

TECHFAST HOLDINGS BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	5,637	5,396	14,725	15,505
Operating expenses	(4,507)	(4,507)	(12,715)	(13,251)
Other operating income	574	262	1,266	525
	1,704	1,151	3,276	2,779
Finance costs	(4)	(6)	(14)	(20)
Profit/(Loss) before taxation	1,700	1,145	3,262	2,759
Income tax expense	(439)	(312)	(1,074)	(828)
Net profit after taxation	1,261	833	2,188	1,931
Other comprehensive income:	-	-	-	-
Total comprehensive income	1,261	833	2,188	1,931
Profit attributable to:				
Owners of the Company	1,134	268	1,926	465
Non-controlling interests	127	565	262	1,466
	1,261	833	2,188	1,931
Total comprehensive income attributable to:				
Owners of the Company	1,134	268	1,926	465
Non-controlling interests	127	565	262	1,466
	1,261	833	2,188	1,931
Earnings per share attributable to owners of the parent:				
Basic (sen)	0.73	0.17	1.24	0.30
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 2014 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 SEPTEMBER 2015**

	(Unaudited) As at 30.09.2015 RM'000	(Audited) As at 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,518	8,231
Goodwill on acquisition	1,110	1,110
	<u>8,628</u>	<u>9,341</u>
Current assets		
Inventories	2,559	2,672
Trade and other receivables	5,891	6,241
Tax recoverable	59	60
Fixed deposits with licensed banks	2,616	66
Short term investment	3,170	1,892
Cash and bank balances	2,109	4,739
	<u>16,404</u>	<u>15,670</u>
TOTAL ASSETS	<u>25,032</u>	<u>25,011</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,111	15,591
Treasury shares	(416)	(416)
Share premium	11,270	9,978
Accumulated losses	(7,668)	(9,594)
	<u>20,297</u>	<u>15,559</u>
Non-controlling interests	946	804
Total equity	<u>21,243</u>	<u>16,363</u>
Non-current liabilities		
Hire purchase creditors	155	329
Deferred taxation	744	744
	<u>899</u>	<u>1,073</u>
Current liabilities		
Trade and other payables	2,334	7,395
Hire purchase creditors	220	180
Tax payable	218	-
Borrowings	118	-
	<u>2,890</u>	<u>7,575</u>
Total liabilities	<u>3,789</u>	<u>8,648</u>
TOTAL EQUITY AND LIABILITIES	<u>25,032</u>	<u>25,011</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>13.1</u>	<u>10.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2015

	← Attributable to Equity Holders of the Parent →				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non- Distributable			
				Retained Earnings/ (Accumu- lated Losses) RM'000			
Balance at 1 January 2014	15,591	(72)	9,978	(522)	24,975	3,356	28,331
Net profit/(loss) for the period	-	-	-	465	465	1,465	1,930
Other comprehensive income	-	-	-	-	-	-	-
Purchase of own shares	-	(344)	-	-	(344)	-	(344)
Dividends paid to non- controlling interests	-	-	-	(764)	(764)	(401)	(1,165)
Balance as at 30 September 2014	15,591	(416)	9,978	(821)	24,332	4,420	28,752
Balance at 1 January 2015	15,591	(416)	9,978	(9,594)	15,559	804	16,363
Net profit/(loss) for the period	-	-	-	1,926	1,926	262	2,188
Dividends paid	-	-	-	-	-	(120)	(120)
Private placement of new shares	1,520	-	1,292	-	2,812	-	2,812
Balance as at 30 September 2015	17,111	(416)	11,270	(7,668)	20,297	946	21,243

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 YEAR ENDED 30 SEPTEMBER 2015

	(Unaudited)	
	9 Months Ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	3,262	2,759
<u>Adjustments for:</u>		
Non-cash items	563	824
Non-operating items	(80)	(224)
Operating profit before working capital changes	<u>3,745</u>	<u>3,359</u>
<u>Changes in working capital:</u>		
Net change in current assets	791	(489)
Net change in current liabilities	(5,063)	(1,659)
Cash generated from/(used in) operations	<u>(527)</u>	<u>1,211</u>
Interest paid	(14)	(20)
Tax (paid)/refunded	(855)	(725)
Net cash generated from/(used in) operating activities	<u>(1,396)</u>	<u>466</u>
Cash Flows From Investing Activities		
Interest received	80	225
Purchase of property, plant and equipment	(148)	(45)
Net cash generated from/(used in) investing activities	<u>(68)</u>	<u>180</u>
Cash Flow From Financing Activities		
Purchase of own shares	-	(343)
Proceeds from private placement shares	2,812	-
Net repayment of hire purchase creditors	(135)	(129)
Dividends paid	(120)	(1,166)
Net cash generated from/(used in) financing activities	<u>2,557</u>	<u>(1,638)</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	<u>1,093</u>	<u>(992)</u>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>6,631</u>	<u>12,989</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>7,724</u>	<u>11,997</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	2,616	2,053
Short term investment	3,170	6,806
Cash and bank balances	2,109	3,189
	<u>7,895</u>	<u>12,048</u>
Less : Fixed deposits pledged to licensed banks	(53)	(51)
Bank overdraft	(118)	-
	<u>7,724</u>	<u>11,997</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

A. EXPLANATORY NOTES AS PER FRS 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 2014 and the accompanying explanatory notes attached to the interim financial reports. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

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 2014.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2014 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

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

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review.

A5. Significant Estimates and Changes in Estimates

There were no significant estimates nor changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Changes in Debt and Equity Securities

Share buybacks / Treasury shares of the Company

There were no share buy-back transactions during the quarter ended 30 September 2015. As at the end of the quarter under review, a total of 2,994,400 shares of RM0.10 each, which were repurchased previously, were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

During the quarter under review, the Company increased its issued and paid-up capital from RM15,591,180 to RM17,111,180 by way of the issuance of 15,200,000 new ordinary shares of RM0.10 each pursuant to the private placement at an issue price of RM0.185 per ordinary share for cash.

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

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2015

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

A7. Dividend Paid

No dividend was paid during the current quarter under review.

A8. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
9 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000
30.09.2015					
Revenue from external customers	4,851	9,840	34	-	14,725
Inter-segment revenue	-	2,107	2,160	(4,267)	-
Total segment revenue	4,851	11,947	2,194	(4,267)	14,725
Operating segment profit/(loss)	(70)	3,619	823	(1,096)	3,276
Finance cost	(7)	(7)	-	-	(14)
Profit/(loss) before taxation	(77)	3,612	823	(1,096)	3,262
Income tax	(100)	(974)	-	-	(1,074)
Net profit/(loss) after taxation	(177)	2,638	823	(1,096)	2,188

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 2014.

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 quarter under review.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2015

A. EXPLANATORY NOTES AS PER FRS 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. 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.

Significant Related Party Transactions	(Unaudited) 3 months ended (Quarter)		(Unaudited) 9 months ended (Cumulative)	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	21	22	21	22
Firms connected to directors				
Professional fee payable to:				
- Michael Lim & Co.	-	-	59	58
- A.T. Aun & Associates	2	11	4	21

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2015

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

B1. Review of Performance

3rd Quarter 2015 vs 3rd Quarter 2014

The Group revenue for the current quarter increased to RM5.64 million from RM5.40 million in the corresponding quarter in the previous year. Unaudited profit before taxation for the quarter ended 30 September 2015 was also higher at RM1.70 million compared to RM1.15 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a profit before tax of RM0.20 million compared to a loss before tax of RM0.09 million in the corresponding quarter in the previous year. The profit for the quarter ended 30 September 2015 was mainly due to higher sales in the current quarter coupled with the effect of cheaper Ringgit Malaysia which was favourable to export sales.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) materials segment recorded a profit before taxation of RM1.52 million which was marginally higher than RM1.45 million recorded in the corresponding quarter in the previous year. The better financial results this quarter was mainly due to higher sales and also the favourable effects from the cheaper Ringgit Malaysia on export sales.

3rd Quarter YTD 2015 vs 3rd Quarter 2014 YTD

For the year-to-date period ended 30 September 2015, total turnover of the Group of RM14.73 million was lower compared to RM15.51 million recorded during the same period last year. The Group recorded a higher profit before taxation of RM3.26 million for the period ended 30 September 2015 compared to RM2.76 million recorded during the same period in the prior year, despite the lower turnover. This was mainly due to the cheaper Ringgit Malaysia which was favourable for export sales.

The SCF segment recorded a marginal loss before tax of RM0.08 million for the period ended 30 September 2015 compared to loss before taxation of RM0.33 million for the corresponding period in the year 2014. The results for the nine months period had improved mainly due to the effect of the cheaper Ringgit Malaysia which was favourable for export sales.

The rubber sheets and epoxy segment recorded lower profit before taxation of RM3.61 million for the period ended 30 September 2015 compared to RM3.77 million during the same period last year. This segment delivered lower results in the current period mainly due higher administrative expenses and management fees that were partially offset by favourable effects from the cheaper Ringgit Malaysia on export sales.

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

In the current quarter under review, the Group made a profit before taxation of RM1.70 million compared to RM0.59 million compared in the preceding quarter ended 30 June 2015. The performance of the Group was much improved due to better business performance across all operating segments.

B3. Current Year’s Prospects

For the last quarter of the year, the Group is expected to turn in a profit albeit a slower growth pace compared to growth rates achieved previously.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2015

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)		9 months ended (Cumulative)	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Current tax:				
Malaysian income tax	438	344	1,073	860
Under/(Over)provision of tax	1	(32)	1	(32)
Total income tax expense	<u>439</u>	<u>312</u>	<u>1,074</u>	<u>828</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 30.09.2015 RM '000	As at 31.12.2014 RM '000
	Hire purchase creditors	
Repayable within one year denominated in Ringgit Malaysia	220	180
Repayable after one year denominated in Ringgit Malaysia	<u>155</u>	<u>329</u>
	<u>375</u>	<u>509</u>
Current liabilities (secured)		
Bank overdraft denominated in Ringgit Malaysia	<u>118</u>	<u>-</u>
	<u>118</u>	<u>-</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 SEPTEMBER 2015

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 financial quarter under review.

B10. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		9 Months Ended (Cumulative)	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Net profit attributable to owners of the Company (RM '000)	1,134	268	1,926	465
Weighted average number of ordinary shares in issue ('000)	155,367	154,491	155,367	154,491
Basic earnings per share (sen)	0.73	0.17	1.24	0.30

(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)		9 Months Ended (Cumulative)	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Interest income	28	78	80	225
Interest expense	(4)	(6)	(14)	(20)
Depreciation and amortisation	(279)	(303)	(881)	(918)
Foreign exchange gain/(loss)	591	141	1,107	370

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2015

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

	(Unaudited) As at 30.09.2015 RM '000	(Audited) As at 31.12.2014 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	7,222	9,374
Unrealised	(417)	(574)
	<u>6,805</u>	<u>8,800</u>
Less: Consolidation adjustments	(14,473)	(9,322)
	<u>(7,668)</u>	<u>(522)</u>
Total accumulated losses as per consolidated accounts	<u>(7,668)</u>	<u>(522)</u>

Dated: 24 November 2015