

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	(Unaudited) As at 31.12.2008 RM'000	(Audited) As at 31.12.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,664	26,911
Prepaid lease payments	2,286	2,312
	<u>23,950</u>	<u>29,223</u>
Current assets		
Inventories	5,743	9,473
Trade and other receivables	8,172	13,939
Fixed deposits with licensed banks	7,176	4,535
Cash and bank balances	3,248	2,218
	<u>24,339</u>	<u>30,165</u>
TOTAL ASSETS	<u>48,289</u>	<u>59,388</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,570	15,570
Share premium	9,971	10,188
Other reserves	728	(22)
Retained earnings	6,481	11,805
	<u>32,750</u>	<u>37,541</u>
Minority interest	956	1,223
Total equity	<u>33,706</u>	<u>38,764</u>
Non-current liabilities		
Hire purchase creditors	590	926
Term loans	6,976	9,041
Deferred taxation	630	1,554
	<u>8,196</u>	<u>11,521</u>
Current liabilities		
Trade and other payables	2,542	4,227
Hire purchase creditors	587	439
Tax payable	-	37
Borrowings	3,258	4,400
	<u>6,387</u>	<u>9,103</u>
Total liabilities	<u>14,583</u>	<u>20,624</u>
TOTAL EQUITY AND LIABILITIES	<u>48,289</u>	<u>59,388</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>21.0</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 YEAR ENDED 31 DECEMBER 2008**

	(Unaudited)		(Unaudited)	(Audited)
	3 months ended (Quarter)		12 months ended (Cumulative)	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	6,253	8,509	32,551	35,034
Operating expenses	(12,140)	(9,117)	(39,007)	(30,356)
Other operating income	(112)	596	1,089	1,395
	<u>(5,999)</u>	<u>(12)</u>	<u>(5,367)</u>	<u>6,073</u>
Finance costs	(218)	(346)	(998)	(787)
Profit/(Loss) before taxation	<u>(6,217)</u>	<u>(358)</u>	<u>(6,365)</u>	<u>5,286</u>
Income tax expense	582	9	829	(569)
Net profit/(loss) after taxation	<u>(5,635)</u>	<u>(349)</u>	<u>(5,536)</u>	<u>4,717</u>
Attributable to:				
Equity holders of the parent	(5,516)	(261)	(5,324)	4,809
Minority interests	<u>(119)</u>	<u>(88)</u>	<u>(212)</u>	<u>(92)</u>
Net profit/(loss) for the year	<u>(5,635)</u>	<u>(349)</u>	<u>(5,536)</u>	<u>4,717</u>
Earnings/(loss) per share attributable to equity holders of the parent:				
- Basic (sen)	(3.54)	(0.17)	(3.42)	3.11
- Diluted (sen)	NA	NA	NA	NA

(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)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 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	(204)	271	9,331	33,722	31	33,753
Issue of shares - ESOS	347	1,087	-	(80)	-	1,354	-	1,354
Exchange differences on translation of financial statements of foreign entity	-	-	(17)	-	-	(17)	(69)	(86)
Share options granted under ESOS	-	-	-	8	-	8	-	8
Minority interests	-	-	-	-	-	-	1,353	1,353
Net profit/(loss) for the year	-	-	-	-	4,809	4,809	(92)	4,717
Dividend in respect of the year ended 31/12/2006	-	-	-	-	(2,335)	(2,335)	-	(2,335)
Balance as at 31 December 2007	15,570	10,188	(221)	199	11,805	37,541	1,223	38,764
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	-	-	750	-	-	750	(55)	695
Share issue expenses written off	-	(217)	-	-	-	(217)	-	(217)
Minority interests	-	-	-	-	-	-	-	-
Net profit/(loss) for the year	-	-	-	-	(5,324)	(5,324)	(212)	(5,536)
Balance as at 31 December 2008	15,570	9,971	529	199	6,481	32,750	956	33,706

(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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	(Unaudited)	(Audited)
	<u>12 Months Ended</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>
	<u>RM'000</u>	<u>RM'000</u>
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	(6,365)	5,286
Adjustments for :-		
Depreciation of property, plant and equipment	2,700	2,703
Loss/(gain) on liquidation of subsidiary	3,348	-
Property, plant and equipment written off	229	270
Amortisation of prepaid land lease payments	26	26
Interest expense	998	787
Allowance for doubtful debt	152	60
Bad debts written off	44	85
Unrealised loss/(gain) on foreign exchange	(481)	128
Net loss/(gain) on disposal of plant and equipment	910	(12)
Share options granted under ESOS	-	8
Interest income	(228)	(61)
Operating profit before working capital changes	<u>1,333</u>	<u>9,280</u>
(Increase)/Decrease in:		
Inventories	3,730	(689)
Trade and other receivables	6,023	(1,297)
Increase/(Decrease) in:		
Trade and other payables	<u>(1,685)</u>	<u>(4,805)</u>
Cash generated from operations	9,401	2,489
Interest paid	(998)	(29)
Interest received	-	5
Tax paid	<u>(539)</u>	<u>(816)</u>
Net cash generated from operating activities	<u>7,864</u>	<u>1,649</u>
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	1,423	151
Withdrawal/(Placement) of fixed deposits	1,500	(1,300)
Interest received	228	55
Purchase of property, plant and equipment	<u>(1,851)</u>	<u>(4,110)</u>
Net cash generated from/(used in) investing activities	<u>1,300</u>	<u>(5,204)</u>
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	(1,708)	3,054
Dividends paid	-	(2,335)
Decrease in bills payable	(1,256)	(570)
Net repayment of hire purchase creditors	<u>(188)</u>	<u>(414)</u>
Net cash generated from/(used in) financing activities	<u>(3,152)</u>	<u>2,442</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	6,012	(1,113)
Effects of exchange rate changes	(598)	(86)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	3,983	5,181
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	<u>9,397</u>	<u>3,982</u>
Cash and cash equivalents comprise:-	RM'000	RM'000
Fixed deposits with licensed banks	7,177	4,535
Cash and bank balances	<u>3,248</u>	<u>2,218</u>
	10,425	6,753
Less : Fixed deposits pledged to licensed banks	(520)	(2,020)
Bank overdraft	<u>(508)</u>	<u>(751)</u>
	<u>9,397</u>	<u>3,982</u>

(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.)

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 31 December 2008.

A7. Dividend Paid

No dividend was paid during the current quarter ended 31 December 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	26,907	3,341	2,303	-	32,551
Inter-segment revenue	20,589	-	-	(20,589)	-
Total Revenue	<u>47,496</u>	<u>3,341</u>	<u>2,303</u>	<u>(20,589)</u>	<u>32,551</u>
Segment results					
Net profit/(loss) for the period	<u>3,892</u>	<u>(1,116)</u>	<u>(333)</u>	<u>(7,767)</u>	<u>(5,324)</u>
Segment assets					
Total assets	<u>71,293</u>	<u>-</u>	<u>6,534</u>	<u>(29,538)</u>	<u>48,289</u>
Segment liabilities					
Total liabilities	<u>16,339</u>	<u>-</u>	<u>4,140</u>	<u>(5,896)</u>	<u>14,583</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.

On 11 November 2008, Techfast Precision (SIP) Co., Ltd was officially placed in members' voluntary liquidation. The completion of the liquidation exercise is pending tax clearance from the Authorities in China as at the date of this report. The liquidation resulted in a net loss to the Group of RM3.35 million during the current quarter ended 31 December 2008.

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

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2008

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 RM25.44 million granted to the subsidiary companies. As at 31 December 2008, the utilisation of the banking facilities stood at RM10.78 million.

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 31 December 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 the Group are as follows:

	3 months ended (Quarter)	12 months ended (Cumulative)
	31.12.2008	31.12.2008
	RM'000	RM'000
Related parties		
Trifast and its subsidiary companies		
- Sale of goods	1,147	6,141
- Purchase of goods	181	1,114
Chih I Metal Co., Ltd.		
- Sale of goods	201	698

There was also a related party balances included in other payables of the Group as at 31 December 2008 which comprised of interest free loans from shareholders of Techfast Precision (Thailand) Co., Ltd. amounting to RM0.32 million.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2008

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group achieved an unaudited loss before taxation of RM6.22 million for the quarter ended 31 December 2008 on a turnover of RM6.25 million compared with loss before taxation of RM0.36 million on a turnover of RM8.51 million recorded in the previous year's corresponding quarter. The higher loss recorded for the current quarter compared to the corresponding quarter in the preceding year was due to lower sales that have been affected by the global economic slow down. The results of the Group was also affected by a one-off loss arising from the liquidation of wholly-owned subsidiary, Techfast Precision (SIP) Co., Ltd. ("Techfast SIP") in China, that amounted to RM3.35 million.

For the year ended 31 December 2008, turnover of RM32.55 million was lower compared to RM35.03 million recorded for the year ended 31 December 2007. The Group recorded a loss before taxation RM6.37 million for the current year compared to profit before taxation of RM5.29 million for the prior year. The lower turnover was partly due to the shut down of business in China and the general slow down in business contribution by the Malaysian subsidiaries. The loss before taxation was mainly due to one-off loss arising from the liquidation of Techfast SIP 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

Loss before taxation in the current quarter was RM6.22 million compared to a profit before taxation of RM0.70 million in the preceding quarter ended 30 September 2008. This was due to lower sales in the current quarter under review as a result of the global economic slow down. The results for the current quarter was also affected by a one-off loss arising from the liquidation of Techfast SIP.

B3. Commentary on Next Year Prospects

The Board continues to anticipate challenging times in the midst of a global recession sparked by the financial turmoil in the United States. The Company has been implementing cost cutting measures to persevere through the slow down in business and will endeavour to sustain sales orders from customers for the coming year.

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 DECEMBER 2008**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS****B5. Income Tax Expense**

	3 months ended		12 months ended	
	(Quarter)		(Cumulative)	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	63	(32)	90	514
Deferred taxation	(650)	23	(924)	(98)
	<u>(587)</u>	<u>(9)</u>	<u>(834)</u>	<u>416</u>
Underprovision in previous year	5	-	5	153
Total income tax expense	<u>(582)</u>	<u>(9)</u>	<u>(829)</u>	<u>569</u>

There was no tax charge for the Group except for a provision made in respect of a subsidiary company which enjoys pioneer status tax incentive.

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 ("Bumiputera Equity Requirement"). 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. To date, the Company has been unable to implement the Proposed Special Issue.

On 23 January 2009, the Company announced that the Securities Commission had, vide its letter dated 22 January 2009, granted an exemption from complying with the Bumiputera Equity Requirement.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2008**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS****B9. Borrowings**

	As at 31.12.2008 RM '000	As at 31.12.2007 RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	587	439
Repayable after one year	590	926
	<u>1,177</u>	<u>1,365</u>
 Current liabilities (secured)		
Trade facilities	428	1,684
Term loans	2,322	1,965
Bank overdraft	508	751
	<u>3,258</u>	<u>4,400</u>
 Long term liabilities (secured)		
Term loans	<u>6,976</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.

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

There was no dividend proposed for the current quarter ended 31 December 2008.

B13. Earnings Per Share ("EPS")

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		12 months ended (Cumulative)	
	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Net profit/(loss) attributable to equity holders of the parent (RM '000)	(5,516)	(261)	(5,324)	4,809
Weighted average number of ordinary shares in issue ('000)	155,706	155,706	155,706	154,480
Basic earnings/(loss) per share (sen)	(3.54)	(0.17)	(3.42)	3.11

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

(b) Diluted earnings per share

The diluted earnings per share in the current quarter under review and also in the comparative periods for the preceding year was 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.

Dated 27 February 2009