

# **TECHFAST HOLDINGS BERHAD**

Registration No.: 200401009317 (647820-D)  
Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

**TECHFAST HOLDINGS BERHAD**

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			9 months ended (Cumulative)		
	30.09.2019	30.09.2018	%	30.09.2019	30.09.2018	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	8,254	7,838	5.3%	21,775	23,233	-6.3%
Operating expenses	(6,485)	(6,104)		(18,260)	(18,847)	
Operating profit	1,769	1,734	2.0%	3,515	4,386	-19.9%
Other operating income	83	113		228	353	
	1,852	1,847	0.3%	3,743	4,739	-21.0%
Finance costs	(5)	(8)		(18)	(25)	
<b>Profit before taxation</b>	1,847	1,839	0.4%	3,725	4,714	-21.0%
Taxation	(509)	(440)		(1,112)	(1,299)	
<b>Net profit after taxation</b>	<b>1,338</b>	<b>1,399</b>	-4.4%	<b>2,613</b>	<b>3,415</b>	-23.5%
Other comprehensive income:	-	-		-	-	
<b>Total comprehensive income</b>	<b>1,338</b>	<b>1,399</b>		<b>2,613</b>	<b>3,415</b>	
<b>Profit attributable to:</b>						
Owners of the Company	1,338	1,399	-4.4%	2,613	3,415	-23.5%
Non-controlling interests	-	-		-	-	
	<b>1,338</b>	<b>1,399</b>		<b>2,613</b>	<b>3,415</b>	
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	1,338	1,399	-4.4%	2,613	3,415	-23.5%
Non-controlling interests	-	-		-	-	
	<b>1,338</b>	<b>1,399</b>		<b>2,613</b>	<b>3,415</b>	
<b>Earnings per share attributable to owners of the parent:</b>						
Basic (sen)	0.59	0.61		1.15	1.50	
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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2019**

	(Unaudited) As at 30.09.2019 RM'000	(Audited) As at 31.12.2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,903	8,142
Other investment	62	62
Goodwill on acquisition	1,110	1,110
	<u>9,075</u>	<u>9,314</u>
<b>Current assets</b>		
Inventories	4,536	3,603
Trade and other receivables	8,076	7,298
Tax recoverable	34	-
Fixed deposits with licensed banks	4,126	4,166
Short term investment	4,360	3,752
Cash and bank balances	1,675	2,850
	<u>22,807</u>	<u>21,669</u>
<b>TOTAL ASSETS</b>	<b><u>31,882</u></b>	<b><u>30,983</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	29,946	29,946
Treasury shares	(218)	-
Accumulated losses	(2,216)	(3,692)
<b>Total equity</b>	<b><u>27,512</u></b>	<b><u>26,254</u></b>
<b>Non-current liabilities</b>		
Finance lease liabilities	257	420
Deferred taxation	524	502
	<u>781</u>	<u>922</u>
<b>Current liabilities</b>		
Trade and other payables	3,381	3,556
Finance lease liabilities	214	202
Tax payable	(6)	49
	<u>3,589</u>	<u>3,807</u>
<b>Total liabilities</b>	<b><u>4,370</u></b>	<b><u>4,729</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>31,882</u></b>	<b><u>30,983</u></b>
Net assets per share attributable to equity holders of the parent (sen)	<u>12.1</u>	<u>11.5</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Retained Earnings/ (Accumulate d Losses) RM'000</b>	<b>Equity Attributable to Owners of the Parent RM'000</b>
<b>Balance at 1 January 2018</b>	29,946	-	(5,390)	24,556
Net profit for the period	-	-	3,415	3,415
Dividends paid	-	-	(1,141)	(1,141)
<b>Balance as at 30 September 2018</b>	29,946	-	(3,116)	26,830
<b>Balance at 1 January 2019</b>	29,946	-	(3,692)	26,254
Net profit for the period	-	-	2,613	2,613
Dividends paid	-	-	(1,137)	(1,137)
Purchase of treasury shares	-	(218)	-	(218)
<b>Balance as at 30 September 2019</b>	29,946	(218)	(2,216)	27,512

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**TECHFAST HOLDINGS BERHAD**

Registration No.: 200401009317 (647820-D)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	(Unaudited)	
	9 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	3,725	4,714
<u>Adjustments for:</u>		
Non-cash items	641	545
Non-operating items	(154)	(150)
Operating profit before working capital changes	4,212	5,109
<u>Changes in working capital:</u>		
Net change in current assets	(1,717)	(1,523)
Net change in current liabilities	(175)	174
Cash generated from operations	2,320	3,760
Interest paid	(18)	(25)
Tax (paid)/refunded	(1,179)	(1,132)
<b>Net cash generated from operating activities</b>	<b>1,123</b>	<b>2,603</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of plant and equipment	18	-
Interest received	154	150
Purchase of property, plant and equipment	(394)	(684)
<b>Net cash used in investing activities</b>	<b>(222)</b>	<b>(534)</b>
<b>Cash Flow From Financing Activities</b>		
Purchase of own shares	(218)	-
Net repayment of hire purchase creditors	(149)	(143)
Dividends paid	(1,137)	(1,141)
<b>Net cash used in financing activities</b>	<b>(1,504)</b>	<b>(1,284)</b>
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS</b>	<b>(603)</b>	<b>785</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>10,162</b>	<b>9,585</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>9,559</b>	<b>10,370</b>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	4,126	4,164
Short term investment	4,360	2,934
Cash and bank balances	1,675	3,334
	10,161	10,432
Less : Fixed deposits pledged to a licensed bank	(62)	(62)
Deposits with maturity period of more than three months	(540)	-
	<b>9,559</b>	<b>10,370</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

**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 2018 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 2018.

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 2018, 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 2018 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 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. Sales of LED epoxy encapsulant materials however, remain unaffected by seasonality.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

**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**

**Share buybacks / Treasury shares of the Company**

As at 30 September 2019, the Company has 820,000 shares which were held as treasury shares in accordance with Section 127(4)(b) of the Companies Act, 2016.

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

**A7. Dividend Paid or Proposed**

There were no dividends paid during the quarter under review.

On 23 August 2019, the Board of Directors declared an interim single tier dividend of 0.5 sen per share which total RM1,136,640 for the financial year ending 31 December 2019. The dividend was paid on 29 October 2019 to shareholders whose names appear in the Record of Depositors of the Company on 8 October 2019.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

**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>9 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>30.09.2019</u></b>					
External sales	8,985	12,687	103	-	21,775
Inter-segment revenue	-	1,081	3,080	(4,161)	-
Total	<u>8,985</u>	<u>13,768</u>	<u>3,183</u>	<u>(4,161)</u>	<u>21,775</u>
Operating segment profit/(loss)	1,065	3,019	1,606	(1,947)	3,743
Finance cost	(12)	(6)	-	-	(18)
Profit/(loss) before taxation	1,053	3,013	1,606	(1,947)	3,725
Taxation	(305)	(807)	-	-	(1,112)
Net profit/(loss) after taxation	<u>748</u>	<u>2,206</u>	<u>1,606</u>	<u>(1,947)</u>	<u>2,613</u>
Segment assets	12,160	13,595	37,189	(32,172)	30,772
Unallocated corporate asset					1,110
					<u>31,882</u>
Segment liabilities	<u>1,746</u>	<u>2,692</u>	<u>257</u>	<u>(325)</u>	<u>4,370</u>
<b><u>9 Months Ended</u></b>					
<b><u>30.09.2018</u></b>					
External sales	10,534	12,598	101	-	23,233
Inter-segment revenue	-	1,713	3,080	(4,793)	-
Total	<u>10,534</u>	<u>14,311</u>	<u>3,181</u>	<u>(4,793)</u>	<u>23,233</u>
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	<u>1,429</u>	<u>2,383</u>	<u>1,595</u>	<u>(1,992)</u>	<u>3,415</u>
Segment assets	12,746	13,495	36,744	(32,161)	30,824
Unallocated corporate asset					1,110
					<u>31,934</u>
Segment liabilities	<u>2,299</u>	<u>2,737</u>	<u>401</u>	<u>(332)</u>	<u>5,105</u>



**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

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

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**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 2018.

**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.

**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.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

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

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**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)	
	<u>3 months ended (Quarter)</u>		<u>9 months ended (Cumulative)</u>	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
<b>Related Party Transactions</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Company connected to a director</b>				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	34	41	43	41
<b>Firms connected to directors</b>				
Professional fee payable to:				
- Michael Lim & Co.	-	-	60	60

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.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

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

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**B1. Review of Performance**

**3rd Quarter 2019 vs 3rd Quarter 2018**

The Group revenue for the current quarter of RM8.25 million was 5.3% higher than RM7.84 million recorded for the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 30 September 2019 was marginally in line at RM1.85 million which was about 0.4% higher than RM1.84 million recorded during the corresponding quarter in the previous year.

The self-clinching fastener (“SCF”) segment recorded revenue of RM3.63 million for the current quarter under review compared to RM3.49 million for the corresponding quarter in the previous year. PBT of RM0.78 million for the current quarter was higher compared to RM0.65 million in the corresponding quarter of the previous year. Higher sales volume and sales of higher margin products improved gross profit margin in the quarter under review.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM1.12 million which was lower than RM1.26 million recorded in the corresponding quarter in the previous year. Sale revenue of RM4.93 million for the quarter under review was just marginally lower compared to RM4.94 million for the corresponding quarter last year. Sales of rubber sheets had improved this quarter compared to the same quarter last year, however, epoxy business had decreased. PBT was lower due to higher realized foreign exchange losses.

**3rd Quarter 2019 YTD vs 3rd Quarter 2018 YTD**

For the period ended 30 September 2019, total turnover of the Group of RM21.78 million was 6.3% lower compared to RM23.23 million recorded during the same period last year. The Group recorded a PBT of RM3.73 million for the nine months period ended 30 September 2019 which was 21.0% lower than RM4.71 million recorded during the same period in the prior year, largely due to lower sales volume overall for the period under review.

The SCF segment made a PBT of about RM1.05 million on the back of RM8.99 million of sales revenue for the nine months period ended 30 September 2019. For the corresponding period ended 30 September 2018, the SCF segment recorded PBT of RM1.90 million on sales revenue of RM10.53 million. Results were impacted by lower sales in the first half of the year, which it is only catching up with in the third quarter compared to last year.

The rubber sheets and epoxy segment recorded higher external sales revenue of RM12.69 million for the nine months period ended 30 September 2019 compared to external sales of RM12.60 million for the same period in the previous year. Lower sales domestically and in the South East Asian region were offset by the sales growth in China and Taiwan. For the nine months period ended 30 September 2019, PBT of RM3.01 million was lower than RM3.21 million recorded for the same period last year. The lower PBT was mainly due to higher operating costs.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

**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)		
	30.09.2019	30.06.2019	
	RM'000	RM'000	chg
Revenue	8,254	7,124	15.9%
Operating expenses	(6,485)	(6,057)	
Operating profit	1,769	1,067	65.8%
Other operating income	83	81	
	1,852	1,148	61.3%
Finance costs	(5)	(6)	
<b>Profit before taxation</b>	<b>1,847</b>	<b>1,142</b>	<b>61.7%</b>
Income tax expense	(509)	(365)	
<b>Net profit after taxation</b>	<b>1,338</b>	<b>777</b>	<b>72.2%</b>
Other comprehensive income:	-	-	
<b>Total comprehensive income</b>	<b>1,338</b>	<b>777</b>	
<b>Profit attributable to:</b>			
Owners of the Company	1,338	777	72.2%
Non-controlling interests	-	-	
	<b>1,338</b>	<b>777</b>	
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	1,338	777	72.2%
Non-controlling interests	-	-	
	<b>1,338</b>	<b>777</b>	

In the current quarter under review, the Group made a PBT of RM1.85 million, which was 61.7% higher than PBT of RM1.14 million for the preceding quarter ended 30 June 2019.

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 2019. PBT for the SCF segment for the current quarter of RM0.65 million was lower than RM0.95 million for the previous quarter. Current quarter's results were lower due to some foreign exchange movement, lower scrap income and higher operations costs.

The rubber sheets and epoxy material segment recorded a PBT of RM1.26 million on sales revenue of RM4.94 million, which was higher than PBT of RM1.21 million on sales revenue of RM5.04 million recorded in the previous quarter ended 30 June 2019. Gross profit margin improvement despite lower sales revenue helped to buffer the bottomline.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

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

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

**SCF Segment**

The SCF business which experienced a delay in receiving raw materials for a US project earlier in the year, was now in full swing going forward. All production for that project had begun and Management is optimistic of delivering a satisfactory result for the final quarter of 2019.

**Rubber Sheets and Epoxy Segment**

The rubber sheets business segment will be focusing on some new key projects and at the same time, putting in effort on capturing a bigger market share in Taiwan and China, where the Company was gaining traction. Results from such efforts have seen improvements in sales to Taiwan and China. Sales have improved by about 40% to both countries respectively in the nine months period this year compared to the same period last year. Other initiatives like second sourcing to lower its materials cost and enhancing machinery capability with new technology is ongoing.

The epoxy segment of the business has undertaken various projects where results are yet to materialise and the company will continue to explore opportunities for its products.

With these efforts undertaken by the subsidiary companies, the Company is confident that the results for the final quarter of 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**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
<b>Current tax:</b>				
Malaysian income tax	471	482	1,055	1,246
Deferred taxation	12	(25)	22	70
	<u>483</u>	<u>457</u>	<u>1,077</u>	<u>1,316</u>
Under/(Over)provision for tax in prior ye	26	(17)	35	(17)
Total income tax expense	<u>509</u>	<u>440</u>	<u>1,112</u>	<u>1,299</u>

The disproportionate tax charge of the Group is due to certain expenses of the Group companies which are not deductible for tax purposes and there is no Group relief over the loss making company within the Group.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

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

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**B6. Corporate Proposals**

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

**B7. Group Borrowings**

	<b>As at 30.09.2019 RM '000</b>	<b>As at 31.12.2018 RM '000</b>
<b>Finance lease liabilities</b>		
Repayable within one year denominated in Ringgit Malaysia	214	202
Repayable after one year denominated in Ringgit Malaysia	257	420
	<u>471</u>	<u>622</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.

**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2019**

**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

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>3 months ended</b>		<b>9 Months Ended</b>	
	<b>(Quarter)</b>		<b>(Cumulative)</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
Net profit attributable to owners of the Company (RM '000)	1,338	1,399	2,613	3,415
Weighted average number of ordinary shares in issue ( '000)	227,756	228,148	227,756	228,148
Basic earnings per share (sen)	0.59	0.61	1.15	1.50

(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:

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>3 months ended (Quarter)</b>		<b>9 Months Ended(Cumulative)</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	47	52	154	150
Interest expense	(5)	(8)	(18)	(25)
Depreciation and amortisation	(216)	(207)	(632)	(603)
Foreign exchange gain/(loss)	1	97	(87)	64

Dated: 20 November 2019