

**TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

Incorporated in Malaysia

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

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>3 months ended (Quarter)</b>		<b>9 months ended (Cumulative)</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	4,878	6,423	14,698	23,298
Operating expenses	(4,563)	(5,832)	(13,745)	(19,998)
Other operating income	80	189	499	476
	<u>395</u>	<u>780</u>	<u>1,452</u>	<u>3,776</u>
Finance costs	(10)	(35)	(22)	(115)
<b>Profit/(Loss) before taxation</b>	<b>385</b>	<b>745</b>	<b>1,430</b>	<b>3,661</b>
Income tax expense	(34)	(192)	(234)	(707)
<b>Profit after tax from continuing operations</b>	<b>351</b>	<b>553</b>	<b>1,196</b>	<b>2,954</b>
<b>Loss after tax from discontinued operations</b>	<b>(48)</b>	<b>(231)</b>	<b>(115)</b>	<b>(269)</b>
<b>Net profit after taxation</b>	<b>303</b>	<b>322</b>	<b>1,081</b>	<b>2,685</b>
<b>Other comprehensive income:</b>				
Exchange differences arising on translating foreign operations	(3)	165	(86)	(40)
Other comprehensive income/(loss) for the year, net of tax	(3)	165	(86)	(40)
<b>Total comprehensive income/ (loss)</b>	<b>300</b>	<b>487</b>	<b>995</b>	<b>2,645</b>
<b>Profit attributable to:</b>				
Owners of the parent	(17)	143	284	1,603
Non-controlling interests	320	179	797	1,082
	<u>303</u>	<u>322</u>	<u>1,081</u>	<u>2,685</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parents	(20)	308	254	1,639
Non-controlling interests	320	179	741	1,006
	<u>300</u>	<u>487</u>	<u>995</u>	<u>2,645</u>
<b>Earnings/(loss) per share attributable to owners of the parent:</b>				
Basic (sen)	(0.01)	0.09	0.18	1.03
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 SEPTEMBER 2012**

	(Unaudited) As at 30.09.2012 RM'000	(Audited) As at 31.12.2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,982	11,480
Goodwill on acquisition	1,110	1,110
Development expenditure	-	86
	<u>12,092</u>	<u>12,676</u>
<b>Current assets</b>		
Inventories	3,339	4,163
Trade and other receivables	6,103	6,262
Fixed deposits with licensed banks	3,500	4,075
Derivative asset	-	15
Short term investment	5,476	2,549
Cash and bank balances	2,722	4,694
	<u>21,140</u>	<u>21,758</u>
Asset of disposal group classified as held-for-sale	309	2,570
	<u>21,449</u>	<u>24,328</u>
<b>TOTAL ASSETS</b>	<b><u>33,541</u></b>	<b><u>37,004</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	15,591	15,591
Share premium	9,978	9,978
Reserves	(126)	(42)
Accumulated losses	(288)	(572)
	<u>25,155</u>	<u>24,955</u>
<b>Non-controlling interest</b>	<b>4,595</b>	<b>5,392</b>
<b>Amount in equity directly attributable to disposal group</b>		
<b>held-for-sale</b>	<b>(2)</b>	<b>-</b>
<b>Total equity</b>	<b><u>29,748</u></b>	<b><u>30,347</u></b>
<b>Non-current liabilities</b>		
Hire purchase creditors	414	387
Term loans	74	666
Deferred taxation	779	779
	<u>1,267</u>	<u>1,832</u>
<b>Current liabilities</b>		
Trade and other payables	1,800	3,479
Hire purchase creditors	474	101
Tax payable	-	53
Borrowings	201	1,192
Liabilities directly associated with disposal group classified as held-for-sale	51	-
	<u>2,526</u>	<u>4,825</u>
<b>Total liabilities</b>	<b><u>3,793</u></b>	<b><u>6,657</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>33,541</u></b>	<b><u>37,004</u></b>
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

(Company No.: 647820-D)

Incorporated in Malaysia

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	← Attributable to Equity Holders of the Parent →						Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Translation (Loss)/ Reserve RM'000	Distributable Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000	Non- Controlling Interests RM'000	
<b>Balance at 1 January 2011</b>	15,591	9,978	(18)	(528)	25,023	7,260	32,283
Net profit/(loss) for the year	-	-	-	1,603	1,603	1,082	2,685
Other comprehensive income	-	-	(40)	-	(40)	25	(15)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,000)	(2,000)
<b>Balance as at 30 September 2011</b>	<b>15,591</b>	<b>9,978</b>	<b>(58)</b>	<b>1,075</b>	<b>26,586</b>	<b>6,367</b>	<b>32,953</b>
<b>Balance at 1 January 2012</b>	15,591	9,978	(42)	(572)	24,955	5,392	30,347
Net profit/(loss) for the year	-	-	-	284	284	797	1,081
Other comprehensive income	-	-	(86)	-	(86)	56	(30)
Dividends paid to non-controlling interests	-	-	-	-	-	(1,650)	(1,650)
<b>Balance as at 30 September 2012</b>	<b>15,591</b>	<b>9,978</b>	<b>(128)</b>	<b>(288)</b>	<b>25,153</b>	<b>4,595</b>	<b>29,748</b>

**TECHFAST HOLDINGS BERHAD**

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	<b>(Unaudited)</b>	
	<b>9 Months Ended</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation from continuing operations	1,430	3,661
Loss before taxation from discontinued operation	(115)	(269)
Profit before taxation, total	<u>1,315</u>	<u>3,392</u>
<u>Adjustments for:</u>		
Non-cash items	966	1,761
Non-operating items	(146)	(230)
Operating profit before working capital changes	<u>2,135</u>	<u>4,923</u>
<u>Changes in working capital:</u>		
Net change in current assets	1,254	218
Net change in current liabilities	(1,628)	(544)
Cash generated from operations	<u>1,761</u>	<u>4,597</u>
Interest paid	(20)	(276)
Tax (paid)/refunded	(352)	(707)
<b>Net cash generated from operating activities</b>	<b><u>1,389</u></b>	<b><u>3,614</u></b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of assets-held-for-sale	2,578	-
Proceeds from disposal of plant and equipment	640	-
Rental income	-	126
Interest received	146	104
Purchase of property, plant and equipment	(1,098)	(611)
<b>Net cash generated from/(used in) investing activities</b>	<b><u>2,266</u></b>	<b><u>(381)</u></b>
<b>Cash Flow From Financing Activities</b>		
Decrease in bills payable	(125)	(9)
Net repayment of hire purchase creditors	400	186
Dividends paid to non-controlling interests	(1,650)	(2,000)
Repayment of term loans	(1,255)	(1,439)
<b>Net cash used in financing activities</b>	<b><u>(2,630)</u></b>	<b><u>(3,262)</u></b>
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS</b>	<b>1,025</b>	<b>(29)</b>
<b>Effects of exchange rate changes</b>	<b>(57)</b>	<b>(4)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b><u>11,039</u></b>	<b><u>9,446</u></b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b><u>12,007</u></b>	<b><u>9,413</u></b>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,500	4,508
Short term investment	5,476	1,522
Cash and bank balances		
- Continuing operations	2,722	3,653
- Discontinued operation	309	11
	<u>12,007</u>	<u>9,694</u>
Less : Fixed deposits pledged to licensed banks	-	(75)
Bank overdraft	-	(206)
	<b><u>12,007</u></b>	<b><u>9,413</u></b>

(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 – 30 SEPTEMBER 2012

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

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#### 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:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective Date</b>
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 SEPTEMBER 2012

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

#### A3. Comments about Seasonal or Cyclical Factors

The business of the Group is 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 September 2012.

#### A7. Dividend Paid

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

#### A8. Segmental Information

	Manu- facture of self- clinching fasteners RM'000	Mould cleaning rubber sheets RM'000	LED Epoxy Encap- sulant compound RM'000	Invest- ment Holding RM'000	Elimi - nation RM'000	Total RM'000
<b>3 months ended 30.09.2012 (Quarter)</b>						
Revenue from external customers	2,009	3,067	-	134	-	5,210
Inter-segment revenue	-	434	819	625	(1,878)	-
Total segment revenue	<u>2,009</u>	<u>3,501</u>	<u>819</u>	<u>759</u>	<u>(1,878)</u>	<u>5,210</u>
Operating segment profit/(loss)	(257)	558	204	302	(412)	395
Finance cost	-	(10)	(1)	-	1	(10)
Profit/(loss) before taxation from continuing operations	<u>(257)</u>	<u>548</u>	<u>203</u>	<u>302</u>	<u>(411)</u>	<u>385</u>
Income tax - continuing operations	-	(25)	(9)	-	-	(34)
Net profit/(loss) after taxation from continuing operations	<u>(257)</u>	<u>523</u>	<u>194</u>	<u>302</u>	<u>(411)</u>	<u>351</u>
Net profit/(loss) after taxation from discontinued operations	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48)</u>
Net profit/(loss) after taxation	<u>(305)</u>	<u>523</u>	<u>194</u>	<u>302</u>	<u>(411)</u>	<u>303</u>

**TECHFAST HOLDINGS BERHAD**

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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012****A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING****A8. Segmental Information (cont'd)**

	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
<b>9 months ended 30.09.2012 (Cumulative)</b>						
Revenue from external customers	5,732	8,859	-	107	-	14,698
Inter-segment revenue	-	1,286	2,254	2,339	(5,879)	-
<b>Total Segment Revenue</b>	<b>5,732</b>	<b>10,145</b>	<b>2,254</b>	<b>2,446</b>	<b>(5,879)</b>	<b>14,698</b>
Operating segment profit/(loss)	(207)	1,320	566	1,262	(1,489)	1,452
Finance Cost	9	(28)	(2)	-	(1)	(22)
Profit/(loss) before taxation from continuing operations	(198)	1,292	564	1,262	(1,490)	1,430
Income tax - continuing operations	-	(225)	(9)	-	-	(234)
Net profit/(loss) after taxation from continuing operations	(198)	1,067	555	1,262	(1,490)	1,196
Net profit/(loss) after taxation from discontinued operations	(115)	-	-	-	-	(115)
<b>Net profit/(loss) after taxation</b>	<b>(313)</b>	<b>1,067</b>	<b>555</b>	<b>1,262</b>	<b>(1,490)</b>	<b>1,081</b>

**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.

**A10. Subsequent Events**

On 25 October 2012, the Company announced that it had entered into a Sale and Purchase Agreement ("SPA") with Mr. Udom Terawaninthorn in relation to the proposed disposal of 2,750,000 ordinary shares of Baht 10 each representing a 56.06% equity interest in Techfast Precision (Thailand) Co. Ltd. ("Techfast Thailand") for a cash consideration of Baht 1,457,820 or equivalent to about RM145,053. The proposed disposal is expected to be completed within two (2) months from the signing of the SPA.

Techfast Thailand was part of the manufacturing and trading of self-clinching fastener segment and operated solely in the Thailand geographical segment. As such, the proposed disposal construes a discontinued operation and Techfast Thailand was classified as a disposal group held-for-sale from the Group's perspective.

As at 30 September 2012, the assets and liabilities related to Techfast Thailand have been presented in the Statement of Financial Position as "Assets of disposal group classified as held-for-sale" and "Liabilities directly associated with disposal group held-for-sale" and its results presented separately on the Statement of Comprehensive Income as "Loss after taxation from discontinued operations".

# TECHFAST HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

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

#### A10. Subsequent Events (cont'd)

##### Statement of Financial Position Disclosures

The major classes of assets and liabilities of Techfast Thailand classified as held-for-sale as at 30 September 2012 are as follows:

	<u>Group</u> <u>RM'000</u>
<b>Assets:</b>	
Cash and bank balances	309
Assets of disposal group classified as held-for-sale	<u>309</u>
<b>Liabilities:</b>	
Accruals and provisions	51
Liabilities directly associated with disposal group held-for-sale	<u>51</u>
Net assets directly associated with disposal group held-for-sale	<u>258</u>

##### Statement of Comprehensive Income Disclosures

The results of Techfast Thailand for the nine months period ended 30 September 2012 are as follows:

	<u>9 months ended</u> <u>(Cumulative)</u>	
	<u>30.09.2012</u> <u>RM'000</u>	<u>30.09.2011</u> <u>RM'000</u>
Revenue	820	1,445
Expenses	(935)	(3,949)
Loss before tax from discontinued operations	(115)	(2,504)
Income tax	-	-
Loss after tax from discontinued operations	<u>(115)</u>	<u>(2,504)</u>

##### Statement of Cash Flow Disclosures

The cash flows attributable to Techfast Thailand for the nine months period ended 30 September 2012 are as follows:

	<u>9 months ended</u> <u>(Cumulative)</u>	
	<u>30.09.2012</u> <u>RM'000</u>	<u>30.09.2011</u> <u>RM'000</u>
Operating	(2,179)	152
Investing	3,218	(15)
Financing	(769)	(149)
Net cash inflows/(outflows)	<u>270</u>	<u>(12)</u>

#### A11. Changes in Composition of the Group

Other than the sale of Techfast Thailand, 56.06% owned subsidiary of the Company operating in Thailand, which occurred subsequent to the balance as mentioned in item A10 above, there were no other changes in the composition of the Group for the quarter under review.



# TECHFAST HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

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

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#### A12. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM4.07 million granted to the subsidiary companies. As at 30 September 2012, the utilisation of the banking facilities stood at RM0.25 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:

	<b>3 months ended (Quarter)</b>	<b>9 months ended (Cumulative)</b>
	<b>30.09.2012</b>	<b>30.09.2012</b>
<b>Significant Related Party Transactions</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Professional fees paid to firms connected to directors of the Company</b>		
ML Taxation Services Sdn Bhd		
- Professional fee	18	18
<b>Sale of goods to substantial shareholder of a subsidiary company</b>		
Chin I Metal Co., Ltd.		
- Sale of goods	-	14

# TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

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

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#### **B1. Review of Performance**

##### **3rd Quarter 2012 vs 3rd Quarter 2011**

The Group revenue from continuing operations for the current quarter was RM4.88 million with an unaudited profit before taxation of RM0.38 million. The revenue from continuing operations was about 24.0% lower than RM6.42 million recorded during the corresponding quarter in the previous year. This decrease was mainly due to lower revenue from the manufacture of self-clinching fastener segment.

For the current quarter, the self-clinching fastener (“SCF”) segment recorded a total loss net of tax of RM0.31 million compared with a loss after tax of RM0.14 million in the corresponding quarter in the previous year. This was due to further slowdown in the fastener business.

The mould cleaning rubber sheets (“rubber sheets”) segment recorded a profit after taxation of RM0.52 million compared to RM0.40 million during the corresponding quarter in the previous year. This segment showed improvement mainly due to the acquisition of business from a new customer in the current quarter under review.

The LED epoxy encapsulant compound (“epoxy”) segment recorded marginally higher profit after taxation of RM0.19 million in the current quarter compared with to a net profit of RM0.17 million during the corresponding quarter in the previous year.

##### **3<sup>rd</sup> Quarter YTD 2012 vs 3<sup>rd</sup> Quarter YTD 2011**

For the nine months period ended 30 September 2012, turnover of the Group from continuing operations totaled RM14.70 million, which was lower compared to RM23.30 million recorded during the same period last year. The Group recorded a profit before taxation from continuing operations of RM1.43 million for the nine months ended 30 September 2012 compared to RM3.66 million for the same period in the prior year.

The SCF segment made a total loss, net of tax of about RM0.31 million for the nine months year ended 30 September 2012 compared to a profit after taxation of RM0.65 million. The decrease during this period was mainly due to the depressed business conditions in this year compared to the same period last year.

The rubber sheets segment recorded lower profit after taxation of RM1.07 million for the nine months period ended 30 September 2012 compared to RM1.93 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 after taxation of about RM0.56 million for the nine months period in 2012 compared to RM0.50 million recorded 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 total net profit after taxation of RM0.30 million including loss from discontinued operations compared to a profit after taxation of RM0.36 million in the preceding quarter ended 30 June 2012. The total Group performance was marginally in line quarter-to-quarter.

# TECHFAST HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

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

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#### B3. Current Year's Prospects

The SCF business of the Company remains weak in the final quarter of the year and is expected to make a loss for the year 2012.

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)		9 months ended (Cumulative)	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<b>Current tax:</b>				
Malaysian income tax				
- Continuing operations	34	192	234	763
	<u>34</u>	<u>192</u>	<u>234</u>	<u>763</u>
Overprovision of tax				
- Continuing operations	-	-	-	(56)
Total income tax expense	<u>34</u>	<u>192</u>	<u>234</u>	<u>707</u>

#### B6. Corporate Proposals

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

# TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

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

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#### B7. Group Borrowings

	As at 30.09.2012 RM '000	As at 31.12.2011 RM '000
<b>Hire purchase creditors</b>		
Repayable within one year denominated in Ringgit Malaysia	474	101
Repayable after one year denominated in Ringgit Malaysia	414	387
	<u>888</u>	<u>488</u>
<b>Current liabilities (secured)</b>		
Trade facilities denominated in Thai Baht	-	125
Term loans denominated in Ringgit Malaysia	201	547
Term loans denominated in Thai Baht	-	316
Bank overdraft denominated in Thai Baht	-	204
	<u>201</u>	<u>1,192</u>
<b>Long term liabilities (secured)</b>		
Term loans denominated in Ringgit Malaysia	74	213
Term loans denominated in Thai Baht	-	453
	<u>74</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 September 2012.

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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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**B10. Earnings Per Share (“EPS”)**

(a) Basic earnings / (loss) per share

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>(Quarter)</b>		<b>(Cumulative)</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
Net profit/(loss) attributable to owners of the Company (RM '000)	(17)	143	284	1,603
Net profit attributable to owners of the Company - Continuing operations (RM '000)	10	273	349	1,754
Net loss attributable to owners of the Company - Discontinued operations (RM '000)	(27)	(130)	(65)	(151)
Weighted average number of ordinary shares in issue ( '000)	155,912	155,912	155,912	155,912
Basic earnings/(loss) per share (sen)	(0.01)	0.09	0.18	1.03
Basic earnings per share - continuing operations (sen)	0.01	0.17	0.22	1.12
Basic loss per share (sen) - discontinued operations	(0.02)	(0.08)	(0.04)	(0.10)

(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 SEPTEMBER 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)		9 months ended (Cumulative)	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Interest income	43	29	146	104
Interest expense	4	88	20	276
Depreciation and amortisation	153	499	890	1,471
Gain/(Loss) on disposal of properties, plant and equipment	1	-	330	9
- Continuing operations	1	-	162	9
- Discontinued operations	-	-	168	-
Foreign exchange gain/(loss)	47	(87)	(163)	(110)
- Continuing operations	(47)	87	163	110
- Discontinued operations	-	-	-	-
Gain/(Loss) on derivatives	-	-	(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 30.09.2012 RM '000	(Audited) As at 31.12.2011 RM '000
<b>Total accumulated losses of the Company and its subsidiaries</b>		
Realised	7,771	7,727
Unrealised	-	773
	<u>7,771</u>	<u>8,500</u>
Less: Consolidation adjustments	(8,059)	(9,072)
Total accumulated losses as per consolidated accounts	<u>(288)</u>	<u>(572)</u>

Dated: 23 November 2012