

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009**

	(Unaudited) As at 30.09.2009 RM'000	(Audited) As at 31.12.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,410	21,679
Prepaid land lease payments	<u>2,267</u>	<u>2,286</u>
	<u>18,677</u>	<u>23,965</u>
Current assets		
Assets held-for-sale	1,003	-
Inventories	3,411	5,742
Trade and other receivables	4,664	8,128
Fixed deposits with licensed banks	9,126	7,176
Cash and bank balances	<u>680</u>	<u>3,248</u>
	<u>18,884</u>	<u>24,294</u>
TOTAL ASSETS	<u>37,561</u>	<u>48,259</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,571	15,571
Share premium	9,971	9,971
Reserves	290	181
Retained earnings	<u>(635)</u>	<u>6,323</u>
	<u>25,197</u>	<u>32,046</u>
Minority interest	875	1,074
Total equity	<u>26,072</u>	<u>33,120</u>
Non-current liabilities		
Hire purchase creditors	64	620
Term loans	5,414	7,007
Deferred taxation	<u>328</u>	<u>619</u>
	<u>5,806</u>	<u>8,246</u>
Current liabilities		
Trade and other payables	2,834	3,121
Hire purchase creditors	383	572
Tax payable	79	-
Borrowings	<u>2,387</u>	<u>3,200</u>
	<u>5,683</u>	<u>6,893</u>
Total liabilities	<u>11,489</u>	<u>15,139</u>
TOTAL EQUITY AND LIABILITIES	<u>37,561</u>	<u>48,259</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.2</u>	<u>20.6</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	2,902	9,598	9,107	26,298
Operating expenses	(3,873)	(8,870)	(16,451)	(26,867)
Other operating income	79	236	476	1,202
	<u>(892)</u>	<u>964</u>	<u>(6,868)</u>	<u>633</u>
Finance costs	(156)	(266)	(548)	(780)
Profit/(Loss) before taxation	<u>(1,048)</u>	<u>698</u>	<u>(7,416)</u>	<u>(147)</u>
Income tax expense	-	(77)	270	247
Net profit/(loss) after taxation	<u>(1,048)</u>	<u>621</u>	<u>(7,146)</u>	<u>100</u>
Attributable to:				
Equity holders of the parent	(1,051)	641	(6,958)	193
Minority interests	<u>3</u>	<u>(20)</u>	<u>(188)</u>	<u>(93)</u>
Net profit/(loss) for the year	<u>(1,048)</u>	<u>621</u>	<u>(7,146)</u>	<u>100</u>
Earnings/(loss) per share attributable to equity holders of the parent:				
- Basic (sen)	(0.67)	0.41	(4.47)	0.12
- 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 2008 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 2009

	← 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 2008	15,571	10,188	(221)	199	11,805	37,542	1,223	38,765
Exchange differences on translation of financial statements of foreign entity	-	-	640	-	-	640	(31)	609
Net loss for the period	-	-	-	-	193	193	(93)	100
Balance as at 30 September 2008	15,571	10,188	419	199	11,998	38,375	1,099	39,474
Balance at 1 January 2009	15,571	9,971	(68)	249	6,323	32,046	1,074	33,120
Exchange differences on translation of financial statements of foreign entity	-	-	109	-	-	109	(11)	98
Net profit/(loss) for the period	-	-	-	-	(6,958)	(6,958)	(188)	(7,146)
Balance as at 30 September 2009	15,571	9,971	41	249	(635)	25,197	875	26,072

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009**

	9 Months Ended	
	30.09.2009	30.09.2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(7,416)	(147)
Adjustments for :-		
Depreciation of property, plant and equipment	1,654	2,076
Impairment of plant and equipment	2,000	-
Provision for inspection fee	295	-
Amortisation of prepaid land lease payments	20	20
Interest expense	548	780
Allowance for doubtful debt	779	212
Bad debts written off	1,128	44
Unrealised loss/(gain) on foreign exchange	183	(793)
Net loss/(gain) on disposal of plant and equipment	(49)	339
Allowance for obsolete stocks	775	-
Realisation on disposal of subsidiary	(630)	-
Interest income	(110)	(60)
Operating profit/(Loss) before working capital changes	(823)	2,471
Decrease in:		
Inventories	1,556	7
Trade and other receivables	2,765	1,438
Increase/(Decrease) in:		
Trade and other payables	(288)	1,222
Bills payable	-	(737)
Cash generated from operations	3,210	4,401
Interest paid	(548)	(780)
Tax (paid)/refunded	(17)	(553)
Net cash generated from operating activities	2,645	3,068
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	165	1,365
Withdrawal of fixed deposits	624	1,500
Interest received	110	60
Purchase of property, plant and equipment	(410)	(1,796)
Net cash generated from investing activities	489	1,129
Cash Flow From Financing Activities		
Repayment of term loans	(1,910)	(1,075)
Net increase/(decrease) in bills payable	(299)	-
Net repayment of hire purchase creditors	(746)	(30)
Net cash used in financing activities	(2,955)	(1,105)
NET INCREASE CASH AND CASH EQUIVALENTS	179	3,092
Effects of exchange rate changes	24	554
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	9,292	3,983
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	9,495	7,629
Cash and cash equivalents comprise:-		
Fixed deposits with licensed banks	9,126	6,536
Cash and bank balances	680	1,613
	9,806	8,149
Less : Fixed deposits pledged to licensed banks	-	(520)
Bank overdraft	(311)	-
	9,495	7,629

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

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 ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. 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 2008.

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 2008.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2008 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The business of the Group typically experienced higher sales in the second half of the calendar year compared to the first half. However, amidst the global recession, sales have been unpredictable.

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

Other than expenses incidental to the downsizing of the Group’s business operations and the loss on disposal of subsidiary company disclosed in items B1: Review of Performance and B2: Comment on Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter, there were no other 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.

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 2009.

A7. Dividend Paid

No dividend was paid during the current quarter ended 30 September 2009.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2009

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

A8. Segmental Information

	Malaysia RM'000	Thailand RM'000	Elim. RM'000	Consolidated RM'000
Segment revenue				
Revenue from external customers	7,711	1,396	-	9,107
Inter-segment revenue	5,140	-	(5,140)	-
Total Revenue	<u>12,851</u>	<u>1,396</u>	<u>(5,140)</u>	<u>9,107</u>
Segment results				
Net profit/(loss) for the period	<u>(4,051)</u>	<u>(416)</u>	<u>(2,491)</u>	<u>(6,958)</u>
Segment assets				
Total assets	<u>55,939</u>	<u>6,953</u>	<u>(25,331)</u>	<u>37,561</u>
Segment liabilities				
Total liabilities	<u>10,481</u>	<u>4,885</u>	<u>(3,877)</u>	<u>11,489</u>

A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment, from the quarter ended 30 June 2009.

A10. Subsequent Events

On 1 October 2009, Trifast plc ceased to be a substantial shareholder when it disposed of its 38,000,000 ordinary shares in the Company via a direct business transaction with Mr. Chartchai Sae s/o Pusavat. Mr Pusavat was then appointed as Non-Executive Chairman of the Company on 15 October 2009, and Mr. Yap Yoon Sing was redesignated to Group Managing Director, from his position of Chairman-cum-Group Managing Director previously.

A11. Changes in Composition of the Group

Other than the disposal of the entire shareholdings in Techfast Plating Sdn Bhd which was completed on 4 September 2009 after which it ceased to be a subsidiary of the Company, 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 RM19.76 million granted to the subsidiary companies. As at 30 September 2009, the utilisation of the banking facilities stood at RM7.86 million.

The Royal Malaysian Customs has made a claim against a wholly-owned subsidiary company, Techfast Manufacturing Sdn. Bhd. ("TMSB"), in respect of underpaid duties and sales taxes amounting to RM1,006,428 under the Customs Act, 1967 and RM436,118 under the Sales Tax Act, 1972 respectively, totaling RM1,442,546.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2009

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

A12. Contingent Liabilities (cont'd)

TMSB had made an appeal through their solicitors to the Ministry of Finance for remission and the case is currently under their consideration. Based on their solicitors' advice, the directors are of the view that TMSB has merits for appeal. Nevertheless, as a matter of prudence, the directors have provided for a sum of RM400,000 in the accounts for the year ended 31 December 2008 to meet the claim by the Royal Malaysian Customs.

As at 30 September 2009, TMSB is contingently liable for the balance sum of the claim of RM1,042,546 not provided for in the accounts in the event that the appeal to the Ministry of Finance fails.

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 2009.

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 transactions with related parties by the Group are as follows:

	3 months ended (Quarter) 30.09.2009 RM'000	9 months ended (Cumulative) 30.09.2009 RM'000
Related parties		
Trifast and its subsidiary companies*		
- Sale of goods	288	1,139
- Purchase of goods	85	321
Chin I Metal Co., Ltd.		
- Sale of goods	36	134

* Trifast plc ceased to be a related party with effect from 1 October 2009. The amounts disclosed above were for sales and purchases that were transacted before that date.

There was also related party balances included in other payables of the Group as at 30 September 2009 which comprised of interest free loans from shareholders of Techfast Precision (Thailand) Co., Ltd. amounting to RM0.70 million.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2009

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded an unaudited loss before taxation of RM1.05 million for the quarter ended 30 September 2009 on a turnover of RM2.90 million compared with profit before taxation of RM0.70 million on a turnover of RM9.60 million recorded in the previous year's corresponding quarter. The loss recorded for the current quarter was mainly due to lower turnover.

For the nine months ended 30 September 2009, total turnover of RM9.11 million was lower compared to RM26.30 million recorded in the corresponding period last year. The Group recorded a higher loss before taxation of RM7.42 million for the period ended 30 September 2009 compared to a loss of RM0.15 million for the same period in the prior year. The higher loss was due to the shut down of business in China, the winding down of business for TMSB, amounts provided for doubtful debts, obsolete stocks and impairment loss provided for on idle plant and equipment.

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

The loss before taxation in the current quarter of RM1.05 million was lower than a loss before taxation of RM3.74 million in the preceding quarter ended 30 June 2009. The lower loss before taxation was mainly due to impairment loss on idle plant and equipment and provisions for doubtful debts made in the previous quarter.

B3. Commentary on Current Year Prospects

The Board does not anticipate a recovery for the business in the final quarter of the year. As such, the Group is expected to incur losses for the current 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)	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Current tax:				
Malaysian income tax	-	27	21	27
Deferred taxation	-	50	(291)	(274)
	-	77	(270)	(247)
Underprovision in previous year	-	-	-	-
Total income tax expense	-	77	(270)	(247)

There was no tax charge for the Group in the current quarter under review.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2009

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 nor any other 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

There were no corporate proposals announced as at the date of this report.

B9. Borrowings

	As at 30.09.2009 RM '000	As at 31.12.2008 RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	383	572
Repayable after one year	64	620
	<u>447</u>	<u>1,192</u>
Current liabilities (secured)		
Trade facilities	129	428
Term loans	1,947	2,264
Bank overdraft	311	508
	<u>2,387</u>	<u>3,200</u>
Long term liabilities (secured)		
Term loans	<u>5,414</u>	<u>7,007</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

Other than that already disclosed in item A12: Contingent Liabilities, the Group 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.

B12. Proposed Dividend

There was no dividend proposed for the current quarter ended 30 September 2009.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2009**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

B13. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		9 Months Ended (Cumulative)	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Net profit/(loss) attributable to equity holders of the parent (RM '000)	(1,051)	641	(6,958)	193
Weighted average number of ordinary shares in issue ('000)	155,706	155,706	155,706	155,706
Basic earnings/(loss) per share (sen)	(0.67)	0.41	(4.47)	0.12

(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: 30 November 2009