

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010**

	(Unaudited) As at 31.03.2010 RM'000	(Audited) As at 31.12.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,130	12,547
Prepaid land lease payments	1,539	1,543
	<u>13,669</u>	<u>14,090</u>
Current assets		
Assets held-for-sale	3,058	3,469
Inventories	2,309	2,307
Trade and other receivables	5,858	4,688
Fixed deposits with licensed banks	8,990	9,674
Cash and bank balances	1,937	1,002
	<u>22,152</u>	<u>21,140</u>
TOTAL ASSETS	<u>35,821</u>	<u>35,230</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	241	276
Retained earnings	(2,932)	(3,303)
	<u>22,851</u>	<u>22,515</u>
Minority interest	657	691
Total equity	<u>23,508</u>	<u>23,206</u>
Non-current liabilities		
Hire purchase creditors	13	28
Term loans	4,362	4,864
Deferred taxation	22	22
	<u>4,397</u>	<u>4,914</u>
Current liabilities		
Trade and other payables	5,125	4,490
Hire purchase creditors	229	341
Tax payable	127	10
Borrowings	2,435	2,269
	<u>7,916</u>	<u>7,110</u>
Total liabilities	<u>12,313</u>	<u>12,024</u>
TOTAL EQUITY AND LIABILITIES	<u>35,821</u>	<u>35,230</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>14.7</u>	<u>14.5</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 31 MARCH 2010**

	(Unaudited)		(Unaudited)	(Audited)
	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	3,918	3,399	3,918	3,399
Operating expenses	(3,626)	(6,109)	(3,626)	(6,109)
Other operating income	212	287	212	287
	<u>504</u>	<u>(2,423)</u>	<u>504</u>	<u>(2,423)</u>
Finance costs	(137)	(202)	(137)	(202)
Profit/(Loss) before taxation	<u>367</u>	<u>(2,625)</u>	<u>367</u>	<u>(2,625)</u>
Income tax expense	-	125	-	125
Net profit/(loss) after taxation	<u>367</u>	<u>(2,500)</u>	<u>367</u>	<u>(2,500)</u>
Attributable to:				
Equity holders of the parent	371	(2,373)	371	(2,373)
Minority interests	(4)	(127)	(4)	(127)
Net profit/(loss) for the period	<u>367</u>	<u>(2,500)</u>	<u>367</u>	<u>(2,500)</u>
Earnings/(loss) per share attributable to equity holders of the parent:				
- Basic (sen)	0.24	(1.52)	0.24	(1.52)
- 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 2009 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFASST HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2010

	Attributable to Equity Holders of the Parent							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	Minority Interests RM'000	Total Equity RM'000	
Balance at 1 January 2009	15,571	9,971	(68)	249	6,323	1,074	33,120	
Exchange differences on translation of financial statements of foreign entity	-	-	131	-	-	132	263	
Net loss for the period	-	-	-	-	(2,373)	(127)	(2,500)	
Balance as at 31 March 2009	15,571	9,971	63	249	3,950	1,079	30,883	
Balance at 1 January 2010	15,571	9,971	18	258	(3,303)	691	23,206	
Exchange differences on translation of financial statements of foreign entity	-	-	(35)	-	-	(30)	(65)	
Net profit/(loss) for the period	-	-	-	-	371	(4)	367	
Balance as at 31 March 2010	15,571	9,971	(17)	258	(2,932)	657	23,508	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 PERIOD ENDED 31 MARCH 2010**

	(Unaudited) 3 Months Ended	
	31.03.2010	31.03.2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	367	(2,625)
Adjustments for :-		
Depreciation of property, plant and equipment	350	602
Amortisation of prepaid land lease payments	4	7
Interest expense	137	202
Loss on disposal of assets-held-for-sale	(103)	-
Bad debts written off	-	417
Unrealised loss/(gain) on foreign exchange	102	(170)
Net loss/(gain) on disposal of plant and equipment	-	4
Allowance for obsolete stocks	-	1,359
Rental income	(54)	-
Interest income	(27)	(43)
Operating profit/(Loss) before working capital changes	776	(247)
(Increase)/Decrease in:		
Inventories	(2)	368
Trade and other receivables	(1,066)	1,819
Increase/(Decrease) in:		
Trade and other payables	635	(1,149)
Cash generated from operations	343	791
Interest paid	(137)	(15)
Tax (paid)/refunded	-	(298)
Net cash generated from operating activities	206	478
Cash Flows From Investing Activities		
Proceeds from disposal of assets-held-for-sale	513	-
Rental income	54	-
Interest received	27	43
Purchase of property, plant and equipment	(86)	(403)
Net cash generated from/(used in) investing activities	508	(360)
Cash Flow From Financing Activities		
Repayment of term loans	(526)	(345)
Dividends paid	-	-
Net increase/(decrease) in bills payable	228	(68)
Net repayment of hire purchase creditors	(129)	(106)
Net cash used in financing activities	(427)	(519)
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	287	(401)
Effects of exchange rate changes	1	(7)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	10,422	9,292
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	10,710	8,884
Cash and cash equivalents comprise:-	RM'000	RM'000
Fixed deposits with licensed banks	8,990	8,723
Cash and bank balances	1,937	1,346
	10,927	10,069
Less : Fixed deposits pledged to licensed banks	(26)	(624)
Bank overdraft	(191)	(561)
	10,710	8,884

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 MARCH 2010

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 2009. 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 2009.

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 2009.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2009 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 recovery from the global recession, sales have been unpredictable.

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

Other than expenses 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 31 March 2010.

A7. Dividend Paid

No dividend was paid during the current quarter ended 31 March 2010.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2010**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	2,702	1,216	-	3,918
Inter-segment revenue	106	-	(106)	-
Total Revenue	<u>2,808</u>	<u>1,216</u>	<u>(106)</u>	<u>3,918</u>
Segment results				
Net profit/(loss) for the period	<u>384</u>	<u>(10)</u>	<u>(3)</u>	<u>371</u>
Segment assets				
Total assets	<u>52,043</u>	<u>7,392</u>	<u>(23,614)</u>	<u>35,821</u>
Segment liabilities				
Total liabilities	<u>12,834</u>	<u>5,889</u>	<u>(6,410)</u>	<u>12,313</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 2009.

A10. Subsequent Events

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

A11. Changes in Composition of the Group

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 31 March 2010, the utilisation of the banking facilities stood at RM6.71 million.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2010

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

A13. Capital Commitments

As at 31 March 2010, the Company has an outstanding capital commitment not provided for in the accounts for the balance sum of RM7.9 million in respect of the purchase of the 50% equity stake in Cape Technology Sdn. Bhd., Oriem Technology Sdn. Bhd., and Cape Tech Corporation Sdn.Bhd., which includes an introduction fee of RM400,000.

As at 14 May 2010, approval for the acquisition of the said companies has been approved by the shareholders of the Company at an Extraordinary General Meeting duly convened.

There were no other capital commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements.

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:

	<u>3 months ended</u> <u>(Quarter)</u> <u>31.03.2010</u> RM'000	<u>3 months ended</u> <u>(Cumulative)</u> <u>31.03.2010</u> RM'000
Related parties		
Chin I Metal Co., Ltd.		
- Sale of goods	26	196

There was also related party balances included in other payables of the Group as at 31 March 2010 which comprised of interest free loans from shareholders of Techfast Precision (Thailand) Co., Ltd. amounting to RM0.82 million.

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(Company No.: 647820-D)

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2010

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded an unaudited profit before taxation of RM0.37 million for the quarter ended 31 March 2010 on a turnover of RM3.92 million compared with loss before taxation of RM2.63 million on a turnover of RM3.40 million recorded in the previous year's corresponding quarter. The profit recorded for the current quarter was mainly due to lower operating expenses coupled with increased sales and higher gross profit margin whereas the loss in the previous year's corresponding quarter was impacted by write-off of obsolete stocks.

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

The profit before taxation in the current quarter of RM0.37 million was a better performance compared to a loss before taxation of RM2.46 million in the preceding quarter ended 31 December 2009. The improved performance in the quarter under review was due to lower operating expenses and higher gross profit margin and additionally, there were no inventories nor fixed assets written off that partly affected the results of the preceding quarter ended 31 December 2009.

B3. Commentary on This Year's Prospects

As the global economy appears to be slowly recovering, the Group is expected to benefit from the recovery which should result in further improvement in its business. Barring unforeseen circumstances, the Board of Directors expect the Group to return to profitability for the financial year ending 31 December 2010.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Current tax:				
Malaysian income tax	-	20	-	20
Deferred taxation	-	(145)	-	(145)
	-	(125)	-	(125)
Underprovision in previous year	-	-	-	-
Total income tax expense	-	(125)	-	(125)

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

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2010

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 31.03.2010 RM '000	As at 31.12.2009 RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	229	341
Repayable after one year	13	28
	<u>242</u>	<u>369</u>
Current liabilities (secured)		
Trade facilities	334	106
Term loans	1,910	1,935
Bank overdraft	191	228
	<u>2,435</u>	<u>2,269</u>
Long term liabilities (secured)		
Term loans	<u>4,362</u>	<u>4,864</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 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.

B12. Proposed Dividend

There was no dividend proposed for the current quarter ended 31 March 2010.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2010

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B13. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Net profit/(loss) attributable to equity holders of the parent (RM '000)	371	(2,373)	371	(2,373)
Weighted average number of ordinary shares in issue ('000)	154,480	154,480	154,480	154,480
Basic earnings/(loss) per share (sen)	0.24	(1.52)	0.24	(1.52)

(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: 14 May 2010