

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	8,674	13,849	17,677	17,767
Operating expenses	(7,603)	(10,628)	(14,987)	(14,254)
Other operating income	213	496	374	709
	1,284	3,717	3,064	4,222
Finance costs	(91)	(137)	(188)	(274)
Profit/(Loss) before taxation	1,193	3,580	2,876	3,948
Income tax expense	(240)	(641)	(513)	(641)
Net profit after taxation	953	2,939	2,363	3,307
Other comprehensive income:				
Exchange differences arising on translating foreign operations	(68)	(51)	(205)	(117)
Other comprehensive loss for the year, net of tax	(68)	(51)	(205)	(117)
Total comprehensive income/ (loss)	885	2,888	2,158	3,190
Profit attributable to:				
Equity holders of the parent	509	583	1,460	955
Minority interests	444	2,356	903	2,352
	953	2,939	2,363	3,307
Total comprehensive income attributable to:				
Equity holders of the parent	462	506	1,330	802
Minority interests	423	2,382	828	2,388
	885	2,888	2,158	3,190
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.33	0.37	0.94	0.61
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

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	(Unaudited) As at 30.06.2011 RM'000	(Audited) As at 31.12.2010 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	15,941	16,935
Goodwill on acquisition	1,127	1,127
Development expenditure	144	201
	<u>17,212</u>	<u>18,263</u>
Current assets		
Inventories	6,068	4,900
Trade and other receivables	8,930	8,905
Fixed deposits with licensed banks	4,000	3,575
Short term investment	863	1,001
Cash and bank balances	5,305	5,186
	<u>25,166</u>	<u>23,567</u>
Non-current assets held-for-sale	20	24
	<u>25,186</u>	<u>23,591</u>
TOTAL ASSETS	<u>42,398</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	(223)	(18)
Retained earnings/(Accumulated losses)	932	(528)
	<u>26,278</u>	<u>25,023</u>
Minority interest	<u>7,239</u>	<u>7,260</u>
Total equity	<u>33,517</u>	<u>32,283</u>
Non-current liabilities		
Hire purchase creditors	-	206
Term loans	1,063	1,675
Deferred taxation	263	263
	<u>1,326</u>	<u>2,144</u>
Current liabilities		
Trade and other payables	5,222	4,870
Hire purchase creditors	245	123
Tax payable	127	147
Borrowings	1,961	2,287
	<u>7,555</u>	<u>7,427</u>
Total liabilities	<u>8,881</u>	<u>9,571</u>
TOTAL EQUITY AND LIABILITIES	<u>42,398</u>	<u>41,854</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.9</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 30 JUNE 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	-	-	-	-	955	955	2,352	3,307
Other comprehensive income	-	-	(63)	-	-	(63)	(53)	(116)
Share options granted under ESOS	20	7	-	-	-	27	-	27
Minority interests	-	-	-	-	-	-	5,794	5,794
Balance as at 30 June 2010	15,591	9,978	(45)	258	(2,348)	23,434	8,784	32,218
Balance at 1 January 2011	15,591	9,978	(18)	-	(528)	25,023	7,260	32,283
Net profit/(loss) for the period	-	-	-	-	1,460	1,460	903	2,363
Other comprehensive income	-	-	(205)	-	-	(205)	76	(129)
Dividends paid to minority interests	-	-	-	-	-	-	(1,000)	(1,000)
Balance as at 30 June 2011	15,591	9,978	(223)	-	932	26,278	7,239	33,517

(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 30 JUNE 2011**

	(Unaudited)	
	6 Months Ended	
	30.06.2011	30.06.2010
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	2,876	3,948
<u>Adjustments for:</u>		
Non-cash items	1,289	1,467
Non-operating items	(201)	(211)
Operating profit before working capital changes	3,964	5,204
<u>Changes in working capital:</u>		
Net change in current assets	(1,193)	(7,311)
Net change in current liabilities	337	1,631
Cash generated from/(used in) operations	3,108	(476)
Interest paid	(188)	(274)
Tax (paid)/refunded	(513)	1,410
Net cash generated from operating activities	2,407	660
Cash Flows From Investing Activities		
Proceeds from disposal of assets-held-for-sale	-	513
Rental income	126	108
Interest received	75	103
Purchase of property, plant and equipment	(169)	(90)
Disposal/(Acquisition) of subsidiaries, net of cash	-	(2,187)
Net cash generated from/(used in) investing activities	32	(1,553)
Cash Flow From Financing Activities		
Proceeds from shares issued to minority interests	-	828
Increase in bills payable	76	184
Proceeds from issuance of shares	-	21
Net repayment of hire purchase creditors	(84)	187
Dividends paid	(1,000)	-
Repayment of term loans	(984)	(1,044)
Net cash generated from/(used in) financing activities	(1,992)	176
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	447	(717)
Effects of exchange rate changes	(10)	36
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	9,446	10,422
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	9,883	9,741
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	4,000	2,017
Short term investment	863	-
Cash and bank balances	5,305	7,750
	10,168	9,767
Less : Fixed deposits pledged to licensed banks	(75)	(26)
Bank overdraft	(210)	-
	9,883	9,741

(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

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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.

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 30 June 2011.

A7. Dividend Paid

No dividend was paid during the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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	15,040	2,637	-	17,677
Inter-segment revenue	7,052	-	(7,052)	-
Total Revenue	<u>22,092</u>	<u>2,637</u>	<u>(7,052)</u>	<u>17,677</u>
Segment results				
Net profit/(loss) for the period	<u>3,506</u>	<u>(38)</u>	<u>(2,008)</u>	<u>1,460</u>
Segment assets				
Total assets	<u>74,702</u>	<u>6,867</u>	<u>(39,171)</u>	<u>42,398</u>
Segment liabilities				
Total liabilities	<u>18,560</u>	<u>3,960</u>	<u>(13,639)</u>	<u>8,881</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 30 June 2011, the utilisation of the banking facilities stood at RM2.83 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 June 2011.

TECHFAST HOLDINGS BERHAD

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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)	6 months ended (Cumulative)
	30.06.2011	30.06.2011
	RM'000	RM'000
Related parties		
Chin I Metal Co., Ltd.		
- Sale of goods	21	64

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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 RM1.19 million for the quarter ended 30 June 2011 on a turnover of RM8.67 million compared with profit before taxation of RM3.58 million on a turnover of RM13.85 million recorded in the previous year's corresponding quarter. The difference in the results as above was mainly due to the consolidation of Cape Technology Sdn Bhd ("Cape") and Oriem Technology Sdn Bhd ("Oriem") last year which combined their half year performance in that quarter before elimination as minority interests. Comparing the profit attributable to equity holders of the parent for the current quarter of RM0.51 million to RM0.58 million for the corresponding quarter last year shows a marginal decrease due to a general slow down in the fastener business.

For the half year ended 30 June 2011, total turnover of RM17.68 million was marginally lower compared to RM17.77 million recorded in the corresponding period last year. The Group recorded a profit before taxation of RM2.88 million for the half year ended 30 June 2011 compared to a profit before taxation of RM3.95 million for the same period in the prior year. For the half year ended 30 June 2011, profit attributable to parent was RM1.46 million compared to RM0.96 million for the same corresponding period last year. The increase was mainly due to half year profit contribution from Cape and Oriem in 2011 compared to consolidation of their results for about a month and a half in 2010 since their acquisition on 18 May 2010.

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 RM1.19 million was lower than RM1.68 million on a turnover of RM9.0 million in the preceding quarter ended 31 March 2011. Lower profit before taxation was mainly due to general slow down in the global economy experienced in the current quarter.

B3. Current Year's Prospects

Barring unforeseen circumstances, the Board of Directors expects the performance of the Group to be satisfactory for the 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 – 30 JUNE 2011

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

B5. Income Tax Expense

	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Current tax:				
Malaysian income tax	296	581	569	581
Deferred taxation	-	60	-	60
	<u>296</u>	<u>641</u>	<u>569</u>	<u>641</u>
Overprovision of tax	(56)	-	(56)	-
Total income tax expense	<u>240</u>	<u>641</u>	<u>513</u>	<u>641</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.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B9. Borrowings

	As at 30.06.2011 RM '000	As at 31.12.2010 RM '000
Hire purchase creditors (unsecured)		
Repayable within one year	245	123
Repayable after one year	-	206
	<u>245</u>	<u>329</u>
Current liabilities (secured)		
Trade facilities	457	381
Term loans	1,294	1,665
Bank overdraft	210	241
	<u>1,961</u>	<u>2,287</u>
Long term liabilities (secured)		
Term loans	<u>1,063</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 30 June 2011.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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)		6 Months Ended (Cumulative)	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Net profit attributable to equity holders of the parent (RM '000)	509	583	1,460	955
Weighted average number of ordinary shares in issue ('000)	156,050	155,864	156,050	155,864
Basic earnings per share (sen)	0.33	0.37	0.94	0.61

(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 30.06.2011 RM '000	As at 31.12.2010 RM '000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
Realised	14,238	12,433
Unrealised	15	352
	<u>14,253</u>	<u>12,785</u>
Less: Consolidation adjustments	(13,321)	(13,313)
Total retained profits/(accumulated losses) as per consolidated accounts	<u>932</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: 29 August 2011