

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2013**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	5,272	5,204	9,759	10,168
Operating expenses	(4,706)	(4,937)	(9,121)	(9,909)
Other operating income	233	413	321	888
	<u>799</u>	<u>680</u>	<u>959</u>	<u>1,147</u>
Finance costs	(9)	(118)	(20)	(170)
Profit/(Loss) before taxation	<u>790</u>	<u>562</u>	<u>939</u>	<u>977</u>
Income tax expense	(133)	(200)	(165)	(200)
Net profit after taxation	<u>657</u>	<u>362</u>	<u>774</u>	<u>777</u>
Other comprehensive income:				
Foreign currency translation	-	3	-	(83)
Other comprehensive income/(loss) for the year, net of tax	-	3	-	(83)
Total comprehensive income/ (loss)	<u>657</u>	<u>365</u>	<u>774</u>	<u>694</u>
Profit attributable to:				
Owners of the Company	410	167	398	300
Non-controlling interests	247	195	376	477
	<u>657</u>	<u>362</u>	<u>774</u>	<u>777</u>
Total comprehensive income attributable to:				
Owners of the Company	410	170	398	272
Non-controlling interests	247	195	376	422
	<u>657</u>	<u>365</u>	<u>774</u>	<u>694</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	0.26	0.11	0.26	0.19
Diluted (sen)	NA	-	-	-

(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)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	(Unaudited) As at 30.06.2013 RM'000	(Audited) As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,999	10,628
Goodwill on acquisition	1,110	1,110
	<u>11,109</u>	<u>11,738</u>
Current assets		
Inventories	3,018	3,409
Trade and other receivables	5,996	5,503
Fixed deposits with licensed banks	3,621	3,551
Short term investment	5,052	5,514
Cash and bank balances	3,626	3,792
	<u>21,313</u>	<u>21,769</u>
TOTAL ASSETS	<u>32,422</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	(859)	(477)
	<u>24,710</u>	<u>25,092</u>
Non-controlling interests	4,323	4,546
Total equity	<u>29,033</u>	<u>29,638</u>
Non-current liabilities		
Hire purchase creditors	324	683
Term loans	-	54
Deferred taxation	621	621
	<u>945</u>	<u>1,358</u>
Current liabilities		
Trade and other payables	2,002	2,201
Hire purchase creditors	442	165
Tax payable	-	12
Borrowings	-	133
	<u>2,444</u>	<u>2,511</u>
Total liabilities	<u>3,389</u>	<u>3,869</u>
TOTAL EQUITY AND LIABILITIES	<u>32,422</u>	<u>33,507</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>15.8</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 30 JUNE 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	-	-	-	300	300	477	777
Other comprehensive income	-	-	(83)	-	(83)	55	(28)
Dividends paid to non- controlling interests	-	-	-	-	-	(1,250)	(1,250)
Balance as at 30 June 2012	15,591	9,978	(125)	(272)	25,172	4,674	29,846
Balance at 1 January 2013	15,591	9,978	-	(478)	25,091	4,547	29,638
Net profit/(loss) for the period	-	-	-	398	398	376	774
Other comprehensive income	-	-	-	-	-	-	-
Dividends paid	-	-	-	(779)	(779)	(600)	(1,379)
Balance as at 30 June 2013	15,591	9,978	-	(859)	24,710	4,323	29,033

(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 30 JUNE 2013

	(Unaudited)	
	6 Months Ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	939	977
<u>Adjustments for:</u>		
Non-cash items	1,197	558
Non-operating items	(23)	(103)
Operating profit before working capital changes	<u>2,113</u>	<u>1,432</u>
<u>Changes in working capital:</u>		
Net change in current assets	86	958
Net change in current liabilities	(199)	(1,169)
Cash generated from operations	<u>2,000</u>	<u>1,221</u>
Interest paid	(652)	(16)
Tax (paid)/refunded	(255)	(321)
Net cash generated from operating activities	<u>1,093</u>	<u>884</u>
Cash Flows From Investing Activities		
Proceeds from disposal of assets-held-for-sale	-	2,578
Proceeds from disposal of plant and equipment	122	640
Interest received	23	103
Purchase of property, plant and equipment	(148)	(1,023)
Net cash generated from/(used in) investing activities	<u>(3)</u>	<u>2,298</u>
Cash Flow From Financing Activities		
Net increase/(decrease) in bills payable	-	(125)
Net repayment of hire purchase creditors	(82)	439
Dividends paid	(1,380)	(1,250)
Repayment of term loans	(186)	(1,152)
Net cash used in financing activities	<u>(1,648)</u>	<u>(2,088)</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	<u>(558)</u>	<u>1,094</u>
Effects of exchange rate changes	-	(56)
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>12,248</u>	<u>12,077</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,621	3,500
Short term investment	5,052	4,791
Cash and bank balances	3,626	3,786
	<u>12,299</u>	<u>12,077</u>
Less : Fixed deposits pledged to licensed banks	(51)	-
	<u>12,248</u>	<u>12,077</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 – 30 JUNE 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 – 30 JUNE 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 30 June 2013.

A8. Dividend Paid

A final single tier dividend of 5% per ordinary share for the financial year ended 31 December 2012 was paid during the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2013

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

A9. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
6 Months Ended 30.06.2013	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	3,964	5,711	84	-	9,759
Inter-segment revenue	-	1,225	1,050	(2,275)	-
Total segment revenue	<u>3,964</u>	<u>6,936</u>	<u>1,134</u>	<u>(2,275)</u>	<u>9,759</u>
Operating segment profit/(loss)	(87)	1,274	445	(673)	959
Finance cost	(13)	(7)	-	-	(20)
Profit/(loss) before taxation	(100)	1,267	445	(673)	939
Income tax	-	(165)	-	-	(165)
Net profit/(loss) after taxation	<u>(100)</u>	<u>1,102</u>	<u>445</u>	<u>(673)</u>	<u>774</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.

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 30 June 2013, the Company did not utilise any of the said banking facilities.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2013

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

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, other than that disclosed below, which would have a material impact on the financial position and the business of the Group during the current quarter.

	3 months ended (Quarter)	6 months ended (Cumulative)
	30.06.2013	30.06.2013
	RM'000	RM'000
Significant Related Party Transactions		
Professional fees paid to firms connected to directors of the Company		
Michael Lim & Co.		
- Professional fee	40	40

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2013

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

B1. Review of Performance

2nd Quarter 2013 vs 2nd Quarter 2012

The Group revenue for the current quarter increased marginally to RM5.27 million with an unaudited profit before taxation of RM0.79 million. The revenue was 1.3% higher than total revenue of RM5.20 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 RM0.05 million compared to a loss 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”) and LED epoxy encapsulant (“epoxy”) materials segment recorded a profit before taxation of RM0.91 million which was higher than RM0.66 million recorded in the corresponding quarter in the previous year. The better performance in the second quarter of the financial year ending 31 December 2013 was due to the slight pick up of business in the semi conductor industry which led to increased sales volume of rubber sheets to China and Taiwan.

Half Year 2013 vs Half Year 2012

For the half year ended 30 June 2013, total turnover of the Group of RM9.76 million was lower compared to RM10.17 million recorded during the same period last year. The Group recorded a profit before taxation of RM0.94 million for the half year ended 30 June 2013 which was marginally in line with RM0.98 million recorded during the same period in the prior year.

The SCF segment made a loss before taxation of about RM0.10 million for the half year ended 30 June 2013 compared to loss of RM0.01 million. The results in the half year ended 2013 slightly worsened mainly due to the depressed business conditions in the half year.

The rubber sheets and epoxy segment recorded higher profit before taxation of RM1.10 million for the half year ended 30 June 2013 compared to RM0.90 million during the same period last year. This segment delivered improved results in the current half year mainly due to slight pick up of business in the semi conductor industry which led to increased sales volume of rubber sheets, especially to China and Taiwan.

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 RM0.79 million compared to RM0.15 million in the preceding quarter ended 31 March 2013. The Group performance was improved quarter-to-quarter mainly due to better performance from the rubber sheets and epoxy segment.

B3. Current Year’s Prospects

Minimum wage policy has been deferred till January 2014 and the Group had already 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 ended 31 December 2012.

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

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Current tax:				
Malaysian income tax	133	200	165	200
Total income tax expense	133	200	165	200

B6. Corporate Proposals

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

B7. Group Borrowings

	As at 30.06.2013 RM '000	As at 31.12.2012 RM '000
	Hire purchase creditors	
Repayable within one year denominated in Ringgit Malaysia	442	165
Repayable after one year denominated in Ringgit Malaysia	324	683
	<u>766</u>	<u>848</u>
Current liabilities (secured)		
Term loans denominated in Ringgit Malaysia	-	133
	<u>-</u>	<u>133</u>
Long term liabilities (secured)		
Term loans denominated in Ringgit Malaysia	-	54
	<u>-</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.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2013

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

B9. Proposed Dividend

There was no dividend proposed during the current quarter ended 30 June 2013.

B10. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		6 Months Ended (Cumulative)	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Net profit attributable to owners of the Company (RM '000)	410	167	398	300
Weighted average number of ordinary shares in issue ('000)	155,912	155,912	155,912	155,912
Basic earnings per share (sen)	0.26	0.11	0.26	0.19

(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)		6 Months Ended (Cumulative)	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	77	47	132	103
Interest expense	(9)	(5)	(20)	(16)
Depreciation and amortisation	(324)	(378)	(702)	(736)
Gain/(Loss) on disposal of properties, plant and equipment	47	178	47	329
Foreign exchange gain/(loss)	(13)	180	(12)	211
Gain/(Loss) on derivatives	-	(16)	-	(16)

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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 30.06.2013 RM '000	(Audited) As at 31.12.2012 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	12,172	13,179
Unrealised	(111)	(585)
	<u>12,061</u>	<u>12,594</u>
Less: Consolidation adjustments	(12,920)	(13,071)
	<u>(859)</u>	<u>(477)</u>
Total accumulated losses as per consolidated accounts	<u>(859)</u>	<u>(477)</u>

Dated: 21 August 2013