

TECHFAST HOLDINGS BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	5,445	4,406	5,445	4,406
Operating expenses	(4,678)	(3,981)	(4,678)	(3,981)
Other operating income	62	557	62	557
	829	982	829	982
Finance costs	(3)	(5)	(3)	(5)
Profit/(Loss) before taxation	826	977	826	977
Income tax expense	(433)	(338)	(433)	(338)
Net profit after taxation	393	639	393	639
Other comprehensive income:	-	-	-	-
Total comprehensive income	393	639	393	639
Profit attributable to:				
Owners of the Company	344	568	344	568
Non-controlling interests	49	71	49	71
	393	639	393	639
Total comprehensive income attributable to:				
Owners of the Company	344	568	344	568
Non-controlling interests	49	71	49	71
	393	639	393	639
Earnings per share attributable to owners of the parent:				
Basic (sen)	0.20	0.37	0.20	0.37
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 2015 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 31 MARCH 2016**

	(Unaudited) As at 31.03.2016 RM'000	(Audited) As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,100	7,292
Goodwill on acquisition	1,110	1,110
	<u>8,210</u>	<u>8,402</u>
Current assets		
Inventories	2,736	2,836
Trade and other receivables	5,506	6,387
Tax recoverable	44	44
Fixed deposits with licensed banks	910	128
Short term investment	3,666	3,745
Cash and bank balances	4,024	3,946
	<u>16,886</u>	<u>17,086</u>
TOTAL ASSETS	<u>25,096</u>	<u>25,488</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,111	17,111
Treasury shares	(495)	(416)
Share premium	11,270	11,270
Accumulated losses	(6,892)	(7,236)
	<u>20,994</u>	<u>20,729</u>
Non-controlling interests	994	945
Total equity	<u>21,988</u>	<u>21,674</u>
Non-current liabilities		
Hire purchase creditors	171	164
Deferred taxation	511	511
	<u>682</u>	<u>675</u>
Current liabilities		
Trade and other payables	1,943	2,771
Hire purchase creditors	112	166
Tax payable	371	202
	<u>2,426</u>	<u>3,139</u>
Total liabilities	<u>3,108</u>	<u>3,814</u>
TOTAL EQUITY AND LIABILITIES	<u>25,096</u>	<u>25,488</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>13.2</u>	<u>13.4</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	← Attributable to Equity Holders of the Parent →						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non- Distributable	Distributable	Non- Controlling Interests RM'000	
				Retained Earnings/ (Accumu- lated Losses) RM'000	Total RM'000		
Balance at 1 January 2015	15,591	(416)	9,978	(9,594)	15,559	804	16,363
Net profit/(loss) for the period	-	-	-	568	568	71	639
Purchase of own shares	-	-	-	-	-	(60)	(60)
Balance as at 31 March 2015	15,591	(416)	9,978	(9,026)	16,127	815	16,942
Balance at 1 January 2016	17,111	(416)	11,270	(7,236)	20,729	945	21,674
Net profit/(loss) for the period	-	-	-	344	344	49	393
Purchase of own shares	-	(79)	-	-	(79)	-	(79)
Balance as at 31 March 2016	17,111	(495)	11,270	(6,892)	20,994	994	21,988

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 31 MARCH 2016**

	(Unaudited)	
	3 Months Ended	
	31.03.2016	31.03.2015
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	826	977
<u>Adjustments for:</u>		
Non-cash items	794	17
Non-operating items	(39)	(36)
Operating profit before working capital changes	<u>1,581</u>	<u>958</u>
<u>Changes in working capital:</u>		
Net change in current assets	462	1,211
Net change in current liabilities	(828)	(1,006)
Cash generated from operations	<u>1,215</u>	<u>1,163</u>
Interest paid	(3)	(5)
Tax (paid)/refunded	(265)	(253)
Net cash generated from operating activities	<u>947</u>	<u>905</u>
Cash Flows From Investing Activities		
Interest received	39	34
Purchase of property, plant and equipment	(80)	(61)
Net cash used in investing activities	<u>(41)</u>	<u>(27)</u>
Cash Flow From Financing Activities		
Purchase of own shares	(80)	-
Net repayment of hire purchase creditors	(46)	(44)
Dividends paid	-	(60)
Net cash used in financing activities	<u>(126)</u>	<u>(104)</u>
NET INCREASE CASH AND CASH EQUIVALENTS	780	774
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>7,820</u>	<u>6,631</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>8,600</u>	<u>7,405</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	910	66
Short term investment	3,666	3,573
Cash and bank balances	4,024	3,903
	<u>8,600</u>	<u>7,542</u>
Less : Fixed deposits pledged to licensed banks	-	(66)
Bank overdraft	-	(71)
	<u>8,600</u>	<u>7,405</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

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 2015 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 2015.

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 2015.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2015 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

During the quarter ended 31 March 2016, the Company repurchased 439,100 ordinary shares of RM0.10 each of its issued and paid up share capital from the open market for a cash consideration of approximately RM79,650. The repurchase transactions were financed by internally generated funds and were now held as treasury shares. As at the end of the quarter under review, a total of 3,433,500 shares of RM0.10 each were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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 – 31 MARCH 2016

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
3 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000
31.03.2016					
Revenue from external customers	1,748	3,674	23	-	5,445
Inter-segment revenue	-	588	360	(948)	-
Total segment revenue	<u>1,748</u>	<u>4,262</u>	<u>383</u>	<u>(948)</u>	<u>5,445</u>
Operating segment profit/(loss)	55	864	(57)	(33)	829
Finance cost	(1)	(2)	-	-	(3)
Profit/(loss) before taxation	54	862	(57)	(33)	826
Income tax	(75)	(358)	-	-	(433)
Net profit/(loss) after taxation	<u>(21)</u>	<u>504</u>	<u>(57)</u>	<u>(33)</u>	<u>393</u>

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 2015.

A10. Subsequent Events

On 25 April 2016, the Company announced that Techfast Manufacturing Sdn Bhd (“TMSB”), a wholly-owned subsidiary company of Techfast Holdings Berhad, had received a notice from the Suruhanjaya Syarikat Malaysia that TMSB had been struck off the Register of Companies pursuant to Section 308(4) of the Companies Act, 1965.

TMSB was incorporated on 24 April 1999 and ceased operations during the financial year ended 31 December 2011 and had since remained dormant. The striking off of TMSB would not have any material impact on the earnings per share and net assets of the Group for the financial year ending 31 December 2016.

There were no other 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.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2016

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

A11. Changes in Composition of the Group

Other than the strike off of wholly-owned subsidiary company, TMSB, from the Register of Companies as disclosed in item A10 above, there were no other changes in the composition of the Group that occurred in 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.

A14. 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 2016

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

B1. Review of Performance

1st Quarter 2016 vs 1st Quarter 2015

The Group revenue for the current quarter increased to RM5.45 million from RM4.41 million in the corresponding quarter in the previous year. Unaudited profit before taxation (“PBT”) for the quarter ended 31 March 2016 was lower at RM0.83 million compared to RM0.98 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a marginal PBT of RM0.05 million compared to a loss before tax of RM0.03 million in the corresponding quarter in the previous year. The financial result for the current quarter ended 31 March 2016 was improved mainly due to the production and sales of higher profit margin products.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM0.86 million which was lower than RM1.05 million recorded in the corresponding quarter in the previous year. The lower PBT was mainly due to unrealised foreign exchange losses incurred during the quarter.

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 PBT of RM0.83 million compared to RM0.56 million compared in the preceding quarter ended 31 December 2015. The financial performance of the Group was better in the current quarter under review mainly due to lesser administrative expenses that were incurred compared to the preceding quarter.

B3. Current Year’s Prospects

The operating environment going forward remain challenging in view of the uncertainty in the macro economy. However, barring any unforeseen circumstances, the Board expects the performance of the Group for the financial year ending 31 December 2016 to be satisfactory.

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 2016**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B5. Income Tax Expense

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 3 months ended (Cumulative)	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Current tax:				
Malaysian income tax	433	338	433	338
Total income tax expense	<u>433</u>	<u>338</u>	<u>433</u>	<u>338</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 31.03.2016 RM '000	As at 31.12.2015 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	112	165
Repayable after one year denominated in Ringgit Malaysia	<u>171</u>	<u>164</u>
	<u>283</u>	<u>329</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 during the current financial quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2016**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

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 3 Months Ended (Cumulative)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net profit attributable to owners of the Company (RM '000)	344	568	344	568
Weighted average number of ordinary shares in issue ('000)	167,860	154,491	167,860	154,491
Basic earnings per share (sen)	0.20	0.37	0.20	0.37

(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:

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 3 Months Ended (Cumulative)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	39	71	39	71
Interest expense	(3)	(7)	(3)	(7)
Depreciation and amortisation	(272)	(309)	(272)	(309)
Foreign exchange loss	(550)	(12)	(550)	(12)

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2016

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 losses is as follows:

	(Unaudited) As at 31.03.2016 RM '000	(Audited) As at 31.12.2015 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	12,238	11,665
Unrealised	(597)	(450)
	<u>11,641</u>	<u>11,215</u>
Less: Consolidation adjustments	(18,533)	(18,451)
	<u>(6,892)</u>	<u>(7,236)</u>
Total accumulated losses as per consolidated accounts	<u>(6,892)</u>	<u>(7,236)</u>

Dated: 30 May 2016