

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	5,204	8,674	10,168	17,677
Operating expenses	(4,937)	(7,603)	(9,909)	(14,987)
Other operating income	413	213	888	374
	<u>680</u>	<u>1,284</u>	<u>1,147</u>	<u>3,064</u>
Finance costs	(118)	(91)	(170)	(188)
Profit/(Loss) before taxation	<u>562</u>	<u>1,193</u>	<u>977</u>	<u>2,876</u>
Income tax expense	(200)	(240)	(200)	(513)
Net profit after taxation	<u>362</u>	<u>953</u>	<u>777</u>	<u>2,363</u>
Other comprehensive income:				
Exchange differences arising on translating foreign operations	3	(68)	(83)	(205)
Other comprehensive income/(loss) for the year, net of tax	<u>3</u>	<u>(68)</u>	<u>(83)</u>	<u>(205)</u>
Total comprehensive income/ (loss)	<u>365</u>	<u>885</u>	<u>694</u>	<u>2,158</u>
Profit attributable to:				
Owners of the parent	167	509	300	1,460
Non-controlling interests	<u>195</u>	<u>444</u>	<u>477</u>	<u>903</u>
	<u>362</u>	<u>953</u>	<u>777</u>	<u>2,363</u>
Total comprehensive income attributable to:				
Owners of the parents	170	462	272	1,330
Non-controlling interests	<u>195</u>	<u>423</u>	<u>422</u>	<u>828</u>
	<u>365</u>	<u>885</u>	<u>694</u>	<u>2,158</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	0.11	0.33	0.19	0.94
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 30 JUNE 2012**

	(Unaudited) As at 30.06.2012 RM'000	(Audited) As at 31.12.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,283	11,480
Goodwill on acquisition	1,110	1,110
Development expenditure	29	86
	<u>12,422</u>	<u>12,676</u>
Current assets		
Inventories	3,474	4,163
Trade and other receivables	6,265	6,262
Fixed deposits with licensed banks	3,500	4,075
Derivative asset	-	15
Short term investment	4,791	2,549
Cash and bank balances	3,786	4,694
	<u>21,816</u>	<u>21,758</u>
Non-current assets held-for-sale	-	2,570
	<u>21,816</u>	<u>24,328</u>
TOTAL ASSETS	<u>34,238</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	(125)	(42)
Accumulated losses	(272)	(572)
	<u>25,172</u>	<u>24,955</u>
Minority interest	<u>4,674</u>	<u>5,392</u>
Total equity	<u>29,846</u>	<u>30,347</u>
Non-current liabilities		
Hire purchase creditors	189	387
Term loans	92	666
Deferred taxation	779	779
	<u>1,060</u>	<u>1,832</u>
Current liabilities		
Trade and other payables	2,309	3,479
Hire purchase creditors	738	101
Tax payable	-	53
Borrowings	285	1,192
	<u>3,332</u>	<u>4,825</u>
Total liabilities	<u>4,392</u>	<u>6,657</u>
TOTAL EQUITY AND LIABILITIES	<u>34,238</u>	<u>37,004</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.2</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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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2012

	← Attributable to Equity Holders of the Parent →						Total Equity RM'000
	<u>Non-Distributable</u>			<u>Distributable</u>		Minority Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation (Loss)/ Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000		
Balance at 1 January 2011	15,591	9,978	(18)	(528)	25,023	7,260	32,283
Net profit/(loss) for the year	-	-	-	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
Balance at 1 January 2012	15,591	9,978	(42)	(572)	24,955	5,392	30,347
Net profit/(loss) for the year	-	-	-	300	300	477	777
Other comprehensive income	-	-	(83)	-	(83)	55	(28)
Dividends paid to minority interests	-	-	-	-	-	(1,250)	(1,250)
Balance as at 30 June 2012	15,591	9,978	(125)	(272)	25,172	4,674	29,846

(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 30 JUNE 2012**

	(Unaudited)	
	6 Months Ended	
	30.06.2012	30.06.2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	977	2,876
<u>Adjustments for:</u>		
Non-cash items	558	1,289
Non-operating items	(103)	(201)
Operating profit before working capital changes	1,432	3,964
<u>Changes in working capital:</u>		
Net change in current assets	958	(1,193)
Net change in current liabilities	(1,169)	337
Cash generated from operations	1,221	3,108
Interest paid	(16)	(188)
Tax (paid)/refunded	(321)	(513)
Net cash generated from operating activities	884	2,407
Cash Flows From Investing Activities		
Proceeds from disposal of assets-held-for-sale	2,578	-
Proceeds from disposal of plant and equipment	640	-
Rental income	-	126
Interest received	103	75
Purchase of property, plant and equipment	(1,023)	(169)
Net cash generated from investing activities	2,298	32
Cash Flow From Financing Activities		
Net increase/(decrease) in bills payable	(125)	76
Net repayment of hire purchase creditors	439	(84)
Dividends paid	(1,250)	(1,000)
Repayment of term loans	(1,152)	(984)
Net cash used in financing activities	(2,088)	(1,992)
NET INCREASE CASH AND CASH EQUIVALENTS	1,094	447
Effects of exchange rate changes	(56)	(10)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	11,039	9,446
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	12,077	9,883
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,500	4,000
Short term investment	4,791	863
Cash and bank balances	3,786	5,305
	12,077	10,168
Less : Fixed deposits pledged to licensed banks	-	(75)
Bank overdraft	-	(210)
	12,077	9,883

(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.)

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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 30 June 2012.

A7. Dividend Paid

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

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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	Elimi - nation RM'000	Total RM'000
3 months ended 30.06.2012 (Quarter)						
Revenue from external customers	2,110	3,060	-	34	-	5,204
Inter-segment revenue	-	441	819	725	(1,985)	-
Total segment revenue	<u>2,110</u>	<u>3,501</u>	<u>819</u>	<u>759</u>	<u>(1,985)</u>	<u>5,204</u>
Operating segment profit/(loss)	(1)	435	234	242	(230)	680
Finance cost	(107)	(11)	(1)	-	1	(118)
Profit/(loss) before taxation	<u>(108)</u>	<u>424</u>	<u>233</u>	<u>242</u>	<u>(229)</u>	<u>562</u>
Income tax expense	-	(200)	-	-	-	(200)
Net profit/(loss) after taxation	<u>(108)</u>	<u>224</u>	<u>233</u>	<u>242</u>	<u>(229)</u>	<u>362</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	Elimi - nation RM'000	Total RM'000
6 months ended 30.06.2012 (Cumulative)						
Revenue from external customers	4,442	5,658	-	68	-	10,168
Inter-segment revenue	-	852	1,436	1,714	(4,002)	-
Total Segment Revenue	<u>4,442</u>	<u>6,510</u>	<u>1,436</u>	<u>1,782</u>	<u>(4,002)</u>	<u>10,168</u>
Operating segment profit/(loss)	143	762	361	960	(1,079)	1,147
Finance Cost	(151)	(18)	(2)	-	1	(170)
Profit/(loss) before taxation	<u>(8)</u>	<u>744</u>	<u>359</u>	<u>960</u>	<u>(1,078)</u>	<u>977</u>
Income tax expense	-	(200)	-	-	-	(200)
Net profit/(loss) after taxation	<u>(8)</u>	<u>544</u>	<u>359</u>	<u>960</u>	<u>(1,078)</u>	<u>777</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.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 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 RM3.83 million granted to the subsidiary companies. As at 30 June 2012, the utilisation of the banking facilities stood at RM0.34 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:

	3 months ended (Quarter)	6 months ended (Cumulative)
	30.06.2012	30.06.2012
	RM'000	RM'000
Related parties		
Chin I Metal Co., Ltd.		
- Sale of goods	-	14

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2012

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

B1. Review of Performance

2nd Quarter 2012 vs 2nd Quarter 2011

The Group revenue for the current quarter decreased to RM5.20 million with an unaudited profit before taxation of RM0.56 million. The revenue was 40.0% lower than total revenue of RM8.67 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 loss before taxation of RM0.11 million compared with to profit before taxation of RM0.20 million in the corresponding quarter in the previous year. This was due to a general slow down in the fastener business.

The mould cleaning rubber sheets (“rubber sheets”) segment recorded a profit before taxation of RM0.42 million compared with a profit of RM0.96 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 higher profit before taxation of RM0.23 million in the current quarter compared with to profit of RM0.16 million during the corresponding quarter in the previous year.

Half Year 2012 vs Half Year 2011

For the half year ended 30 June 2012, total turnover of the Group of RM10.17 million was lower compared to RM17.68 million recorded during the same period last year. The Group recorded a profit before taxation of RM0.98 million for the half year ended 30 June 2012 compared to RM2.88 million for the same period in the prior year.

The SCF segment made a loss before taxation of about RM0.01 million for the half year ended 30 June 2012 compared to a profit before taxation of RM0.88 million. The decrease in the half year ended 2012 was mainly due to the depressed business conditions in the half year.

The rubber sheets segment recorded lower profit before taxation of RM0.74 million for the half year ended 30 June 2012 compared to RM1.95 million during the same period last year. This segment was affected by the unexpected slowdown in the semi-conductor industries which affected the company’s business.

The epoxy segment maintained a marginally higher profit before taxation of about RM0.36 million for the half year in 2012 compared to RM0.33 million recorded in the last 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 RM0.56 million on a turnover of RM5.20 million compared to RM0.42 million on a turnover of RM4.96 million in the preceding quarter ended 31 March 2012. The Group showed marginally better performance during the quarter under review compared to the preceding quarter mainly due to better bottomline contribution from the rubber sheets segment.

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

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. Management is looking into ways of exploring other business opportunities to sustain and expand its business, including venturing into other related electronic hardware business to increase revenue and profit.

The manufacturing businesses of epoxy and encapsulation compound and mould cleaning rubber sheets have been faced with an unexpected slow down in the semi-conductor industries going forward. Nevertheless, the Board expects both business segments to remain profitable for the current year.

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

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Current tax:				
Malaysian income tax	200	296	200	569
Deferred taxation	-	-	-	-
	<u>200</u>	<u>296</u>	<u>200</u>	<u>569</u>
Overprovision of tax	-	(56)	-	(56)
Total income tax expense	<u>200</u>	<u>240</u>	<u>200</u>	<u>513</u>

B6. Corporate Proposals

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

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

B7. Group Borrowings

	As at 30.06.2012 RM '000	As at 31.12.2011 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	738	101
Repayable after one year denominated in Ringgit Malaysia	189	387
	<u>927</u>	<u>488</u>
Current liabilities (secured)		
Trade facilities denominated in Thai Baht	-	125
Term loans denominated in Ringgit Malaysia	285	547
Term loans denominated in Thai Baht	-	316
Bank overdraft denominated in Thai Baht	-	204
	<u>285</u>	<u>1,192</u>
Long term liabilities (secured)		
Term loans denominated in Ringgit Malaysia	92	213
Term loans denominated in Thai Baht	-	453
	<u>92</u>	<u>666</u>

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 30 June 2012.

B10. Earnings Per Share ("EPS")

(a) Basic earnings / (loss) per share

	<u>3 months ended (Quarter)</u>		<u>6 Months Ended (Cumulative)</u>	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Net profit attributable to owners of the parent (RM '000)	167	509	300	1,460
Weighted average number of ordinary shares in issue ('000)	155,912	155,912	155,912	155,912
Basic earnings per share (sen)	0.11	0.33	0.19	0.94

(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 – 30 JUNE 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**

	3 months ended (Quarter)		6 Months Ended (Cumulative)	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	47	30	103	75
Interest expense	5	91	16	188
Depreciation and amortisation	378	487	736	971
Gain/(Loss) on disposal of properties, plant and equipment	178	-	329	9
Foreign exchange gain/(loss)	(180)	(125)	(211)	(23)
Gain/(Loss) on derivatives	(16)	-	(16)	-

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:

	(Unaudited) As at 30.06.2012 RM '000	(Audited) As at 31.12.2011 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	7,856	7,727
Unrealised	-	773
	<u>7,856</u>	<u>8,500</u>
Less: Consolidation adjustments	(8,128)	(9,072)
Total accumulated losses as per consolidated accounts	<u>(272)</u>	<u>(572)</u>

Dated: 27 August 2012