

TECHFAST HOLDINGS BERHAD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			9 months ended (Cumulative)		
	30.09.2017	30.09.2016	%	30.09.2017	30.09.2016	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	7,674	5,635	36.2%	19,999	16,568	20.7%
Operating expenses	(6,104)	(4,566)		(16,198)	(13,924)	
Operating profit	1,570	1,069	46.9%	3,801	2,644	43.8%
Other operating income	205	233		542	390	
	1,775	1,302	36.3%	4,343	3,034	43.1%
Finance costs	(10)	(3)		(28)	(9)	
Profit before taxation	1,765	1,299	35.9%	4,315	3,025	42.6%
Taxation	(417)	(183)		(1,145)	(809)	
Net profit after taxation	1,348	1,116	20.8%	3,170	2,216	43.1%
Other comprehensive income:	-	-		-	-	
Total comprehensive income	1,348	1,116		3,170	2,216	
Profit attributable to:						
Owners of the Company	1,348	1,009	33.6%	3,025	1,977	53.0%
Non-controlling interests	-	107		145	239	
	1,348	1,116		3,170	2,216	
Total comprehensive income attributable to:						
Owners of the Company	1,348	1,009	33.6%	3,025	1,977	53.0%
Non-controlling interests	-	107		145	239	
	1,348	1,116		3,170	2,216	
Earnings per share attributable to owners of the parent:						
Basic (sen) *	0.59	0.44		1.33	0.87	
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 30 SEPTEMBER 2017**

	(Unaudited) As at 30.09.2017 RM'000	(Audited) As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,283	7,636
Unquoted Investment	62	-
Goodwill on acquisition	1,110	1,110
	<u>9,455</u>	<u>8,746</u>
Current assets		
Inventories	2,681	2,590
Trade and other receivables	7,645	6,311
Tax recoverable	-	42
Fixed deposits with licensed banks	1,262	62
Short term investment	4,526	4,968
Cash and bank balances	3,596	6,061
	<u>19,710</u>	<u>20,034</u>
TOTAL ASSETS	<u>29,165</u>	<u>28,780</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,111	17,111
Treasury shares	-	(506)
Share premium	11,270	11,270
Reserves	1,733	-
Accumulated losses	(5,892)	(4,881)
	<u>24,222</u>	<u>22,994</u>
Non-controlling interests	<u>-</u>	<u>1,102</u>
Total equity	<u>24,222</u>	<u>24,096</u>
Non-current liabilities		
Hire purchase creditors	649	490
Deferred taxation	446	471
	<u>1,095</u>	<u>961</u>
Current liabilities		
Trade and other payables	3,378	3,492
Hire purchase creditors	212	150
Tax payable	258	81
	<u>3,848</u>	<u>3,723</u>
Total liabilities	<u>4,943</u>	<u>4,684</u>
TOTAL EQUITY AND LIABILITIES	<u>29,165</u>	<u>28,780</u>
Net assets per share attributable to equity holders of the parent (sen)*	<u>10.6</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 30 SEPTEMBER 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	-	-	-	-	1,977	1,977	239	2,216
Purchase of own shares	-	(79)	-	-	-	(79)	-	(79)
Dividends paid	-	-	-	-	(838)	(838)	(180)	(1,018)
Balance as at 30 September 2016	17,111	(495)	11,270	-	(6,097)	21,789	1,004	22,793
Balance at 1 January 2017	17,111	(506)	11,270	-	(4,881)	22,994	1,102	24,096
Net profit/(loss) for the period	-	-	-	-	3,025	3,025	145	3,170
Dividends paid	-	-	-	-	(1,702)	(1,702)	(370)	(2,072)
Resale of treasury shares	-	506	-	1,733	-	2,239	-	2,239
Dilution from transaction with non-controlling interest	-	-	-	-	(2,334)	(2,334)	(877)	(3,211)
Balance as at 30 September 2017	17,111	-	11,270	1,733	(5,892)	24,222	-	24,222

(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 30 SEPTEMBER 2017

	(Unaudited)	
	9 Months Ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,315	3,025
<u>Adjustments for:</u>		
Non-cash items	610	678
Non-operating items	(189)	(115)
Operating profit before working capital changes	4,736	3,588
<u>Changes in working capital:</u>		
Net change in current assets	(1,495)	659
Net change in current liabilities	(115)	125
Cash generated from operations	3,126	4,372
Interest paid	(28)	(9)
Tax (paid)/refunded	(951)	(997)
Net cash generated from operating activities	2,147	3,366
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	-	152
Interest received	189	115
Purchase of property, plant and equipment	(1,159)	(833)
Acquisition of additional equity stake in subsidiaries	(3,211)	-
Investment in club membership	(62)	-
Net cash used in investing activities	(4,243)	(566)
Cash Flow From Financing Activities		
Purchase of own shares	-	(80)
Proceeds from resale of treasury shares	2,240	-
Net repayment of hire purchase creditors	220	68
Dividends paid	(2,071)	(1,018)
Net cash generated from/(used in) financing activities	389	(1,030)
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	(1,707)	1,770
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	11,029	7,820
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	9,322	9,590
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	1,262	1,860
Short term investment	4,526	4,521
Cash and bank balances	3,596	3,209
	9,384	9,590
Less : Fixed deposits pledged to licensed banks	(62)	-
	9,322	9,590

(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 – 30 SEPTEMBER 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

Bonus Issue

On 24 October 2017, AmInvestment Bank Berhad announced that the Company had 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.

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

An interim single tier dividend of 0.5 sen per share for the financial year ending 31 December 2017 which amounted to RM855,559 was paid to shareholders on 27 September 2017.

A8. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000
9 Months Ended 30.09.2017					
External sales	8,056	11,857	86	-	19,999
Inter-segment revenue	-	1,713	5,010	(6,723)	-
Total	8,056	13,570	5,096	(6,723)	19,999
Operating segment profit/(loss)	1,382	3,324	3,545	(3,908)	4,343
Finance cost	(17)	(11)	-	-	(28)
Profit/(loss) before taxation	1,365	3,313	3,545	(3,908)	4,315
Taxation	(307)	(838)	-	-	(1,145)
Net profit/(loss) after taxation	1,058	2,475	3,545	(3,908)	3,170
Segment assets	10,963	12,749	36,514	(32,172)	28,054
Unallocated corporate asset					1,110
					29,164
Segment liabilities	2,034	2,892	367	(350)	4,943
9 Months Ended 30.09.2016					
External sales	5,369	11,134	65	-	16,568
Inter-segment revenue	-	2,388	2,700	(5,088)	-
Total	5,369	13,522	2,765	(5,088)	16,568
Operating segment profit/(loss)	222	3,185	1,277	(1,650)	3,034
Finance cost	(3)	(6)	-	-	(9)
Profit/(loss) before taxation	219	3,179	1,277	(1,650)	3,025
Taxation	(55)	(754)	-	-	(809)
Net profit/(loss) after taxation	164	2,425	1,277	(1,650)	2,216
Segment assets	9,156	12,575	32,488	(28,646)	25,573
Unallocated corporate asset					1,110
					26,683
Segment liabilities	1,088	2,448	354	-	3,890

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 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

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

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.

On 1 July 2017, both Cape and Oriem were accounted for as fully owned subsidiary companies of Techfast Holdings Berhad following the completion of the acquisition.

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.

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.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2017

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

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)		9 months ended (Cumulative)	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Related Party Transactions				
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	42	34	43	34
Firms connected to directors				
Professional fee payable to:				
- Michael Lim & Co.	-	-	60	-
- A.T. Aun & Associates	1	-	5	-

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2017

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

B1. Review of Performance

3rd Quarter 2017 vs 3rd Quarter 2016

The Group revenue for the current quarter of RM7.67 million was about 36.2% higher than RM5.64 million recorded for the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 30 September 2017 was 35.9% higher at RM1.77 million compared to RM1.30 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching faster (“SCF”) segment made a PBT of RM0.40 million compared to RM0.05 million in the corresponding quarter of the previous year. The financial result of the current quarter was much better due to the improved 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 RM1.44 million which was higher than RM1.31 million recorded in the corresponding quarter in the previous year. The higher PBT was mainly due to better sales of rubber sheets and epoxy products.

3rd Quarter YTD 2017 vs 3rd Quarter YTD 2016

For the year-to-date period ended 30 September 2017, total turnover of the Group of RM20.00 million was more than the RM16.57 million recorded during the same period last year. The Group recorded a PBT of RM4.32 million for the said period, which was higher than RM3.03 million recorded during the same period in the prior year, due to higher sales volume overall for the nine months period.

The SCF segment made a PBT of about RM1.37 million on the back of RM8.06 million revenue for year-to-date period ended 30 September 2017. For the period ended 30 September 2016, the SCF segment recorded PBT of RM0.22 million on revenue of RM5.37 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 products sold.

The rubber sheets and epoxy segment recorded marginally higher external sales revenue of RM11.86 million for the nine months period ended 30 September 2017 compared to RM11.13 million for the same period in the previous year. The higher sales was mainly due to better marketing efforts paying off. For the 9 months period ended 30 September 2017, PBT of RM3.31 million was higher than RM3.18 million recorded for the same period last year. The higher PBT was due to better sales and lower foreign exchange losses despite a larger downward foreign exchange movement due to the lower foreign currency denominated receivables.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 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>
	30.09.2017	30.06.2017	
	RM'000	RM'000	
Revenue	7,674	6,877	11.6%
Operating expenses	(6,104)	(5,799)	
Operating profit	1,570	1,078	45.6%
Other operating income	205	169	
	1,775	1,247	42.3%
Finance costs	(10)	(11)	
Profit before taxation	1,765	1,236	42.8%
Income tax expense	(417)	(338)	
Net profit after taxation	1,348	898	50.1%
Other comprehensive income:	-	-	
Total comprehensive income	1,348	898	
Profit attributable to:			
Owners of the Company	1,348	819	64.6%
Non-controlling interests	-	79	
	1,348	898	
Total comprehensive income attributable to:			
Owners of the Company	1,348	819	64.6%
Non-controlling interests	-	79	
	1,348	898	

In the current quarter under review, the Group made a PBT of RM1.77 million, which was 42.8% higher compared to RM1.24 million in the preceding quarter ended 30 June 2017.

For the current quarter, the SCF segment recorded revenue of RM2.92 million for the current quarter which was higher than RM2.85 million recorded in previous quarter ended 30 June 2017. For the current quarter under review, PBT for the SCF of RM0.40 million, was RM0.15 million lower than RM0.55 million quarter-on-quarter. The current quarter's results included commissioning costs for new machines that have yet to generate sales.

The rubber sheets and epoxy material segment recorded a PBT of RM1.44 million on revenue of RM5.33 million which was higher than PBT of RM0.95 million recorded on revenue of RM4.56 million in the previous quarter ended 30 June 2017. The better performance was a result of marketing efforts paying off.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2017

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

B3. Current Year's Prospects

SCF Segment

The sales of SCFs and electronic hardware for the final quarter is expected to slowdown. Preparations for the military and aerospace project are still underway as the machines are still being commissioned. The broaching machine and materials for this project from the USA are expected to arrive in December 2017. As such, there will not be any significant contribution in revenue for the final quarter of the year 2017, as previously expected. The financial impact from this project will only be felt in the year 2018.

Rubber Sheets and Epoxy Segment

Management of Cape has been targeting efforts on its two biggest markets for the company's products, namely China and Taiwan. The Company had been working aggressively with agents and strategic partners in both countries to make inroads into the two markets. Cape is currently working with one of the biggest semi-conductor companies in China, which is assessing the standard and the quality of our products. Sales to Taiwan had seen some volume increase in this current quarter. The management team expects that the standard and quality of our products would be accepted in a matter of time, as already evidenced by some increase in sales volume to Taiwan thus far.

Oriem, on the other hand, is working on a 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. The evaluation of our company's new products is still in progress and as such, we do not see any significant contribution in profit to the company in the remaining quarter of the year 2017.

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 remaining quarter of the year to be 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 – 30 SEPTEMBER 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) 9 months ended (Cumulative)	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Current tax:				
Malaysian income tax	417	240	1,170	903
Deferred taxation	-	(58)	(25)	(58)
	<u>417</u>	<u>182</u>	<u>1,145</u>	<u>845</u>
Overprovision for tax in prior year	-	1	-	(36)
Total income tax expense	<u>417</u>	<u>183</u>	<u>1,145</u>	<u>809</u>

B6. Corporate Proposals

The proposal for the bonus shares issue which was first announced on 22 August 2017 was completed on 24 October 2017 with the listing of and quotation for 57,036,677 ordinary shares on the ACE Market of Bursa Malaysia Securities Berhad.

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

B7. Group Borrowings

	As at 30.09.2017 RM '000	As at 31.12.2016 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	212	150
Repayable after one year denominated in Ringgit Malaysia	<u>649</u>	<u>490</u>
	<u>861</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 Group had been established and the full disclosure is made in the Annual Report for the financial year ended 31 December 2016.

An interim single tier dividend of 0.5 sen per share that amounted to RM855,559 in respect of the financial year ending 31 December 2017 was declared by the Board of Directors on 22 August 2017 and paid on 27 September 2017.

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(Company No.: 647820-D)

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 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) 9 Months Ended (Cumulative)	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Net profit attributable to owners of the Company (RM '000)	1,348	1,009	3,025	1,977
Weighted average number of ordinary shares in issue ('000)	228,148	228,148 *	228,148	228,148 *
Basic earnings per share (sen)	0.59	0.44	1.33	0.87

* 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 30 September 2016.

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 9 Months Ended (Cumulative)	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Net profit attributable to owners of the Company (RM '000)	1,348	1,009	3,025	1,977
Weighted average number of ordinary shares in issue ('000)	228,148	167,769 #	228,148	167,769 #
Basic earnings per share (sen)	0.59	0.60	1.33	1.18

Comparative figures based on quarterly announcement for the period ended 30 September 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 – 30 SEPTEMBER 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)		9 Months Ended (Cumulative)	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	57	37	189	115
Interest expense	(10)	(3)	(28)	(9)
Depreciation and amortisation	(166)	(216)	(511)	(724)
Gain/(Loss) on disposal of properties, plant and equipment	-	105	-	105
Foreign exchange gain/(loss)	107	195	128	(221)

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 30.09.2017 RM '000	(Audited) As at 31.12.2016 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	14,865	14,047
Unrealised	(46)	(304)
	<u>14,819</u>	<u>13,743</u>
Less: Consolidation adjustments	(20,711)	(18,624)
	<u>(5,892)</u>	<u>(4,881)</u>
Total accumulated losses as per consolidated accounts	<u>(5,892)</u>	<u>(4,881)</u>

Dated: 21 November 2017