

TECHFAST HOLDINGS BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	<i>(Unaudited)</i>			<i>(Unaudited)</i>		
	<i>3 months ended (Quarter)</i>			<i>9 months ended (Cumulative)</i>		
	<i>30.09.2018</i>	<i>30.09.2017</i>	<i>%</i>	<i>30.09.2018</i>	<i>30.09.2017</i>	<i>%</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>chg</i>	<i>RM'000</i>	<i>RM'000</i>	<i>chg</i>
Revenue	7,838	7,674	2.1%	23,233	19,999	16.2%
Operating expenses	(6,104)	(6,104)		(18,847)	(16,199)	
Operating profit	1,734	1,570	10.4%	4,386	3,800	15.4%
Other operating income	113	205		353	543	
	1,847	1,775	4.1%	4,739	4,343	9.1%
Finance costs	(8)	(10)		(25)	(28)	
Profit before taxation	1,839	1,765	4.2%	4,714	4,315	9.2%
Taxation	(440)	(417)		(1,299)	(1,145)	
Net profit after taxation	1,399	1,348	3.8%	3,415	3,170	7.7%
Other comprehensive income:	-	-		-	-	
Total comprehensive income	1,399	1,348		3,415	3,170	
Profit attributable to:						
Owners of the Company	1,399	1,348	3.8%	3,415	3,025	12.9%
Non-controlling interests	-	-		-	145	
	1,399	1,348		3,415	3,170	
Total comprehensive income attributable to:						
Owners of the Company	1,399	1,348	3.8%	3,415	3,025	12.9%
Non-controlling interests	-	-		-	145	
	1,399	1,348		3,415	3,170	
Earnings per share attributable to owners of the parent:						
Basic (sen) *	0.61	0.59		1.50	1.33	
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.)

* 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 2018

	<i>(Unaudited)</i> As at 30.09.2018 RM'000	<i>(Audited)</i> As at 31.12.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,396	8,317
Other investment	62	62
Goodwill on acquisition	1,110	1,110
	<u>9,568</u>	<u>9,489</u>
Current assets		
Inventories	4,038	3,445
Trade and other receivables	7,828	6,813
Tax recoverable	68	59
Fixed deposits with licensed banks	4,164	3,033
Short term investment	2,934	4,072
Cash and bank balances	3,334	2,543
	<u>22,366</u>	<u>19,965</u>
TOTAL ASSETS	<u>31,934</u>	<u>29,454</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	29,946	29,946
Accumulated losses	(3,117)	(5,390)
Total equity	<u>26,829</u>	<u>24,556</u>
Non-current liabilities		
Finance lease liabilities	458	621
Deferred taxation	527	457
	<u>985</u>	<u>1,078</u>
Current liabilities		
Trade and other payables	3,732	3,558
Finance lease liabilities	212	192
Tax payable	176	70
	<u>4,120</u>	<u>3,820</u>
Total liabilities	<u>5,105</u>	<u>4,898</u>
TOTAL EQUITY AND LIABILITIES	<u>31,934</u>	<u>29,454</u>
Net assets per share attributable to equity holders of the parent (sen)*	<u>11.3</u>	<u>10.3</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.)

* 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 2018

	← Attributable to Equity Holders of the Parent →							
	Non-Distributable				Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings/ (Accumu- lated Losses) RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
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
Resale of treasury shares	-	506	-	1,733	-	2,239	-	2,239
Dividends paid	-	-	-	-	(1,701)	(1,701)	(370)	(2,071)
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	(5,891)	24,223	-	24,223
Balance at 1 January 2018	29,946	-	-	-	(5,390)	24,556	-	24,556
Net profit/(loss) for the period	-	-	-	-	3,415	3,415	-	3,415
Dividends paid	-	-	-	-	(1,142)	(1,142)	-	(1,142)
Balance as at 30 September 2018	29,946	-	-	-	(3,117)	26,829	-	26,829

(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 PERIOD ENDED 30 SEPTEMBER 2018

	<i>(Unaudited)</i>	
	9 Months Ended	
	30.09.2018	30.09.2017
	RM'000	RM'000
<i>Cash Flows From Operating Activities</i>		
Profit before taxation	4,714	4,315
<u>Adjustments for:</u>		
Non-cash items	545	610
Non-operating items	(150)	(189)
Operating profit before working capital changes	5,109	4,736
<u>Changes in working capital:</u>		
Net change in current assets	(1,523)	(1,495)
Net change in current liabilities	174	(115)
Cash generated from operations	3,760	3,126
Interest paid	(25)	(28)
Tax (paid)/refunded	(1,132)	(951)
<i>Net cash generated from operating activities</i>	<u>2,603</u>	<u>2,147</u>
<i>Cash Flows From Investing Activities</i>		
Interest received	150	189
Purchase of property, plant and equipment	(684)	(1,159)
Acquisition of additional equity stake in subsidiaries	-	(3,211)
Investment in club membership	-	(62)
<i>Net cash used in investing activities</i>	<u>(534)</u>	<u>(4,243)</u>
<i>Cash Flow From Financing Activities</i>		
Proceeds from resale of treasury shares	-	2,240
Net repayment of hire purchase creditors	(143)	220
Dividends paid	(1,141)	(2,071)
<i>Net cash generated from/(used in) financing activities</i>	<u>(1,284)</u>	<u>389</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	785	(1,707)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	9,585	11,029
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>10,370</u>	<u>9,322</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	4,164	1,262
Short term investment	2,934	4,526
Cash and bank balances	3,334	3,596
	10,432	9,384
Less : Fixed deposits pledged to a licensed bank	(62)	(62)
	<u>10,370</u>	<u>9,322</u>

(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

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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 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.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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

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

There were no dividends paid during the quarter under review..

On 28 August 2018, the Board of Directors declared an interim single tier dividend of 0.5 sen per share which total RM1,140,740 for the financial year ending 31 December 2018. The dividend was paid 4 October 2018 to shareholders whose names appear in the Record of Depositors of the Company on 19 September 2018.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018**A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A8. Segmental Information**

	<i>Self-clinching fasteners</i>	<i>Mould cleaning rubber sheets and LED epoxy encapsulant materials</i>	<i>Investment Holding</i>	<i>Elimination</i>	<i>Consolidation</i>
9 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000
<u>30.09.2018</u>					
External sales	10,534	12,598	101	-	23,233
Inter-segment revenue	-	1,713	3,080	(4,793)	-
Total	10,534	14,311	3,181	(4,793)	23,233
Operating segment profit/(loss)	1,914	3,222	1,595	(1,992)	4,739
Finance cost	(16)	(9)	-	-	(25)
Profit/(loss) before taxation	1,898	3,213	1,595	(1,992)	4,714
Taxation	(469)	(830)	-	-	(1,299)
Net profit/(loss) after taxation	1,429	2,383	1,595	(1,992)	3,415
Segment assets	12,746	13,495	36,744	(32,161)	30,824
Unallocated corporate asset					1,110
					31,934
Segment liabilities	2,299	2,737	401	(332)	5,105

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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

A8. Segmental Information (cont'd)

	<i>Self-clinching fasteners</i>	<i>Mould cleaning rubber sheets and LED epoxy encapsulant materials</i>	<i>Investment Holding</i>	<i>Elimination</i>	<i>Consolidation</i>
9 Months Ended					
<u>30.09.2017</u>					
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

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.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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

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:

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>3 months ended (Quarter)</i>		<i>9 months ended (Cumulative)</i>	
	<i>30.09.2018</i>	<i>30.09.2017</i>	<i>30.09.2018</i>	<i>30.09.2017</i>
<i>Related Party Transactions</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Company connected to a director</i>				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	41	42	41	43
<i>Firms connected to directors</i>				
Professional fee payable to:				
- Michael Lim & Co.	-	-	60	60
- A.T. Aun & Associates	-	1	-	5

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.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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

B1. Review of Performance

3rd Quarter 2018 vs 3rd Quarter 2017

The Group revenue for the current quarter of RM7.84 million was only 2.1% marginally higher than RM7.67 million recorded for the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 30 September 2018 was 4.2% higher at RM1.84 million compared to RM1.77 million during the corresponding quarter in the previous year.

The self-clinching fastener (“SCF”) segment recorded revenue of RM3.49 million for the current quarter under review compared to RM2.92 million for the corresponding quarter in the previous year. PBT was RM0.65 million compared to RM0.40 million in the corresponding quarter of the previous year and profit was higher mainly due to higher sales coupled with improved gross profit margins.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM1.26 million which was lower than RM1.44 million recorded in the corresponding third quarter in the previous year. Sales of RM4.94 million for the quarter under review was also lower compared to RM5.33 million for the corresponding quarter last year, due to lower epoxy sales and results were also affected by higher operating costs.

3rd Quarter 2018 YTD vs 3rd Quarter 2017 YTD

For the period ended 30 September 2018, total turnover of the Group of RM23.23 million was 16.2% higher compared to RM20.00 million recorded during the same period last year. The Group recorded a PBT of RM4.71 million for the period ended 30 September 2018 which was 9.2% higher than RM4.32 million recorded during the same period in the prior year, was mainly due to improved sales from the fastener segment.

The SCF segment made a PBT of about RM1.90 million on the back of RM10.54 million of sales revenue for the period ended 30 September 2018. For the period ended 30 September 2017, the SCF recorded PBT of RM1.37 million on sales revenue of RM8.06 million. The improved results were mainly due to higher domestic sales with improvements in the gross profit margins despite lower realised and unrealised foreign exchange gain and lower short term investment income.

The rubber sheets and epoxy segment recorded higher external sales revenue of RM12.60 million for the period ended 30 September 2018 compared to external sales of RM11.86 million for the same period in the previous year. Improved sales came from the domestic market and the China and Taiwan markets collectively improved their sales by about 25% over the same period last year. For the period ended 30 September 2018, PBT of RM3.21 million was marginally lower than RM3.31 million recorded for the same period last year. The marginal decrease in the PBT despite the higher sales was partly due to lower gross profit margins as a result of higher raw material costs and higher operating costs.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 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

	<i>(Unaudited)</i>		
	<i>3 months ended (Quarter)</i>		<i>% chg</i>
	<i>30.09.2018</i>	<i>30.06.2018</i>	
	<i>RM'000</i>	<i>RM'000</i>	
Revenue	7,838	8,445	-7.2%
Operating expenses	(6,104)	(6,723)	
Operating profit	1,734	1,722	0.7%
Other operating income	113	227	
	1,847	1,949	-5.2%
Finance costs	(8)	(8)	
Profit before taxation	1,839	1,941	-5.3%
Income tax expense	(440)	(531)	
Net profit after taxation	1,399	1,410	-0.8%
Other comprehensive income:	-	-	
Total comprehensive income	1,399	1,410	
Profit attributable to:			
Owners of the Company	1,399	1,410	-0.8%
Non-controlling interests	-	-	
	1,399	1,410	
Total comprehensive income attributable to:			
Owners of the Company	1,399	1,410	-0.8%
Non-controlling interests	-	-	
	1,399	1,410	

In the current quarter under review, the Group made a PBT of RM1.84 million, which was 5.3% lower than PBT of RM1.94 million for the preceding quarter ended 30 June 2018.

For the current quarter, the SCF segment recorded revenue of RM3.49 million which was lower than RM3.98 million recorded in previous quarter ended 30 June 2018. PBT for the SCF segment for the current quarter of RM0.65 million was lower than RM0.95 million quarter-on-quarter. The current quarter's results were lower due to lower sales revenue. The segment also made lower foreign exchange gains and incurred higher selling and distribution costs.

The rubber sheets and epoxy material segment recorded a PBT of RM1.26 million on sales revenue of RM4.94 million, which was marginally higher than PBT of RM1.21 million on sales revenue of RM5.04 million recorded in the previous quarter ended 30 June 2018. There were lower sales of epoxy and softer sales from Taiwan and Europe quarter-on-quarter.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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

B3. The Prospects For The Remaining Year of 2018

SCF Segment

Management expects that the SCF segment will go through a period of no growth in the fourth quarter while maintaining profitability.

Rubber Sheets and Epoxy Segment

Sales for the rubber sheets and epoxy segment will remain stable in the domestic market. The Chinese and Taiwanese markets are showing signs of business improvement and management is quietly confident of a pick up in the fourth quarter compared to the third quarter.

Overall, management expects the Group performance for the whole year of 2018 to be better than that of the year 2017.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>3 months ended (Quarter)</i>		<i>9 months ended (Cumulative)</i>	
	<i>30.09.2018</i>	<i>30.09.2017</i>	<i>30.09.2018</i>	<i>30.09.2017</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current tax:				
Malaysian income tax	482	417	1,246	1,170
Deferred taxation	(25)	-	70	(25)
	<u>457</u>	<u>417</u>	<u>1,316</u>	<u>1,145</u>
Overprovision for tax in prior year	(17)	-	(17)	-
Total income tax expense	<u>440</u>	<u>417</u>	<u>1,299</u>	<u>1,145</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 – 30 SEPTEMBER 2018

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

B7. Group Borrowings

	<i>As at</i> 30.09.2018 <i>RM '000</i>	<i>As at</i> 31.12.2017 <i>RM '000</i>
<i>Finance lease liabilities</i>		
Repayable within one year denominated in Ringgit Malaysia	212	192
Repayable after one year denominated in Ringgit Malaysia	458	621
	<u>670</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

	<i>(Unaudited)</i> 3 months ended <i>(Quarter)</i>		<i>(Unaudited)</i> 9 Months Ended <i>(Cumulative)</i>	
	<u>30.09.2018</u>	<u>30.09.2017</u>	<u>30.09.2018</u>	<u>30.09.2017</u>
Net profit attributable to owners of the Company (RM '000)	1,399	1,348	3,415	3,025
Weighted average number of ordinary shares in issue ('000)	228,148	228,148	228,148	228,148
Basic earnings per share (sen)	0.61	0.59	1.50	1.33

(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 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:

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>3 months ended (Quarter)</i>		<i>9 Months Ended (Cumulative)</i>	
	<i>30.09.2018</i>	<i>30.09.2017</i>	<i>30.09.2018</i>	<i>30.09.2017</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	52	57	150	189
Interest expense	(8)	(10)	(25)	(28)
Depreciation and amortisation	(207)	(166)	(603)	(511)
Foreign exchange gain/(loss)	97	107	64	128

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:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>As at</i>	<i>As at</i>
	<i>30.09.2018</i>	<i>31.12.2017</i>
	<i>RM '000</i>	<i>RM '000</i>
<i>Total accumulated losses of the Company and its subsidiaries</i>		
Realised	17,615	15,846
Unrealised	(11)	(508)
	<u>17,604</u>	<u>15,338</u>
Less: Consolidation adjustments	(20,719)	(20,728)
	<u>(3,115)</u>	<u>(5,390)</u>
Total accumulated losses as per consolidated accounts		

Dated: 26 November 2018