taxation	(338)	(193)		(727)	(626)	
Net profit after taxation	898	707	27.0%	1,821	1,099	65.7%
Other comprehensive income:	-	-		-	-	
Total comprehensive income	898	707		1,821	1,099	
Profit attributable to:						
Owners of the Company	819	624	31.3%	1,676	967	73.3%
Non-controlling interests	79	83		145	132	
	898	707		1,821	1,099	
Total comprehensive income attributable to:						
Owners of the Company	819	624	31.3%	1,676	967	73.3%
Non-controlling interests	79	83		145	132	
	898	707		1,821	1,099	
Earnings per share attributable to owners of the parent:						
Basic (sen)	0.49	0.39		1.00	0.61	
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.)

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	(Unaudited) As at 30.06.2017 RM'000	(Audited) As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,004	7,636
Unquoted Investment	62	-
Goodwill on acquisition	1,110	1,110
	<u>9,176</u>	<u>8,746</u>
Current assets		
Inventories	2,814	2,590
Trade and other receivables	6,290	6,311
Tax recoverable	9	42
Fixed deposits with licensed banks	1,312	62
Short term investment	3,689	4,968
Cash and bank balances	4,252	6,061
	<u>18,366</u>	<u>20,034</u>
TOTAL ASSETS	<u>27,542</u>	<u>28,780</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,111	17,111
Treasury shares	(289)	(506)
Share premium	11,270	11,270
Reserves	492	-
Accumulated losses	(6,385)	(4,881)
	<u>22,199</u>	<u>22,994</u>
Non-controlling interests	-	1,102
Total equity	<u>22,199</u>	<u>24,096</u>
Non-current liabilities		
Hire purchase creditors	711	490
Deferred taxation	446	471
	<u>1,157</u>	<u>961</u>
Current liabilities		
Trade and other payables	3,731	3,492
Hire purchase creditors	196	150
Tax payable	259	81
	<u>4,186</u>	<u>3,723</u>
Total liabilities	<u>5,343</u>	<u>4,684</u>
TOTAL EQUITY AND LIABILITIES	<u>27,542</u>	<u>28,780</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>14.0</u>	<u>14.5</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.)

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	← Attributable to Equity Holders of the Parent →							
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable	Total RM'000	Non- Controlling Interests RM'000	Total Equity 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	-	-	-	-	967	967	132	1,099
Purchase of treasury shares	-	(79)	-	-	-	(79)	-	(79)
Dividends paid to non- controlling interests	-	-	-	-	(838)	(838)	(80)	(918)
Private placement of new	-	-	-	-	-	-	(80)	(80)
Balance as at 30 June 2016	17,111	(495)	11,270	-	(7,107)	20,779	917	21,696
Balance at 1 January 2017	17,111	(506)	11,270	-	(4,881)	22,994	1,102	24,096
Net profit/(loss) for the period	-	-	-	-	1,676	1,676	145	1,821
Dividends paid	-	-	-	-	(846)	(846)	(370)	(1,216)
Resale of treasury shares	-	217	-	492	-	709	-	709
Dilution from transaction with non-controlling interest	-	-	-	-	(2,334)	(2,334)	(877)	(3,211)
Balance as at 30 June 2017	17,111	(289)	11,270	492	(6,385)	22,199	-	22,199

(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

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	(Unaudited)	
	6 Months Ended	
	30.06.2017	30.06.2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	2,548	1,725
<u>Adjustments for:</u>		
Non-cash items	378	792
Non-operating items	(132)	(79)
Operating profit before working capital changes	2,794	2,438
<u>Changes in working capital:</u>		
Net change in current assets	(216)	584
Net change in current liabilities	239	(272)
Cash generated from operations	2,817	2,750
Interest paid	(18)	(6)
Tax (paid)/refunded	(542)	(529)
Net cash generated from operating activities	2,257	2,215
Cash Flows From Investing Activities		
Interest received	132	78
Purchase of property, plant and equipment	(714)	(404)
Acquisition of additional equity stake in subsidiaries	(3,211)	-
Investment in club membership	(62)	-
Net cash used in investing activities	(3,855)	(326)
Cash Flow From Financing Activities		
Purchase of own shares	-	(79)
Proceeds from resale of treasury shares	710	-
Net repayment of hire purchase creditors	266	(93)
Dividends paid	(1,216)	(918)
Net cash used in financing activities	(240)	(1,090)
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	(1,838)	799
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	11,029	7,820
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	9,191	8,619
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	1,312	990
Short term investment	3,689	3,395
Cash and bank balances	4,252	4,234
	9,253	8,619
Less : Fixed deposits pledged to licensed banks	(62)	-
	9,191	8,619

(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

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 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.

A6. Changes in Debt and Equity Securities

Resale of treasury shares of the Company

On 9 May 2017, the Company disposed off 1,500,000 treasury shares in the open market for a net consideration of RM709,808. The difference between the sale proceeds and the carrying amount of the treasury shares which amounted to RM492,308 was accounted for as other reserve as part of the equity of the Company. After this disposal, the Company still held a total of 1,992,500 treasury shares, until the subsequent disposal on 9 August 2017, as disclosed under item A10.

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

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017**A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A7. Dividend Paid**

A final single tier dividend of 0.5 sen per share for the financial year ended 31 December 2016 which amounted to RM845,596 was approved by the shareholders at the Annual General Meeting held on 26 May 2017 and paid on 15 June 2017.

A8. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
6 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000
<u>30.06.2017</u>					
External sales	5,141	7,125	59	-	12,325
Inter-segment revenue	-	1,111	4,050	(5,161)	-
Total	<u>5,141</u>	<u>8,236</u>	<u>4,109</u>	<u>(5,161)</u>	<u>12,325</u>
Operating segment profit/(loss)	975	1,883	3,051	(3,343)	2,566
Finance cost	(11)	(8)	-	1	(18)
Profit/(loss) before taxation	964	1,875	3,051	(3,342)	2,548
Taxation	(239)	(488)	-	-	(727)
Net profit/(loss) after taxation	<u>725</u>	<u>1,387</u>	<u>3,051</u>	<u>(3,342)</u>	<u>1,821</u>
Segment assets	11,111	11,501	36,042	(32,222)	26,432
Unallocated corporate asset					<u>1,110</u>
					<u>27,542</u>
Segment liabilities	<u>1,915</u>	<u>2,731</u>	<u>1,063</u>	<u>(366)</u>	<u>5,343</u>
<u>6 Months Ended</u>					
<u>30.06.2016</u>					
External sales	3,506	7,381	45	-	10,932
Inter-segment revenue	-	1,558	1,440	(2,998)	-
Total	<u>3,506</u>	<u>8,939</u>	<u>1,485</u>	<u>(2,998)</u>	<u>10,932</u>
Operating segment profit/(loss)	175	1,869	459	(772)	1,731
Finance cost	(2)	(4)	-	-	(6)
Profit/(loss) before taxation	173	1,865	459	(772)	1,725
Taxation	(111)	(515)	-	-	(626)
Net profit/(loss) after taxation	<u>62</u>	<u>1,350</u>	<u>459</u>	<u>(772)</u>	<u>1,099</u>
Segment assets	9,132	12,143	31,984	(29,067)	24,192
Unallocated corporate asset					<u>1,110</u>
					<u>25,302</u>
Segment liabilities	<u>1,167</u>	<u>2,091</u>	<u>668</u>	<u>-</u>	<u>3,926</u>

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017

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

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

On 8 August 2017, the Company disposed of the balance of its 1,992,500 treasury shares in the open market for a consideration of RM1,529,849. The difference between the sale proceeds and the carrying amount of the treasury shares amounting to RM1,240,825 have been accounted for as other reserve of the Company. After the disposal, the Company no longer hold any treasury shares.

On 22 August 2017, the Board of Directors had proposed to undertake a bonus issue of up to 57,037,266 new ordinary shares on the basis of 1 bonus share for every 3 existing shares held in the Company at an entitlement date to be determined later. An advisor will be appointed in due course with respect to the proposed bonus issue.

There were no other 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

On the 2 June 2017, the Company entered into a sale and purchase agreement with Ideal Force Sdn Bhd (“IFSB”) to acquire the remaining 10% of the equity interest in each of its 90% owned subsidiary companies, namely Cape Technology Sdn Bhd (“Cape”) and Oriem Technology Sdn Bhd (“Oriem”) for a total cash consideration of RM3,211,397. The acquisition was completed on 30 June 2017 when the balance of consideration was paid to IFSB.

Following the completion of the acquisition, both Cape and Oriem will be accounted for as fully owned subsidiary companies of Techfast Holdings Berhad with effect from 1 July 2017.

There were no other changes in the composition of the Group that occurred in 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.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017

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

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) 6 months ended (Cumulative)	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	1	-	35	-
Firms connected to directors				
Professional fee payable to:				
- Michael Lim & Co.	60	-	60	-
- A.T. Aun & Associates	4	-	4	-

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017

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

B1. Review of Performance

2nd Quarter 2017 vs 2nd Quarter 2016

The Group revenue for the current quarter of RM6.88 million was about 25.3% higher than RM5.49 million recorded for the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 30 June 2017 was 37.3% higher at RM1.24 million compared to RM0.90 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a PBT of RM0.55 million compared to RM0.12 million in the corresponding quarter of the previous year. The financial result for the current quarter ended 30 June 2017 was much improved mainly due to higher sales of electronic hardware for the current quarter under review.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM0.95 million which was marginally lower than RM1.00 million recorded in the corresponding quarter in the previous year. The lower PBT was due to the realised and unrealised foreign currency loss in the current quarter compared to a foreign currency gain in the corresponding quarter of the previous year.

Half year 2017 vs Half year 2016

For the half year ended 30 June 2017, total turnover of the Group of RM12.33 million was higher compared to RM10.93 million recorded during the same period last year. The Group recorded a PBT of RM2.55 million for the half year ended 30 June 2017 which was higher than RM1.73 million recorded during the same period in the prior year, due to higher sales volume overall for the half year.

The SCF segment made a PBT of about RM0.96 million on the back of RM5.14 million revenue for the half year ended 30 June 2017. For the half year ended 30 June 2016, the SCF recorded PBT of RM0.17 million on revenue of RM3.51 million. The improved results were mainly due to increased sales from returning customers and better profit margins on products sold.

The rubber sheets and epoxy segment recorded lower external sales revenue of RM7.13 million for the half year ended 30 June 2017 compared to RM7.38 million for the same period in the previous year. The lower sales was mainly due to the temporary suspension of sales to certain customers in China as a result of collection issues, which had since been resolved. For the half year ended 30 June 2017, PBT of RM1.88 million was roughly the same as RM1.87 million recorded for the same period last year. The marginal change in the PBT despite the lower sales was bolstered by favourable foreign currency movements during the period.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 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)		% <i>chg</i>
	3 months ended (Quarter)		
	30.06.2017	31.03.2017	
	RM'000	RM'000	
Revenue	6,877	5,448	26.2%
Operating expenses	(5,799)	(4,296)	
Operating profit	1,078	1,152	-6.4%
Other operating income	169	168	
	1,247	1,320	-5.5%
Finance costs	(11)	(7)	
Profit before taxation	1,236	1,313	-5.9%
Income tax expense	(338)	(389)	
Net profit after taxation	898	924	-2.8%
Other comprehensive income:	-	-	
Total comprehensive income	898	924	
Profit attributable to:			
Owners of the Company	819	858	-4.5%
Non-controlling interests	79	66	
	898	924	
Total comprehensive income attributable to:			
Owners of the Company	819	858	-4.5%
Non-controlling interests	79	66	
	898	924	

In the current quarter under review, the Group made a PBT of RM1.24 million, which was 37.3% lower compared to RM1.31 million in the preceding quarter ended 31 March 2017.

For the current quarter, the SCF segment recorded revenue of RM2.85 million for the current quarter which was higher than RM2.29 million recorded in last quarter ended 31 March 2017. For the current quarter under review, PBT for the SCF was RM0.55 million, an increase from RM0.41 million quarter-on-quarter. The higher sales were largely due to increased sales of electronic hardware due to its price competitiveness.

The rubber sheets and epoxy material segment recorded a PBT of RM0.95 million which was marginally higher than RM0.92 million in the previous quarter ended 31 March 2017. The PBT was roughly in line quarter-on-quarter despite increased gross profit due to half yearly accruals for annual incentives, bonuses and directors' fees in the current quarter under review.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017

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

B3. Current Year's Prospects

SCF Segment

TPSB has secured an understanding with one of its biggest customers in USA to explore the supply of precision machining parts for military and aerospace industries. Due to the current production capacity constraints, the Company has allocated a budget to purchase an additional twenty (20) units of reconditioned computer numerical control ("CNC") machines and some thread rolling machines. So far, nine (9) of those CNC machines had been commissioned and the remainder of the machines is expected to arrive by the end of the current financial year.

In order for TPSB to become a one stop center for the military and aerospace business, arrangements had also been made with the said customer as abovementioned to transfer their broaching machines from USA to the company. As such, these machines will enable customers to source from TPSB as a one-stop centre for finished products instead of semi-finished products currently, where further enhancement processes are required. We estimate that this project will be operational and deliver positive contributions to revenue and profit by the final quarter of 2017. However, the full results would only be felt in the year 2018 when all machines are fully commissioned.

Rubber Sheets and Epoxy Segment

Cape has dominated the Malaysian market with more than 70% market share of products supplied to most of the semi-conductor companies in the country. It has also captured over 40% of the market share in South East Asia. However, the biggest markets for Cape's products are in China and Taiwan where the monthly market demand for rubber sheets in China and Taiwan is about 150 tons and 30 tons respectively, out of which Cape has about 6% market share.

Management of Cape had also been aggressively working with agents and strategic partners in both countries to make inroads into competitors' markets. Our products are of competitive quality at attractive price points when compared with our closest Korean competitors' products. From the efforts undertaken so far, Cape appears to be well poised to capture a larger market share in China and Taiwan. Only an increase in manpower and no major capital expenditure will be required to meet the increase sales demand when orders come through the pipeline.

Oriem, on the other hand, is working on some high end LED and epoxy projects with two reputable international original equipment manufacturers ("OEM") in Penang. Oriem is already an approved vendor which meets the standards and requirements of their supply chain. Our company's new products are now in the final stages of evaluation by the OEM companies and we expect a business deal to be clinched soon. A favourable outcome will add to revenue and profit from the third quarter of the current financial year onwards.

In addition to the above, the recent completion of the acquisition of the remaining 10% equity stake in both Cape and Oriem will also contribute positively for the second half of the financial year ending 31 December 2017.

Barring unforeseen circumstances, the company expects revenue and profit to be significantly increased in the near future when the efforts are successfully implemented.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017

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

B5. Income Tax Expense

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 6 months ended (Cumulative)	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Current tax:				
Malaysian income tax	363	230	752	663
Deferred taxation	(25)	-	(25)	-
	<u>338</u>	<u>230</u>	<u>727</u>	<u>663</u>
Overprovision for tax in prior year	-	(37)	-	(37)
Total income tax expense	<u>338</u>	<u>193</u>	<u>727</u>	<u>626</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 30.06.2017 RM '000	As at 31.12.2016 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	196	150
Repayable after one year denominated in Ringgit Malaysia	<u>711</u>	<u>490</u>
	<u>907</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 Declared

On 22 August 2017, the Board of Directors approved an interim single tier dividend of 0.5 sen per share which total RM855,559 for the financial year ending 31 December 2017. The dividend would be payable on 27 September 2017 to shareholders whose names appear in the Record of Depositors of the Company on 12 September 2017

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 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) 3 months ended (Quarter)		(Unaudited) 6 Months Ended (Cumulative)	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Net profit attributable to owners of the Company (RM '000)	819	624	1,676	967
Weighted average number of ordinary shares in issue ('000)	168,050	158,581	168,050	158,581
Basic earnings per share (sen)	0.49	0.39	1.00	0.61

(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.

B11. Notes to the Statement of Comprehensive Income

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

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 6 Months Ended (Cumulative)	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	74	18	132	52
Interest expense	(11)	(5)	(18)	(10)
Depreciation and amortisation	(184)	(287)	(346)	(602)
Foreign exchange gain/(loss)	(14)	45	21	516

TECHFASST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2017

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

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) As at 30.06.2017 RM '000	(Audited) As at 31.12.2016 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	14,349	14,047
Unrealised	11	(304)
	<u>14,360</u>	<u>13,743</u>
Less: Consolidation adjustments	(20,745)	(18,624)
	<u>(6,385)</u>	<u>(4,881)</u>
Total accumulated losses as per consolidated accounts	<u>(6,385)</u>	<u>(4,881)</u>

Dated: 22 August 2017