

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	9,003	3,918	9,003	3,918
Operating expenses	(7,384)	(3,626)	(7,384)	(3,626)
Other operating income	160	212	160	212
	<u>1,779</u>	<u>504</u>	<u>1,779</u>	<u>504</u>
Finance costs	(97)	(137)	(97)	(137)
Profit/(Loss) before taxation	<u>1,682</u>	<u>367</u>	<u>1,682</u>	<u>367</u>
Income tax expense	(272)	-	(272)	-
Net profit after taxation	<u>1,410</u>	<u>367</u>	<u>1,410</u>	<u>367</u>
Other comprehensive income:				
Exchange differences arising on translating foreign operations	(137)	(65)	(137)	(65)
Other comprehensive loss for the year, net of tax	(137)	(65)	(137)	(65)
Total comprehensive income/ (loss)	<u>1,273</u>	<u>302</u>	<u>1,273</u>	<u>302</u>
Profit attributable to:				
Equity holders of the parent	951	371	951	371
Minority interests	459	(4)	459	(4)
	<u>1,410</u>	<u>367</u>	<u>1,410</u>	<u>367</u>
Total comprehensive income attributable to:				
Equity holders of the parent	868	280	868	270
Minority interests	405	22	405	32
	<u>1,273</u>	<u>302</u>	<u>1,273</u>	<u>302</u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.61	0.24	0.61	0.24
Diluted (sen)	NA	NA	NA	NA

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	(Unaudited) As at 31.03.2011 RM'000	(Audited) As at 31.12.2010 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	16,344	16,935
Goodwill on acquisition	1,127	1,127
Development expenditure	174	201
	<u>17,645</u>	<u>18,263</u>
Current assets		
Inventories	4,783	4,900
Trade and other receivables	10,089	8,905
Fixed deposits with licensed banks	3,500	3,575
Short term investment	857	1,001
Cash and bank balances	5,860	5,186
	<u>25,089</u>	<u>23,567</u>
Non-current assets held-for-sale	20	24
	<u>25,109</u>	<u>23,591</u>
TOTAL ASSETS	<u>42,754</u>	<u>41,854</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,591	15,591
Share premium	9,978	9,978
Reserves	(155)	(18)
Retained earnings/(Accumulated losses)	423	(528)
	<u>25,837</u>	<u>25,023</u>
Minority interest	<u>7,774</u>	<u>7,260</u>
Total equity	<u>33,611</u>	<u>32,283</u>
Non-current liabilities		
Hire purchase creditors	-	206
Term loans	1,379	1,675
Deferred taxation	263	263
	<u>1,642</u>	<u>2,144</u>
Current liabilities		
Trade and other payables	4,617	4,870
Hire purchase creditors	280	123
Tax payable	403	147
Borrowings	2,201	2,287
	<u>7,501</u>	<u>7,427</u>
Total liabilities	<u>9,143</u>	<u>9,571</u>
TOTAL EQUITY AND LIABILITIES	<u>42,754</u>	<u>41,854</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.6</u>	<u>16.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2011

	← Attributable to Equity Holders of the Parent →							Total Equity RM'000
	Non-Distributable				Distributable		Minority Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation (Loss)/ Reserve RM'000	Share Option Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000		
Balance at 1 January 2010	15,571	9,971	18	258	(3,303)	22,515	691	23,206
Net profit/(loss) for the period	-	-	-	-	371	371	(4)	367
Other comprehensive income	-	-	(35)	-	-	(35)	(30)	(65)
Share options granted under ESOS	-	-	-	-	-	-	-	-
Balance as at 31 March 2010	15,571	9,971	(17)	258	(2,932)	22,851	657	23,508
Balance at 1 January 2011	15,591	9,978	(18)	-	(528)	25,023	7,260	32,283
Net profit/(loss) for the period	-	-	-	-	951	951	459	1,410
Other comprehensive income	-	-	(137)	-	-	(137)	55	(82)
Balance as at 31 March 2011	15,591	9,978	(155)	-	423	25,837	7,774	33,611

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2011**

	(Unaudited)	
	3 Months Ended	
	31.03.2011	31.03.2010
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,682	367
<u>Adjustments for:</u>		
Non-cash items	770	354
Non-operating items	(170)	56
Operating profit before working capital changes	<u>2,282</u>	<u>777</u>
<u>Changes in working capital:</u>		
Net change in current assets	(1,067)	(1,069)
Net change in current liabilities	(267)	635
Cash generated from operations	<u>948</u>	<u>343</u>
Interest paid	(97)	(137)
Tax (paid)/refunded	(17)	-
Net cash generated from operating activities	<u>834</u>	<u>206</u>
Cash Flows From Investing Activities		
Rental income	126	54
Interest received	45	27
Purchase of property, plant and equipment	(37)	(86)
Disposal/(Acquisition) of subsidiaries, net of cash	-	513
Net cash generated from investing activities	<u>134</u>	<u>508</u>
Cash Flow From Financing Activities		
Increase in bills payable	106	228
Net repayment of hire purchase creditors	(49)	(129)
Repayment of term loans	(502)	(526)
Net cash used in financing activities	<u>(445)</u>	<u>(427)</u>
NET INCREASE CASH AND CASH EQUIVALENTS	523	287
Effects of exchange rate changes	(81)	1
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>9,446</u>	<u>10,422</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>9,888</u>	<u>10,710</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,500	8,990
Short term investment	857	-
Cash and bank balances	<u>5,860</u>	<u>1,937</u>
	10,217	10,927
Less : Fixed deposits pledged to licensed banks	(75)	(26)
Bank overdraft	<u>(254)</u>	<u>(191)</u>
	<u>9,888</u>	<u>10,710</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

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

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting (previously known as MASB 26) issued by the Malaysian Accounting Standards Board and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2010, as well as the new/revised standards mandatory for annual period beginning on or after 1 January 2011.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2010 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The business of the Group is now generally not affected by seasonal and cyclical factors. The business of newly acquired subsidiaries, Cape Technology Sdn Bhd (“Cape”) and Oriem Technology Sdn Bhd (“Oriem”), also does not experience seasonality in its sales.

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.

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 2011.

A7. Dividend Paid

No dividend was paid during the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2011

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	7,625	1,378	-	9,003
Inter-segment revenue	3,272	-	(3,272)	-
Total Revenue	<u>10,897</u>	<u>1,378</u>	<u>(3,272)</u>	<u>9,003</u>
Segment results				
Net profit/(loss) for the period	<u>1,509</u>	<u>(22)</u>	<u>(536)</u>	<u>951</u>
Segment assets				
Total assets	<u>74,706</u>	<u>6,994</u>	<u>(38,946)</u>	<u>42,754</u>
Segment liabilities				
Total liabilities	<u>18,560</u>	<u>4,025</u>	<u>(13,442)</u>	<u>9,143</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 2010.

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 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 RM17.27 million granted to the subsidiary companies. As at 31 March 2011, the utilisation of the banking facilities stood at RM3.28 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 March 2011.

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(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2011

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

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)	3 months ended (Cumulative)
	31.03.2011	31.03.2011
	RM'000	RM'000
Related parties		
Chin I Metal Co., Ltd.		
- Sale of goods	43	43

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

The Group recorded an unaudited profit before taxation of RM1.68 million for the quarter ended 31 March 2011 on a turnover of RM9.0 million compared with RM0.37 million on a turnover of RM3.92 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%-owned subsidiary companies, Cape and Oriem, coupled with the improvement in sales in the fastener business.

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 RM1.68 million was marginally higher than RM1.50 million in the preceding quarter ended 31 December 2010. Higher profit before taxation was mainly due to improved performance from the fastener business in the current quarter under review.

B3. Current Year's Prospects

Barring unforeseen circumstances, the Board of Directors expects the performance of the Group to be satisfactory. The fastener business continues to see improvement in sales and the niche business of Cape and Oriem is forecasted to enjoy growth. Furthermore, the financial results of the Group for the year 2011 will incorporate the full year's contribution from Cape and Oriem, which were acquired in May 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)	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Current tax:				
Malaysian income tax	272	-	272	-
Deferred taxation	-	-	-	-
	<u>272</u>	<u>-</u>	<u>272</u>	<u>-</u>
Overprovision of tax	-	-	-	-
Total income tax expense	<u>272</u>	<u>-</u>	<u>272</u>	<u>-</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.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

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 31.03.2011 RM '000	As at 31.12.2010 RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	280	123
Repayable after one year	-	206
	<u>280</u>	<u>329</u>
Current liabilities (secured)		
Trade facilities	487	381
Term loans	1,460	1,665
Bank overdraft	254	241
	<u>2,201</u>	<u>2,287</u>
Long term liabilities (secured)		
Term loans	<u>1,379</u>	<u>1,675</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 2011.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2011**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B13. Earnings Per Share (“EPS”)**

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Net profit attributable to equity holders of the parent (RM '000)	951	371	951	371
Weighted average number of ordinary shares in issue ('000)	156,050	154,480	156,050	154,480
Basic earnings per share (sen)	0.61	0.24	0.61	0.24

(b) Diluted earnings per share

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the balance sheet date.

B14. Realised and Unrealised Profit / Losses

	As at 31.03.2011 RM '000	As at 31.12.2010 RM '000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
Realised	14,258	12,433
Unrealised	13	352
	<u>14,271</u>	<u>12,785</u>
Less: Consolidation adjustments	(13,848)	(13,313)
Total retained profits/(accumulated losses) as per consolidated accounts	<u>423</u>	<u>(528)</u>

The Company has applied Listing Directive (LD09/10: Disclosure Requirements Pursuant to FRS 139, Financial Instruments: Recognition and Measurement) which exempts entities from disclosing comparative figures on the breakdown of realised and unrealised profits in the first year of applying the directive requirement.

Dated: 25 May 2011