

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2013**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	4,488	4,965	4,488	4,965
Operating expenses	(4,415)	(4,973)	(4,415)	(4,973)
Other operating income	88	475	88	475
	<u>161</u>	<u>467</u>	<u>161</u>	<u>467</u>
Finance costs	(11)	(52)	(11)	(52)
Profit/(Loss) before taxation	<u>150</u>	<u>415</u>	<u>150</u>	<u>415</u>
Income tax expense	(33)	-	(33)	-
Net profit after taxation	<u>117</u>	<u>415</u>	<u>117</u>	<u>415</u>
Other comprehensive income:				
Foreign currency translation	-	(86)	-	(86)
Other comprehensive loss for the year, net of tax	-	(86)	-	(86)
Total comprehensive income/ (loss)	<u>117</u>	<u>329</u>	<u>117</u>	<u>329</u>
Profit attributable to:				
Owners of the Company	(12)	133	(12)	133
Non-controlling interests	129	282	129	282
	<u>117</u>	<u>415</u>	<u>117</u>	<u>415</u>
Total comprehensive income attributable to:				
Owners of the Company	(12)	103	(12)	103
Non-controlling interests	129	226	129	226
	<u>117</u>	<u>329</u>	<u>117</u>	<u>329</u>
Earnings/(loss) per share attributable to owners of the parent:				
Basic (sen)	(0.01)	0.09	(0.01)	0.09
Diluted (sen)	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	(Unaudited) As at 31.03.2013 RM'000	(Audited) As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,356	10,628
Goodwill on acquisition	1,110	1,110
	<u>11,466</u>	<u>11,738</u>
Current assets		
Inventories	3,229	3,409
Trade and other receivables	5,069	5,503
Fixed deposits with licensed banks	3,610	3,551
Short term investment	6,013	5,514
Cash and bank balances	2,846	3,792
	<u>20,767</u>	<u>21,769</u>
TOTAL ASSETS	<u>32,233</u>	<u>33,507</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,591	15,591
Share premium	9,978	9,978
Accumulated losses	(490)	(477)
	<u>25,079</u>	<u>25,092</u>
Non-controlling interests	4,075	4,546
Total equity	<u>29,154</u>	<u>29,638</u>
Non-current liabilities		
Hire purchase creditors	353	683
Term loans	6	54
Deferred taxation	621	621
	<u>980</u>	<u>1,358</u>
Current liabilities		
Trade and other payables	1,638	2,201
Hire purchase creditors	454	165
Tax payable	-	12
Borrowings	7	133
	<u>2,099</u>	<u>2,511</u>
Total liabilities	<u>3,079</u>	<u>3,869</u>
TOTAL EQUITY AND LIABILITIES	<u>32,233</u>	<u>33,507</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.1</u>	<u>16.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

	← Attributable to Equity Holders of the Parent →						Total Equity RM'000
	Non-Distributable			Distributable		Non- Controlling Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Transla- tion (Loss)/ Reserve RM'000	Retained Earnings/ (Accumu- lated Losses) RM'000	Total RM'000		
Balance at 1 January 2012	15,591	9,978	(42)	(572)	24,955	5,392	30,347
Net profit/(loss) for the period	-	-	-	133	133	282	415
Other comprehensive income	-	-	(86)	-	(86)	56	(30)
Dividends paid to non- controlling interests	-	-	-	-	-	(750)	(750)
Balance as at 31 March 2012	15,591	9,978	(128)	(439)	25,002	4,980	29,982
Balance at 1 January 2013	15,591	9,978	-	(478)	25,091	4,546	29,637
Net profit/(loss) for the period	-	-	-	(12)	(12)	129	117
Other comprehensive income	-	-	-	-	-	-	-
Dividends paid to non- controlling interests	-	-	-	-	-	(600)	(600)
Balance as at 31 March 2013	15,591	9,978	-	(490)	25,079	4,075	29,154

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 31 MARCH 2013**

	(Unaudited)	
	3 Months Ended	
	31.03.2013	31.03.2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	150	415
<u>Adjustments for:</u>		
Non-cash items	389	260
Non-operating items	(56)	(37)
Operating profit before working capital changes	<u>483</u>	<u>638</u>
<u>Changes in working capital:</u>		
Net change in current assets	697	616
Net change in current liabilities	(563)	559
Cash generated from operations	<u>617</u>	1,813
Interest paid	(11)	(52)
Tax (paid)/refunded	(130)	(183)
Net cash generated from operating activities	<u>476</u>	<u>1,578</u>
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	-	571
Interest received	56	37
Purchase of property, plant and equipment	(105)	(13)
Net cash generated from/(used in) investing activities	<u>(49)</u>	<u>595</u>
Cash Flow From Financing Activities		
Net increase/(decrease) in bills payable	-	(125)
Net repayment of hire purchase creditors	(41)	(26)
Dividends paid to non-controlling interests	(600)	(750)
Repayment of term loans	(174)	(976)
Net cash used in financing activities	<u>(815)</u>	<u>(1,877)</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	(388)	296
Effects of exchange rate changes	-	(146)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>12,806</u>	<u>11,039</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>12,418</u>	<u>11,189</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,610	3,500
Short term investment	6,013	3,069
Cash and bank balances	2,846	4,695
	<u>12,469</u>	<u>11,264</u>
Less : Fixed deposits pledged to licensed banks	(51)	(75)
	<u>12,418</u>	<u>11,189</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013

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

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards 134 (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”).

These interim financial statements are the Group’s first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the financial year ended (“FYE”) 31 December 2011.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2012.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the following MFRSs, Amendments to MFRSs and Interpretations that were issued but not yet effective:

Effective for financial periods beginning on or after 1 July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-Time Adoption of MFRS – Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance

Annual improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013

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

A3. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not qualified.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is generally not affected by seasonal and cyclical factors.

A5. 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.

A6. Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter ended 31 March 2013.

A8. Dividend Paid

No interim nor final dividend has been declared, recommended or paid during the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013**A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING****A9. Segmental Information**

	Manu- facture of self- clinching fasteners RM'000	Mould cleaning rubber sheets RM'000	LED Epoxy Encap- sulant compound RM'000	Invest- ment Holding RM'000	Elimi - nation RM'000	Total RM'000
3 Months Ended 31.03.2013						
Revenue from external customers	1,960	2,477	8	43	-	4,488
Inter-segment revenue	-	300	402	825	(1,527)	-
Total segment revenue	<u>1,960</u>	<u>2,777</u>	<u>410</u>	<u>868</u>	<u>(1,527)</u>	<u>4,488</u>
Operating segment profit/(loss)	(37)	316	48	554	(720)	161
Finance cost	(7)	(4)	-	-	-	(11)
Profit/(loss) before taxation	(44)	312	48	554	(720)	150
Income tax	-	(25)	(8)	-	-	(33)
Net profit/(loss) after taxation	<u>(44)</u>	<u>287</u>	<u>40</u>	<u>554</u>	<u>(720)</u>	<u>117</u>

	Manu- facture of self- clinching fasteners RM'000	Mould cleaning rubber sheets RM'000	LED Epoxy Encap- sulant compound RM'000	Invest- ment Holding RM'000	Elimi - nation RM'000	Total RM'000
3 Months Ended 31.03.2012						
Revenue from external customers	2,334	2,597	-	34	-	4,965
Inter-segment revenue	-	411	616	989	(2,016)	-
Total Segment Revenue	<u>2,334</u>	<u>3,008</u>	<u>616</u>	<u>1,023</u>	<u>(2,016)</u>	<u>4,965</u>
Operating segment profit/(loss)	143	327	127	718	(848)	467
Finance Cost	(29)	(8)	(1)	-	(14)	(52)
Profit/(loss) before taxation	114	319	126	718	(862)	415
Income tax	-	-	-	-	-	-
Net profit/(loss) after taxation	<u>114</u>	<u>319</u>	<u>126</u>	<u>718</u>	<u>(862)</u>	<u>415</u>

A10. 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 2012.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013

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

A11. 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.

A12. Changes in Composition of the Group

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

A13. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM4.07 million granted to the subsidiary companies. As at 31 March 2013, the Company did not utilise any of the said banking facilities.

A14. 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.

A15. Significant Related Party Transactions

There were no related party transactions which would have a material impact on the financial position and the business of the Group during the current quarter.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013

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

B1. Review of Performance

1st Quarter 2013 vs 1st Quarter 2012

The Group revenue for the current quarter decreased to RM4.49 million with an unaudited profit before taxation of RM0.15 million. The revenue was 9.6% marginally lower than total revenue of RM4.97 million recorded during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a small loss before tax of RM0.04 million compared to the profit before tax of RM0.11 million in the corresponding quarter in the previous year. The marginal loss was mainly due to the lower turnover as a result of the slowdown in the SCF industry.

The mould cleaning rubber sheets (“rubber sheets”) segment recorded a profit before taxation of RM0.31 million which was relatively in line with a profit of RM0.32 million recorded in the corresponding quarter in the previous year.

The LED epoxy encapsulant compound (“epoxy”) segment recorded lower profit before taxation of RM0.05 million in the current quarter compared with to profit of RM0.13 million during the corresponding quarter in the previous year. This was also due to the general slow down in the semi-conductor industries which the epoxy segment operates in.

B2. Comment on Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter

In the current quarter under review, the Group made a net profit before taxation of RM0.15 million compared to a profit before taxation of RM0.06 million in the preceding quarter ended 31 December 2012. The Group performance was marginally in line quarter-to-quarter.

B3. This Year’s Prospects

Minimum wage policy came into effect since 1 January 2013 and the Group had employed cost cutting measures to hopefully mitigate the effects of higher labour costs and deliver a breakeven business performance for the year for the SCF segment.

The Board is optimistic that the rubber sheets and epoxy business segments of the Group will perform just as well in 2013 as the financial year just ended.

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 – 31 MARCH 2013**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B5. Income Tax Expense**

	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Current tax:				
Malaysian income tax	33	-	33	-
Deferred taxation	-	-	-	-
	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</u>
Overprovision of tax	-	-	-	-
Total income tax expense	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</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 31.03.2013 RM '000	As at 31.12.2012 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	454	165
Repayable after one year denominated in Ringgit Malaysia	<u>353</u>	<u>683</u>
	<u>807</u>	<u>848</u>
Current liabilities (secured)		
Term loans denominated in Ringgit Malaysia	7	133
	<u>7</u>	<u>133</u>
Long term liabilities (secured)		
Term loans denominated in Ringgit Malaysia	6	54
	<u>6</u>	<u>54</u>

B8. Changes in Material Litigation

The Company is not engaged in any other 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. Proposed Dividend

There was no dividend proposed for the current quarter ended 31 March 2013.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013**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

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Net profit/(loss) attributable to owners of the Company (RM '000)	(12)	133	(12)	133
Weighted average number of ordinary shares in issue ('000)	155,912	155,912	155,912	155,912
Basic earnings/(loss) per share (sen)	(0.01)	0.09	(0.01)	0.09

(b) Diluted earnings per share

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary 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:

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	56	37	56	37
Interest expense	(11)	(52)	(11)	(52)
Depreciation and amortisation	(378)	(359)	(378)	(359)
Gain/(Loss) on disposal of properties, plant and equipment	-	(150)	-	(150)
Foreign exchange gain/(loss)	1	(30)	1	(30)

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013

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 retained profits of the Group as at the reporting date, into realised and unrealised profits is as follows:

	(Unaudited) As at 31.03.2013 RM '000	(Audited) As at 31.12.2012 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	12,215	13,179
Unrealised	15	(585)
	<u>12,230</u>	<u>12,594</u>
Less: Consolidation adjustments	(12,720)	(13,071)
	<u>(490)</u>	<u>(477)</u>
Total accumulated losses as per consolidated accounts	<u>(490)</u>	<u>(477)</u>

Dated: 27 May 2013