

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2008**

	(Unaudited) As at 30.09.2008 RM'000	(Audited) As at 31.12.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,390	26,911
Prepaid lease payments	2,293	2,312
	<u>27,683</u>	<u>29,223</u>
Current assets		
Inventories	9,466	9,473
Trade and other receivables	13,117	13,939
Fixed deposits with licensed banks	6,536	4,535
Cash and bank balances	1,613	2,218
	<u>30,732</u>	<u>30,165</u>
TOTAL ASSETS	<u>58,415</u>	<u>59,388</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,570	15,570
Share premium	10,188	10,188
Other reserves	618	(22)
Retained earnings	11,998	11,805
	<u>38,374</u>	<u>37,541</u>
Minority interest	1,099	1,223
Total equity	<u>39,473</u>	<u>38,764</u>
Non-current liabilities		
Hire purchase creditors	741	926
Term loans	7,506	9,041
Deferred taxation	1,280	1,554
	<u>9,527</u>	<u>11,521</u>
Current liabilities		
Trade and other payables	5,449	4,227
Hire purchase creditors	594	439
Tax payable	-	37
Borrowings	3,372	4,400
	<u>9,415</u>	<u>9,103</u>
Total liabilities	<u>18,942</u>	<u>20,624</u>
TOTAL EQUITY AND LIABILITIES	<u>58,415</u>	<u>59,388</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>24.6</u>	<u>24.1</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	(Unaudited)		(Unaudited)	
	<u>3 months ended (Quarter)</u>		<u>9 months ended (Cumulative)</u>	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	9,598	10,252	26,298	26,525
Operating expenses	(8,870)	(8,244)	(26,867)	(21,239)
Other operating income	236	426	1,202	799
	964	2,434	633	6,085
Finance costs	(266)	(199)	(780)	(441)
Profit/(Loss) before taxation	698	2,235	(147)	5,644
Income tax expense	(77)	(393)	247	(577)
Net profit for the period	621	1,842	100	5,067
Attributable to:				
Equity holders of the parent	641	1,723	193	5,070
Minority interests	(20)	119	(93)	(3)
Net profit for the period	621	1,842	100	5,067
Earnings per share attributable to equity holders of the parent:				
- Basic (sen)	0.41	1.11	0.12	3.29
- Diluted (sen)	NA	1.10	NA	3.25

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 PERIOD ENDED 30 SEPTEMBER 2008

	← Attributable to Equity Holders of the Parent →						Minority Interests RM'000	Total Equity RM'000
	Non-Distributable				Distributable			
	Share Capital RM'000	Share Premium RM'000	Translation (Loss)/ Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance at 1 January 2007	15,223	9,101	(203)	271	9,331	33,723	31	33,754
Issue of shares - ESOS	348	1,008	-	-	-	1,356	-	1,356
Exchange differences on translation of financial statements of foreign entity	-	-	(41)	-	-	(41)	(55)	(96)
Minority interests	-	-	-	-	-	-	1,347	1,347
Net profit for the period	-	-	-	-	5,070	5,070	3	5,073
Dividend in respect of the financial year ended 31/12/2006	-	-	-	-	(2,335)	(2,335)	-	(2,335)
Balance as at 30 September 2007	15,571	10,109	(244)	271	12,066	37,773	1,326	39,099
Balance at 1 January 2008	15,570	10,188	(221)	199	11,805	37,541	1,223	38,764
Exchange differences on translation of financial statements of foreign entity	-	-	640	-	-	640	(31)	609
Minority interests	-	-	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	193	193	(93)	100
Balance at 30 September 2008	15,570	10,188	419	199	11,998	38,374	1,099	39,473

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	9 Months Ended	
	30.09.2008	30.09.2007
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	(147)	5,644
Adjustments for :-		
Depreciation of property, plant and equipment	2,076	1,987
Amortisation of prepaid land lease payments	20	20
Interest expense	780	441
Allowance for doubtful debt	212	60
Bad debts written off	44	13
Unrealised loss/(gain) on foreign exchange	(793)	19
Net loss/(gain) on disposal of plant and equipment	339	(18)
Interest income	(60)	(95)
Operating profit before working capital changes	2,471	8,071
(Increase)/Decrease in:		
Inventories	7	(1,311)
Trade and other receivables	1,438	(23)
Increase/(Decrease) in:		
Trade and other payables	1,222	(4,514)
Bills payable	(737)	(114)
Cash generated from operations	4,401	2,109
Interest paid	(780)	(441)
Tax paid	(553)	(538)
Net cash generated from operating activities	3,068	1,130
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	1,365	28
Withdrawal of fixed deposits	1,500	200
Interest received	60	95
Purchase of property, plant and equipment	(1,796)	(4,296)
Net cash generated from/(used in) investing activities	1,129	(3,973)
Cash Flow From Financing Activities		
Proceeds from issuance of shares	-	1,354
Proceeds from shares issued to minority interests	-	1,353
Drawdown/(Repayment) of term loans	(1,075)	4,704
Dividends paid	-	(2,335)
Net repayment of hire purchase creditors	(30)	(314)
Net cash generated from/(used in) financing activities	(1,105)	4,762
NET INCREASE CASH AND CASH EQUIVALENTS	3,092	1,919
Effects of exchange rate changes	554	(94)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	3,983	5,181
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	7,629	7,006
Cash and cash equivalents comprise:-	RM'000	RM'000
Fixed deposits with licensed banks	6,536	4,036
Cash and bank balances	1,613	3,490
	8,149	7,526
Less : Fixed deposits pledged to licensed banks	(520)	(520)
Bank overdraft	-	-
	7,629	7,006

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 – 30 SEPTEMBER 2008

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

A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 – Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 financial year ended 31 December 2007.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standard:

FRS 119₂₀₀₄(Revised) – Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of the abovementioned FRS does not have any significant impact on the Group.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2007 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The business of the Group is now more focused towards the manufacture and sales of fasteners for use in liquid crystal displays (“LCD”) and plasma televisions. As such, its sales were more exposed to the seasonal nature of the electronics industry. The industry typically experienced higher sales in the second half of the calendar year compared to the first half. However, amidst global recessionary fears sparked by financial turmoil in the United States, sales for the industry was now unpredictable.

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. 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.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2008

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

A6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter ended 30 September 2008.

A7. Dividend Paid

No dividend was paid during the current quarter ended 30 September 2008.

A8. Segmental Information

	Malaysia RM'000	China RM'000	Thailand RM'000	Elim. RM'000	Consolidated RM'000
Segment revenue					
Revenue from external customers	21,284	3,242	1,772	-	26,298
Inter-segment revenue	11,817	-	-	(11,817)	-
Total Revenue	<u>33,101</u>	<u>3,242</u>	<u>1,772</u>	<u>(11,817)</u>	<u>26,298</u>
Segment results					
Net profit/(loss) for the period	<u>663</u>	<u>(389)</u>	<u>(175)</u>	<u>94</u>	<u>193</u>
Segment assets					
Total assets	<u>76,141</u>	<u>5,086</u>	<u>6,446</u>	<u>(29,258)</u>	<u>58,415</u>
Segment liabilities					
Total liabilities	<u>24,280</u>	<u>280</u>	<u>3,840</u>	<u>(9,458)</u>	<u>18,942</u>

A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2007.

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter.

A11. Changes in Composition of the Group

On 9 October 2008, Techfast Holdings acquired the remaining 40% equity stake, that it did not already own, in Techfast Advanced Tech Sdn Bhd ("TATSB") which comprises 40 ordinary shares of RM1.00 each. Following the completion of the acquisition, TATSB is now a wholly-owned subsidiary and remains dormant.

There were no other changes in the composition of the Group for the current quarter under review.

A12. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM26.92 million granted to the subsidiary companies. As at 30 September 2008, the utilisation of the banking facilities stood at RM11.86 million.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2008

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

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 30 September 2008.

A14. Significant Related Party Transactions

Save as disclosed below, the Directors are of the opinion that there were no other related party transactions which would have a material impact on the financial position and the business of the Group during the current quarter.

The significant transactions with related parties by Group are as follows:

Related parties	3 months ended	9 months ended
	(Quarter)	(Cumulative)
	30.09.2008	30.09.2008
	RM'000	RM'000
Trifast and its subsidiary companies		
- Sale of goods	1,735	4,995
- Purchase of goods	232	933

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2008

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group achieved an unaudited profit before taxation of RM0.70 million for the quarter ended 30 September 2008 on a turnover of RM9.60 million compared with profit before taxation of RM2.24 million on a turnover of RM10.25 million recorded in the previous year's corresponding quarter. The lower profit achieved for the current quarter compared to the corresponding quarter in the preceding year was due to lower turnover and increase in cost of materials coupled with higher operating costs which have affected the profitability of the Company.

For the nine months ended 30 September 2008, turnover of RM26.30 million was marginally lower compared to RM26.53 million recorded for the nine months ended 30 September 2007. The Group recorded a loss before taxation RM0.15 million for the current nine months compared to profit before taxation of RM5.64 million for the corresponding period in the prior year. The loss was partly due to net loss in the first quarter ended 31 March 2008 coupled with increased costs of materials and higher operating costs that did not meet with corresponding increases in selling prices due to competitive pricing pressures.

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

Profit before taxation in the current quarter was RM0.70 million compared to a profit before taxation of RM0.36 million in the preceding quarter ended 30 June 2008. The improved performance in the current quarter was attributable to cost savings coupled with the strengthening of the US Dollar that contributed to foreign exchange gains on US Dollar denominated sales.

B3. Commentary on Current Year Prospects

The Board continues to anticipate challenging times in the midst of a global recession sparked by financial turmoil in the United States. The Company will endeavour to sustain sales orders from customers for the rest of the year.

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)	
	30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000
Current tax:				
Malaysian income tax	27	289	27	546
Deferred taxation	50	(49)	(274)	(122)
	<u>77</u>	<u>240</u>	<u>(247)</u>	<u>424</u>
Underprovision in previous year	-	153	-	153
Total income tax expense	<u>77</u>	<u>393</u>	<u>(247)</u>	<u>577</u>

The effective tax rate of the Group is lower than the statutory rate mainly due to the benefits of reinvestment allowances incentive, tax incentive under pioneer status and income tax exemption enjoyed by some of the subsidiary companies.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2008

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter and financial year-to-date under review.

B7. Quoted Securities

There was no purchase or disposal of quoted and marketable securities during the current quarter and financial year-to-date under review.

B8. Corporate Proposals

Except as disclosed below, there were no corporate proposals announced but not completed as at the date of this report:

On 5 February 2007, the Company announced the proposal to undertake a proposed special issue of up to 71,658,000 new shares in the Company ("Proposed Special Issue") to Bumiputera investors for purposes of meeting the requirements of the National Development Policy. The Proposed Special Issue was approved by the shareholders at the Extraordinary General Meeting held on 18 May 2007.

On 14 June 2007, the Company announced that Bursa Malaysia Securities Berhad has vide its letter dated 13 June 2007, approved in-principle the listing of up to 71,658,000 new ordinary shares of RM0.10 each to be issued pursuant to the Proposed Special Issue.

As at 30 September 2008, the Proposed Special Issue has not been implemented. The Company was granted an extension of time until 31 December 2008 by the Securities Commission to implement the Proposed Special Issue. On 22 October 2008, the Company had applied to the Securities Commission for a further extension of time as it did not foresee completion of the Proposed Special Issue by 31 December 2008. The application was still pending approval at the time of this report.

B9. Borrowings

	As at 30.09.2008	As at 31.12.2007
	RM '000	RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	594	439
Repayable after one year	741	926
	<u>1,335</u>	<u>1,365</u>
Current liabilities (secured)		
Trade facilities	947	1,684
Term loans	2,425	1,965
Bank overdraft	-	751
	<u>3,372</u>	<u>4,400</u>
Long term liabilities (secured)		
Term loans	<u>7,506</u>	<u>9,041</u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2008

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B11. Changes in Material Litigation

The Group 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.

B12. Proposed Dividend

No dividend has been proposed for the current quarter ended 30 September 2008.

B13. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000
Net profit attributable to equity holders of the parent (RM '000)	641	1,723	193	5,070
Weighted average number of ordinary shares in issue ('000)	155,706	155,699	155,706	154,067
Basic earnings per share (sen)	0.41	1.11	0.12	3.29

(b) Diluted earnings per share

	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000
Net profit attributable to equity holders of the parent (RM '000)	NA	1,723	NA	5,070
Weighted average number of ordinary shares in issue ('000) - basic	NA	155,699	NA	154,067
Adjustment for ESOS ('000)	NA	435	NA	2,095
Weighted average number of ordinary shares for diluted earnings per share ('000)	NA	156,134	NA	156,162
Diluted earnings per share (sen)	NA	1.10	NA	3.25

The diluted earnings per share in the current quarter under review is not disclosed as the unissued ordinary shares granted to executive employees pursuant to the Company's ESOS have no dilutive effect as the exercise price was above the average market value of the Company's shares.

BY ORDER OF THE BOARD

Lim Li Shiang

Company Secretary

Dated 26 November 2008