

TECHFAST HOLDINGS BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

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

	(Unaudited)		(Unaudited)	(Audited)
	3 months ended (Quarter)		12 months ended (Cumulative)	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	5,898	4,956	22,466	19,681
Operating expenses	(4,555)	(4,364)	(18,478)	(17,073)
Other operating income	386	(23)	776	1,236
	1,729	569	4,764	3,844
Finance costs	(11)	(4)	(20)	(17)
Profit before taxation	1,718	565	4,744	3,827
Income tax expense	(404)	(74)	(1,214)	(1,148)
Net profit after taxation	1,314	491	3,530	2,679
Other comprehensive income:	-	-	-	-
Total comprehensive income	1,314	491	3,530	2,679
Profit attributable to:				
Owners of the Company	1,216	432	3,193	2,358
Non-controlling interests	98	59	337	321
	1,314	491	3,530	2,679
Total comprehensive income attributable to:				
Owners of the Company	1,216	432	3,193	2,358
Non-controlling interests	98	59	337	321
	1,314	491	3,530	2,679
Earnings per share attributable to owners of the parent:				
Basic (sen)	0.73	0.27	1.90	1.49
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 DECEMBER 2016**

	(Unaudited) As at 31.12.2016 RM'000	(Audited) As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,636	7,292
Goodwill on acquisition	1,110	1,110
	<u>8,746</u>	<u>8,402</u>
Current assets		
Inventories	2,590	2,836
Trade and other receivables	6,311	6,387
Tax recoverable	42	44
Fixed deposits with licensed banks	62	128
Short term investment	4,959	3,745
Cash and bank balances	6,070	3,946
	<u>20,034</u>	<u>17,086</u>
TOTAL ASSETS	<u>28,780</u>	<u>25,488</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,111	17,111
Treasury shares	(506)	(416)
Share premium	11,270	11,270
Accumulated losses	(4,881)	(7,236)
	<u>22,994</u>	<u>20,729</u>
Non-controlling interests	1,102	945
Total equity	<u>24,096</u>	<u>21,674</u>
Non-current liabilities		
Hire purchase creditors	490	164
Deferred taxation	471	511
	<u>961</u>	<u>675</u>
Current liabilities		
Trade and other payables	3,492	2,771
Hire purchase creditors	150	166
Tax payable	81	202
	<u>3,723</u>	<u>3,139</u>
Total liabilities	<u>4,684</u>	<u>3,814</u>
TOTAL EQUITY AND LIABILITIES	<u>28,780</u>	<u>25,488</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>14.5</u>	<u>13.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 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 CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	← 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 Distributable Retained Earnings/ (Accumu- lated Losses) 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	-	-	-	2,358	2,358	321	2,679
Dividends paid to non- controlling interests	-	-	-	-	-	(180)	(180)
Private placement of new shares	1,520	-	1,292	-	2,812	-	2,812
Balance as at 31 December 2015	17,111	(416)	11,270	(7,236)	20,729	945	21,674
Balance at 1 January 2016	17,111	(416)	11,270	(7,236)	20,729	945	21,674
Net profit/(loss) for the period	-	-	-	3,193	3,193	337	3,530
Dividends paid	-	-	-	(838)	(838)	(180)	(1,018)
Purchase of own shares	-	(90)	-	-	(90)	-	(90)
Balance as at 31 December 2016	17,111	(506)	11,270	(4,881)	22,994	1,102	24,096

(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

(Company No.: 647820-D)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	(Unaudited) 12 Months Ended 31.12.2016 RM'000	(Audited) 12 Months Ended 31.12.2015 RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,744	3,827
<u>Adjustments for:</u>		
Non-cash items	783	1,083
Non-operating items	(184)	(57)
Operating profit before working capital changes	5,343	4,853
<u>Changes in working capital:</u>		
Net change in current assets	350	(430)
Net change in current liabilities	721	(4,621)
Cash generated from/(used in) operations	6,414	(198)
Interest paid	(20)	-
Tax (paid)/refunded	(1,374)	(1,161)
Net cash generated from/(used in) operating activities	5,020	(1,359)
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	152	-
Interest received	183	74
Purchase of property, plant and equipment	(936)	(164)
Withdrawal/(Placement) of fixed deposits	-	(2)
Net cash used in investing activities	(601)	(92)
Cash Flow From Financing Activities		
Purchase of own shares	(91)	-
Proceeds from private placement shares	-	2,812
Net repayment of hire purchase creditors	(39)	(198)
Dividends paid	(1,018)	(180)
Net cash generated from/(used in) financing activities	(1,148)	2,434
NET INCREASE CASH AND CASH EQUIVALENTS	3,271	983
Effects of exchange rate changes	-	137
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	7,820	6,631
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	11,091	7,751
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	62	128
Short term investment	4,959	3,745
Cash and bank balances	6,070	3,946
	11,091	7,819
Less : Fixed deposits pledged to licensed banks	-	(68)
	11,091	7,751

(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

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 December 2016, the Company repurchased 59,100 ordinary shares of RM0.10 each of its issued and paid up share capital from the open market for a cash consideration of approximately RM11,148. 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 3,492,500 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.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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
12 Months Ended 31.12.2016	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	7,382	14,994	90	-	22,466
Inter-segment revenue	-	3,158	3,060	(6,218)	-
Total segment revenue	7,382	18,152	3,150	(6,218)	22,466
Operating segment profit/(loss)	719	4,462	1,218	(1,635)	4,764
Finance cost	(4)	(15)	-	(1)	(20)
Profit/(loss) before taxation	715	4,447	1,218	(1,636)	4,744
Income tax	(147)	(1,067)	-	-	(1,214)
Net profit/(loss) after taxation	568	3,380	1,218	(1,636)	3,530

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

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.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2016

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

A11. Changes in Composition of the Group

There were no 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.

	(Unaudited)		(Unaudited)	(Audited)
	3 months ended (Quarter)		12 months ended (Cumulative)	
Significant Related Party Transactions	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	-	-	34	24
Firms connected to directors				
Professional fee payable to:				
- Michael Lim & Co.	-	-	-	59
- A.T. Aun & Associates	-	-	-	5

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2016

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

B1. Review of Performance

4th Quarter 2016 vs 4th Quarter 2015

The Group revenue for the current quarter of RM5.90 million was higher than revenue recorded for the corresponding quarter in the previous year of RM4.96 million. Unaudited profit before taxation (“PBT”) for the quarter ended 31 December 2016 was higher at RM1.72 million compared to RM0.57 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a PBT of RM0.49 million compared to a loss before tax of RM0.04 million in the corresponding quarter in the previous year. The financial result for the current quarter ended 31 December 2016 was much improved mainly due to higher gross profit margin as a result of lower fixed costs, one-off gain on disposal of motor vehicle and also the strengthening of the US Dollar against the Ringgit Malaysia during the period under review, which in turn gave rise to foreign exchange gains on US Dollar denominated sales.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM1.27 million which was higher than RM0.79 million recorded in the corresponding quarter in the previous year. The higher PBT was mainly due to the strengthening of the US Dollar against the Ringgit Malaysia during the period under review, which in turn gave rise to better foreign exchange gains.

Full Year 2016 vs Full Year 2015

For the financial year ended (“FYE”) 31 December 2016, total turnover of the Group of RM22.47 million was higher compared to RM19.68 million recorded during the same period last year. The Group recorded a profit before taxation of RM4.74 million for the financial year ended 31 December 2016 which was higher than RM3.83 million recorded during the prior year. This was mainly due to improvement in sales and profit margin of the fastener segment of the Group.

The SCF segment made a PBT of about RM0.71 million for the FYE 31 December 2016 compared to loss before tax of RM0.11 million for the FYE 31 December 2015. The improved results in the current FYE under review was mainly due to sales of better margin products, lower depreciation charges and lower fixed operating costs coupled with a one-off gain on disposal of motor vehicle.

The rubber sheets and epoxy segment recorded marginally higher PBT of RM4.45 million for the FYE 31 December 2016 compared to RM4.40 million during the same period last year. Despite higher sales revenues, the bottomline was affected by less foreign exchange gain compared to the FYE 31 December 2015.

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 RM1.72 million compared to RM1.30 million in the preceding quarter ended 30 September 2016. The financial performance of the Group was higher quarter-on-quarter due to some fixed cost savings from the fastener segment and a one-off gain on disposal of a motor vehicle in the quarter under review coupled with higher foreign exchange gains quarter-on-quarter.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2016

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

B3. Current Year's Prospects

The domestic economy is expected to be slower in the current year due to rising cost pressure coupled with the volatility in the world economy as a result of the slow down in the Chinese economy. The Board of Directors will look at improving operating efficiency and explore opportunities for growth and is cautiously optimistic that performance of the Group in the year 2017 will be satisfactory.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 12 months ended	(Audited) Cumulative
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Current tax:				
Malaysian income tax	387	306	1,290	1,379
Deferred taxation	17	(232)	(40)	(232)
	<u>404</u>	<u>74</u>	<u>1,250</u>	<u>1,147</u>
Under/(Over)provision for tax in prior year	-	-	(36)	1
Total income tax expense	<u>404</u>	<u>74</u>	<u>1,214</u>	<u>1,148</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 31.12.2016 RM '000	As at 31.12.2015 RM '000
	Hire purchase creditors	
Repayable within one year denominated in Ringgit Malaysia	150	166
Repayable after one year denominated in Ringgit Malaysia	490	164
	<u>640</u>	<u>330</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. Proposed Dividend

There was no dividend proposed during the current financial quarter under review.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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) (Audited) 12 Months Ended (Cumulative)	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net profit attributable to owners of the Company (RM '000)	1,216	432	3,193	2,358
Weighted average number of ordinary shares in issue ('000)	167,723	158,581	167,723	158,581
Basic earnings per share (sen)	0.73	0.27	1.90	1.49

(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) (Audited) 12 Months Ended (Cumulative)	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	68	49	183	74
Interest expense	(11)	(4)	(20)	(17)
Depreciation and amortisation	(182)	(266)	(906)	(1,091)
Gain/(Loss) on disposal of properties, plant and equipment	137	(2)	242	(2)
Foreign exchange gain/(loss)	417	(113)	197	1,008

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 31.12.2016 RM '000	(Audited) As at 31.12.2015 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	13,674	11,665
Unrealised	68	(450)
	<u>13,742</u>	<u>11,215</u>
Less: Consolidation adjustments	(18,623)	(18,451)
	<u>(4,881)</u>	<u>(7,236)</u>
Total accumulated losses as per consolidated accounts	<u>(4,881)</u>	<u>(7,236)</u>

Dated: 23 February 2017