

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2012**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	4,965	9,003	4,965	9,003
Operating expenses	(4,973)	(7,384)	(4,973)	(7,384)
Other operating income	475	160	475	160
	<u>467</u>	<u>1,779</u>	<u>467</u>	<u>1,779</u>
Finance costs	(52)	(97)	(52)	(97)
Profit/(Loss) before taxation	415	1,682	415	1,682
Income tax expense	-	(272)	-	(272)
Net profit after taxation	415	1,410	415	1,410
Other comprehensive income:				
Exchange differences arising on translating foreign operations	(86)	(137)	(86)	(137)
Other comprehensive loss for the year, net of tax	(86)	(137)	(86)	(137)
Total comprehensive income/ (loss)	329	1,273	329	1,273
Profit attributable to:				
Equity holders of the parent	133	951	133	951
Minority interests	282	459	282	459
	<u>415</u>	<u>1,410</u>	<u>415</u>	<u>1,410</u>
Total comprehensive income attributable to:				
Equity holders of the parent	103	788	103	778
Minority interests	226	485	226	495
	<u>329</u>	<u>1,273</u>	<u>329</u>	<u>1,273</u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.09	0.61	0.09	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 2011 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 31 MARCH 2012**

	(Unaudited) As at 31.03.2012 RM'000	(Audited) As at 31.12.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,686	11,480
Goodwill on acquisition	1,110	1,110
Development expenditure	58	86
	<u>11,854</u>	<u>12,676</u>
Current assets		
Inventories	3,649	4,163
Trade and other receivables	6,496	6,262
Fixed deposits with licensed banks	3,500	4,075
Derivative asset	-	15
Short term investment	3,069	2,549
Cash and bank balances	4,695	4,694
	<u>21,409</u>	<u>21,758</u>
Non-current assets held-for-sale	2,550	2,570
	<u>23,959</u>	<u>24,328</u>
TOTAL ASSETS	<u>35,813</u>	<u>37,004</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	(128)	(42)
Accumulated losses	(439)	(572)
	<u>25,002</u>	<u>24,955</u>
Minority interest	4,980	5,392
Total equity	<u>29,982</u>	<u>30,347</u>
Non-current liabilities		
Hire purchase creditors	203	387
Term loans	162	666
Deferred taxation	779	779
	<u>1,144</u>	<u>1,832</u>
Current liabilities		
Trade and other payables	4,037	3,479
Hire purchase creditors	259	101
Tax payable	-	53
Borrowings	391	1,192
	<u>4,687</u>	<u>4,825</u>
Total liabilities	<u>5,831</u>	<u>6,657</u>
TOTAL EQUITY AND LIABILITIES	<u>35,813</u>	<u>37,004</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.1</u>	<u>16.0</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	← Attributable to Equity Holders of the Parent →					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation (Loss)/ Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Minority Interests RM'000	
Balance at 1 January 2011	15,591	9,978	(18)	(528)	7,260	32,283
Net profit/(loss) for the year	-	-	-	951	459	1,410
Other comprehensive income	-	-	(137)	-	55	(82)
Balance as at 31 March 2011	15,591	9,978	(155)	423	7,774	33,611
Balance at 1 January 2012	15,591	9,978	(42)	(572)	5,392	30,347
Net profit/(loss) for the year	-	-	-	133	282	415
Other comprehensive income	-	-	(86)	-	56	(30)
Dividends paid to minority interests	-	-	-	-	(750)	(750)
Balance as at 31 March 2012	15,591	9,978	(128)	(439)	4,980	29,982

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012**

	(Unaudited)	
	3 Months Ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	415	1,682
<u>Adjustments for:</u>		
Non-cash items	260	770
Non-operating items	(37)	(170)
Operating profit before working capital changes	<u>638</u>	<u>2,282</u>
<u>Changes in working capital:</u>		
Net change in current assets	616	(1,067)
Net change in current liabilities	559	(267)
Cash generated from operations	<u>1,813</u>	<u>948</u>
Interest paid	(52)	(97)
Tax (paid)/refunded	(183)	(17)
Net cash generated from operating activities	<u>1,578</u>	<u>834</u>
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	571	-
Rental income	-	126
Interest received	37	45
Purchase of property, plant and equipment	(13)	(37)
Net cash generated from investing activities	<u>595</u>	<u>134</u>
Cash Flow From Financing Activities		
Net increase/(decrease) in bills payable	(125)	106
Net repayment of hire purchase creditors	(26)	(49)
Dividends paid	(750)	-
Repayment of term loans	(976)	(502)
Net cash used in financing activities	<u>(1,877)</u>	<u>(445)</u>
NET INCREASE CASH AND CASH EQUIVALENTS	296	523
Effects of exchange rate changes	(146)	(81)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>11,039</u>	<u>9,446</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>11,189</u>	<u>9,888</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,500	3,500
Short term investment	3,069	857
Cash and bank balances	4,695	5,860
	<u>11,264</u>	<u>10,217</u>
Less : Fixed deposits pledged to licensed banks	(75)	(75)
Bank overdraft	-	(254)
	<u>11,189</u>	<u>9,888</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

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 accordance with the Malaysian Financial Reporting Standards 134 (MFRS 134): "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market ("ACE LR").

These interim financial statements are the Group's first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the financial year ended ("FYE") 31 December 2011.

The interim financial statements should be read in conjunction with the Group's audited financial statements presented in the annual report for the FYE 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

As at the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective Date
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The initial adoption of the above applicable MFRSs (and its consequential amendments) and IC Interpretation, is expected to have no material impact on the interim financial statements of the Group.

A2. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012

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

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 31 March 2012.

A7. Dividend Paid

No interim nor final dividend has been declared, recommended or paid during the current quarter and financial year under review.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012**A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING****A8. Segmental Information**

	Manu- facture of self- clinch- ing fasteners RM'000	Mould cleaning rubber sheets RM'000	LED Epoxy Encap- sulant compoun RM'000	Invest- ment Holding RM'000	Elim - nation RM'000	Total RM'000
3 months ended 31.03.2012 (Quarter)						
Revenue from external customers	2,334	2,597	-	34	-	4,965
Inter-segment revenue	-	411	616	989	(2,016)	-
Total segment revenue	<u>2,334</u>	<u>3,008</u>	<u>616</u>	<u>1,023</u>	<u>(2,016)</u>	<u>4,965</u>
Operating segment profit/(loss)	143	327	127	718	(848)	467
Finance cost	(29)	(8)	(1)	-	(14)	(52)
Profit/(loss) before taxation	<u>114</u>	<u>319</u>	<u>126</u>	<u>718</u>	<u>(862)</u>	<u>415</u>
Income tax expense	-	-	-	-	-	-
Net profit/(loss) after taxation	<u>114</u>	<u>319</u>	<u>126</u>	<u>718</u>	<u>(862)</u>	<u>415</u>

	Manu- facture of self- clinch- ing fasteners RM'000	Mould cleaning rubber sheets RM'000	LED Epoxy Encap- sulant compoun RM'000	Invest- ment Holding RM'000	Elim - nation RM'000	Total RM'000
3 months ended 31.03.2012 (Cumulative)						
Revenue from external customers	2,334	2,597	-	34	-	4,965
Inter-segment revenue	-	411	616	989	(2,016)	-
Total Segment Revenue	<u>2,334</u>	<u>3,008</u>	<u>616</u>	<u>1,023</u>	<u>(2,016)</u>	<u>4,965</u>
Operating segment profit/(loss)	143	327	127	718	(848)	467
Finance Cost	(29)	(8)	(1)	-	(14)	(52)
Profit/(loss) before taxation	<u>114</u>	<u>319</u>	<u>126</u>	<u>718</u>	<u>(862)</u>	<u>415</u>
Income tax expense	-	-	-	-	-	-
Net profit/(loss) after taxation	<u>114</u>	<u>319</u>	<u>126</u>	<u>718</u>	<u>(862)</u>	<u>415</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 2011.

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012

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

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements, which are likely to substantially affect the results of the current quarter under review.

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 RM11.85 million granted to the subsidiary companies. As at 31 March 2012, the utilisation of the banking facilities stood at RM0.51 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 the end of the quarter under review.

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>31.03.2012</u>	<u>3 months ended</u> <u>(Cumulative)</u> <u>31.03.2012</u>
Related parties	RM'000	RM'000
Chin I Metal Co., Ltd.		
- Sale of goods	14	14

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012

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

B1. Review of Performance

1st Quarter 2012 vs 1st Quarter 2011

The Group revenue for the current quarter decreased to RM4.97 million with an unaudited profit before taxation of RM0.42 million. The revenue was 44.9% lower than total revenue of RM9.00 million recorded during the corresponding quarter in the previous year. This decrease was due to the general drop in business across all segments of operation by the Group.

For the current quarter, the self-clinching fastener (“SCF”) segment recorded a profit before taxation of RM0.10 million compared with to RM0.68 million in the corresponding quarter in the previous year. This was due to a general slow down in the fastener business coupled with the effects of sizing down the operations in Thailand.

The mould cleaning rubber sheets (“rubber sheets”) segment recorded a profit before taxation of RM0.32 million compared with a profit of RM0.99 million during the corresponding quarter in the previous year. The decrease in the profit of the rubber sheets segment was mainly due to general slow down in semi-conductor industries which had affected sales in this segment.

The LED epoxy encapsulant compound (“epoxy”) segment recorded marginally lower profit before taxation of RM0.13 million in the current quarter compared with to profit of RM0.18 million during the corresponding quarter in the previous year.

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

In the current quarter under review, the Group made a profit before taxation of RM0.42 million on a turnover of RM4.97 million compared to a loss before taxation of RM1.84 million on a turnover of RM5.90 million in the preceding quarter ended 31 December 2011. The Group showed improved performance during the quarter under review compared to the preceding quarter as there was a provision for impairment on property, plant and equipment made in the preceding quarter by its subsidiary company in Thailand.

B3. Current Year’s Prospects

The SCF business of the Group is expected to be flat or even subdued in the year 2012 as demand for SCFs is expected to be weak with the imminent change in technology making the use of SCF in liquid crystal display television (“LCD”) redundant. Management is looking into ways of exploring other business opportunities to sustain and expanding its business, including venturing into other related electronic hardware business to compensate for the expected loss in business of SCF.

The manufacturing businesses of epoxy and encapsulation compound and mould cleaning rubber sheets are expected to improve in the current year. This is in anticipation of the pick up in the businesses of semi-conductor and optoelectronics industries in the second quarter of the year.

Barring any unforeseen circumstances, the Board expects the overall performance of the Group for the current year 2012 to be satisfactory.

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(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****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)	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Current tax:				
Malaysian income tax	-	272	-	272
Deferred taxation	-	-	-	-
	<u>-</u>	<u>272</u>	<u>-</u>	<u>272</u>
Overprovision of tax	-	-	-	-
Total income tax expense	<u>-</u>	<u>272</u>	<u>-</u>	<u>272</u>

B6. Corporate Proposals

There were no corporate proposals announced but not yet completed as at the date of this report.

B7. Group Borrowings

	As at 31.03.2012 RM '000	As at 31.12.2011 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	259	101
Repayable after one year denominated in Ringgit Malaysia	<u>203</u>	<u>387</u>
	<u>462</u>	<u>488</u>
Current liabilities (secured)		
Trade facilities denominated in Thai Baht	-	125
Term loans denominated in Ringgit Malaysia	391	547
Term loans denominated in Thai Baht	-	316
Bank overdraft denominated in Thai Baht	-	204
	<u>391</u>	<u>1,192</u>
Long term liabilities (secured)		
Term loans denominated in Ringgit Malaysia	162	213
Term loans denominated in Thai Baht	-	453
	<u>162</u>	<u>666</u>

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012

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

B8. 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.

B9. Proposed Dividend

There was no dividend proposed for the current quarter ended 31 March 2012.

B10. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Net profit attributable to equity holders of the parent (RM '000)	133	951	133	951
Weighted average number of ordinary shares in issue ('000)	155,912	155,912	155,912	155,912
Basic earnings per share (sen)	0.09	0.61	0.09	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.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B11. Notes to the Statement of Comprehensive Income

Profit before tax is arrived after crediting/(charging) the following income/(expense) items:

	3 months ended		3 Months Ended	
	(Quarter)		(Cumulative)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(37)	(45)	(37)	(45)
Interest expense	52	97	52	97
Depreciation and amortisation	359	543	359	543
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(Loss) on disposal of quoted/unquoted investments	-	-	-	-
Gain/(Loss) on disposal of properties, plant and equipment	(150)	598	(150)	598
Impairment of assets	-	-	-	-
Foreign exchange gain/(loss)	(30)	(58)	(30)	(58)
Gain/(Loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2012

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

B12. Realised and Unrealised Profit / Losses

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits is as follows:

	(Audited) As at 31.03.2012 RM '000	(Unaudited) As at 31.12.2011 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	8,263	7,727
Unrealised	-	773
	<u>8,263</u>	<u>8,500</u>
Less: Consolidation adjustments	(8,702)	(9,072)
	<u>(439)</u>	<u>(572)</u>
Total accumulated losses as per consolidated accounts	<u>(439)</u>	<u>(572)</u>

Dated: 25 May 2012