

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2010**

	(Unaudited) As at 30.09.2010 RM'000	(Audited) As at 31.12.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,760	12,547
Prepaid land lease payments	3,889	1,543
Goodwill on acquisition	2,106	-
	<u>18,755</u>	<u>14,090</u>
Current assets		
Inventories	4,626	2,307
Trade and other receivables	12,970	4,688
Fixed deposits with licensed banks	3,517	9,674
Cash and bank balances	5,871	1,002
	<u>26,984</u>	<u>17,671</u>
Non-current assets held-for-sale	24	3,469
	<u>27,008</u>	<u>21,140</u>
TOTAL ASSETS	<u>45,763</u>	<u>35,230</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,591	15,571
Share premium	9,978	9,971
Reserves	234	276
Retained earnings	(1,057)	(3,303)
	<u>24,746</u>	<u>22,515</u>
Minority interest	<u>7,762</u>	<u>691</u>
Total equity	<u>32,508</u>	<u>23,206</u>
Non-current liabilities		
Hire purchase creditors	354	28
Term loans	2,190	4,864
Deferred taxation	334	22
	<u>2,878</u>	<u>4,914</u>
Current liabilities		
Trade and other payables	7,671	4,490
Hire purchase creditors	67	341
Tax payable	619	10
Borrowings	2,020	2,269
	<u>10,377</u>	<u>7,110</u>
Total liabilities	<u>13,255</u>	<u>12,024</u>
TOTAL EQUITY AND LIABILITIES	<u>45,763</u>	<u>35,230</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>15.9</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 30 SEPTEMBER 2010**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	9,113	2,902	26,880	9,107
Operating expenses	(7,403)	(3,873)	(21,657)	(16,451)
Other operating income	330	79	1,039	476
	<u>2,040</u>	<u>(892)</u>	<u>6,262</u>	<u>(6,868)</u>
Finance costs	(116)	(156)	(390)	(548)
Profit/(Loss) before taxation	<u>1,924</u>	<u>(1,048)</u>	<u>5,872</u>	<u>(7,416)</u>
Income tax expense	(172)	-	(813)	270
Net profit/(loss) after taxation	<u>1,752</u>	<u>(1,048)</u>	<u>5,059</u>	<u>(7,146)</u>
Attributable to:				
Equity holders of the parent	1,291	(1,051)	2,246	(6,958)
Minority interests	461	3	2,813	(188)
Net profit/(loss) for the period	<u>1,752</u>	<u>(1,048)</u>	<u>5,059</u>	<u>(7,146)</u>
Earnings/(loss) per share attributable to equity holders of the parent:				
- Basic (sen)	0.83	(0.67)	1.44	(4.47)
- 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.)

TECHFAST HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	← 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 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 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
Balance at 1 January 2010	15,571	9,971	18	258	(3,303)	22,515	691	23,206
Exchange differences on translation of financial statements of foreign entity	-	-	(42)	-	-	(42)	(36)	(78)
Shares issued from exercise of ESOS	20	7	-	-	-	27	-	27
Minority interests	-	-	-	-	-	-	5,794	5,794
Net profit/(loss) for the period	-	-	-	-	2,246	2,246	2,813	5,059
Dividends paid to minority interests	-	-	-	-	-	-	(1,500)	(1,500)
Balance as at 30 September 2010	15,591	9,978	(24)	258	(1,057)	24,746	7,762	32,508

(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.)

TECHFAS HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	(Unaudited)	
	9 Months Ended	
	30.09.2010	30.09.2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	5,872	(7,416)
Adjustments for :-		
Depreciation of property, plant and equipment	1,496	1,654
Interest expense	390	548
Unrealised loss on foreign exchange	153	183
R&D Amortisation	86	-
Amortisation of prepaid land lease payments	26	20
Interest income	(123)	(110)
Net gain on disposal of plant and equipment	(124)	(49)
Rental income	(126)	-
Loss/(gain) on disposal of assets-held-for-sale	(518)	-
Impairment of buildings, plant and equipment	-	2,000
Provision for inspection fee	-	295
Allowance for doubtful debt	-	779
Bad debts written off	-	1,128
Inventories written off	-	775
Realisation of accumulated loss on disposal of subsidiary	-	(630)
Operating profit/(Loss) before working capital changes	7,132	(823)
(Increase)/Decrease in inventories	(40)	1,556
Decrease in trade and other receivables	693	2,765
Decrease in trade and other payables	(3,388)	(288)
Cash generated from operations	4,397	3,210
Interest paid	(390)	(548)
Tax (paid)/refunded	(675)	(17)
Net cash generated from operating activities	3,332	2,645
Cash Flows From Investing Activities		
Proceeds from disposal of assets-held-for-sale	4,313	-
Proceeds from disposal of plant and equipment	150	165
Rental income	126	-
Interest received	123	110
Purchase of property, plant and equipment	(345)	(410)
Acquisition of subsidiaries, net of cash acquired	(4,610)	-
Withdrawal/(Placement) of fixed deposits	-	624
Net cash generated from/(used in) investing activities	(243)	489
Cash Flow From Financing Activities		
Proceeds from shares issued to minority interests	828	-
Net increase/(decrease) in bills payable	120	(299)
Proceeds from issuance of shares	21	-
Net repayment of hire purchase creditors	(756)	(746)
Dividends paid	(1,500)	-
Repayment of term loans	(3,001)	(1,910)
Net cash used in financing activities	(4,288)	(2,955)
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	(1,199)	179
Effects of exchange rate changes	(48)	24
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	10,422	9,292
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	9,175	9,495
Cash and cash equivalents comprise:-		
Fixed deposits with licensed banks	3,517	9,126
Cash and bank balances	5,871	680
	9,388	9,806
Less : Fixed deposits pledged to licensed banks	(26)	-
Bank overdraft	(187)	(311)
	9,175	9,495

(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 – 30 SEPTEMBER 2010

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

A1. Basis of Preparation

(a) Basis of Accounting

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.

(b) Changes in Accounting Policies

At the date of this report, certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group’s accounting policies after 1 January 2010 or later periods.

The Management does not anticipate that the adoption of the above FRS (including consequential amendments) and interpretations will result in any material impact to the financial statements in the period of initial application.

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, save for the business of the newly acquire 50% subsidiary companies, Cape Technology Sdn Bhd (“Cape”) and Oriem Technology Sdn Bhd (“Oriem”), typically experienced higher sales in the second half of the calendar year compared to the first half. However, amidst the recovery from the global recession, sales have been 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.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2010

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

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 2010.

A7. Dividend Paid

No dividend was paid during the current quarter ended 30 September 2010.

A8. Segmental Information

	Malaysia RM'000	Thailand RM'000	Elim. RM'000	Consolidated RM'000
Segment revenue				
Revenue from external customers	23,206	3,674	-	26,880
Inter-segment revenue	4,141	-	(4,141)	-
Total Revenue	<u>27,347</u>	<u>3,674</u>	<u>(4,141)</u>	<u>26,880</u>
Segment results				
Net profit/(loss) for the period	<u>6,886</u>	<u>(20)</u>	<u>(4,620)</u>	<u>2,246</u>
Segment assets				
Total assets	<u>70,367</u>	<u>6,881</u>	<u>(31,485)</u>	<u>45,763</u>
Segment liabilities				
Total liabilities	<u>15,688</u>	<u>3,449</u>	<u>(5,882)</u>	<u>13,255</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.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2010

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 for the quarter under review.

A12. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM18.92 million granted to the subsidiary companies. As at 30 September 2010, the utilisation of the banking facilities stood at RM4.17 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 30 September 2010.

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>30.09.2010</u>	<u>9 months ended</u> <u>(Cumulative)</u> <u>30.09.2010</u>
Related parties	RM'000	RM'000
Chin I Metal Co., Ltd.		
- Sale of goods	16	76

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2010

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded an unaudited profit before taxation of RM1.92 million for the quarter ended 30 September 2010 on a turnover of RM9.11 million compared with loss before taxation of RM1.05 million on a turnover of RM2.90 million recorded in the previous year's corresponding quarter. The profit recorded for the current quarter was mainly due to the consolidation of results in newly acquired 50% subsidiary companies, Cape and Oriem coupled with the improvement in the fastener business.

For the nine months period ended 30 September 2010, total turnover of RM26.88 million was higher compared to RM9.11 million recorded in the corresponding period last year. The Group recorded a profit before taxation of RM5.87 million for the nine months ended 30 September 2010 compared to a loss before taxation of RM7.41 million for the same period in the prior year. The higher turnover was due to the consolidation of the results from the newly acquired 50% subsidiary companies, Cape and Oriem and the improvement in the fastener business. Improved sales in the current year also resulted in an improvement in the bottom line, which was not impacted by the impairment of buildings, plant and equipment and allowance for obsolete stocks which occurred in the same period last year.

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 RM1.92 million was lower than RM3.58 million in the preceding quarter ended 30 June 2010. Higher profit before taxation was recorded in the prior quarter due to the first time consolidation of the year-to-date results in the newly acquired 50% subsidiaries, Cape and Oriem. Pro-rating the results for Cape and Oriem over two quarters to June 2010, would result in adjusted consolidated profit before taxation of about RM1.96 million in the preceding quarter ended 30 June 2010.

B3. Commentary on This Year's Prospects

Barring unforeseen circumstances, the Board of Directors expects the results for the remaining quarter of the year 2010 to be satisfactory.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2010**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS****B5. Income Tax Expense**

	3 months ended (Quarter)		9 Months Ended (Cumulative)	
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Current tax:				
Malaysian income tax	224	-	805	20
Deferred taxation	-	-	60	(290)
	<u>224</u>	<u>-</u>	<u>865</u>	<u>(270)</u>
Underprovision in previous year	(52)	-	(52)	-
Total income tax expense	<u>172</u>	<u>-</u>	<u>813</u>	<u>(270)</u>

The effective tax rate of the Group is lower than the statutory rate mainly due to the benefits of pioneer status income tax incentives enjoyed by two of the subsidiary companies.

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 but not yet completed as at the date of this report.

B9. Borrowings

	As at 30.09.2010 RM '000	As at 31.12.2009 RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	67	341
Repayable after one year	354	28
	<u>421</u>	<u>369</u>
Current liabilities (secured)		
Trade facilities	226	106
Term loans	1,607	1,935
Bank overdraft	187	228
	<u>2,020</u>	<u>2,269</u>
Long term liabilities (secured)		
Term loans	<u>2,190</u>	<u>4,864</u>

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2010

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

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 30 September 2010.

B13. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended		9 Months Ended	
	(Quarter)		(Cumulative)	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
Net profit/(loss) attributable to equity holders of the parent (RM '000)	1,291	(1,051)	2,246	(6,958)
Weighted average number of ordinary shares in issue ('000)	155,864	155,706	155,864	155,706
Basic earnings/(loss) per share (sen)	0.83	(0.67)	1.44	(4.47)

(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: 29 November 2010