

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2014**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	4,922	4,488	4,922	4,488
Operating expenses	(4,376)	(4,415)	(4,376)	(4,415)
Other operating income	194	88	194	88
	740	161	740	161
Finance costs	(7)	(11)	(7)	(11)
Profit/(Loss) before taxation	733	150	733	150
Income tax expense	(214)	(33)	(214)	(33)
Net profit after taxation	519	117	519	117
Other comprehensive income:	-	-	-	-
Total comprehensive income	519	117	519	117
Profit attributable to:				
Owners of the Company	97	(12)	97	(12)
Non-controlling interests	422	129	422	129
	519	117	519	117
Total comprehensive income attributable to:				
Owners of the Company	97	(12)	97	(12)
Non-controlling interests	422	129	422	129
	519	117	519	117
Earnings/(loss) per share attributable to owners of the parent:				
Basic (sen)	0.06	(0.01)	0.06	(0.01)
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 2013 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 2014**

	(Unaudited) As at 31.03.2014 RM'000	(Audited) As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,123	9,413
Goodwill on acquisition	1,110	1,110
	<u>10,233</u>	<u>10,523</u>
Current assets		
Inventories	2,747	3,141
Trade and other receivables	6,408	6,309
Tax recoverable	23	25
Fixed deposits with licensed banks	2,000	2,052
Short term investment	7,827	7,975
Cash and bank balances	2,294	3,014
	<u>21,299</u>	<u>22,516</u>
TOTAL ASSETS	<u>31,532</u>	<u>33,039</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,591	15,591
Treasury shares	(416)	(72)
Share premium	9,978	9,978
Accumulated losses	(425)	(522)
	<u>24,728</u>	<u>24,975</u>
Non-controlling interests	<u>3,776</u>	<u>3,354</u>
Total equity	<u>28,504</u>	<u>28,329</u>
Non-current liabilities		
Hire purchase creditors	486	512
Deferred taxation	847	847
	<u>1,333</u>	<u>1,359</u>
Current liabilities		
Trade and other payables	1,490	3,164
Hire purchase creditors	148	170
Tax payable	57	17
	<u>1,695</u>	<u>3,351</u>
Total liabilities	<u>3,028</u>	<u>4,710</u>
TOTAL EQUITY AND LIABILITIES	<u>31,532</u>	<u>33,039</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.0</u>	<u>16.2</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014

	← Attributable to Equity Holders of the Parent →						Total Equity RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non- Distributable	Distributable Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000		Non- Controlling Interests RM'000
Balance at 1 January 2013	15,591	-	9,978		(478)	25,091	4,546	29,637
Net profit/(loss) for the period	-	-	-		(12)	(12)	129	117
Dividends paid to non-controlling interests	-	-	-		-	-	(600)	(600)
Balance as at 31 March 2013	15,591	-	9,978		(490)	25,079	4,075	29,154
Balance at 1 January 2014	15,591	(72)	9,978		(522)	24,975	3,354	28,329
Net profit/(loss) for the period	-	-	-		97	97	422	519
Purchase of own shares	-	(344)	-		-	(344)	-	(344)
Balance as at 31 March 2014	15,591	(416)	9,978		(425)	24,728	3,776	28,504

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	(Unaudited)	
	3 Months Ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	733	150
<u>Adjustments for:</u>		
Non-cash items	217	389
Non-operating items	(71)	(56)
Operating profit before working capital changes	<u>879</u>	<u>483</u>
<u>Changes in working capital:</u>		
Net change in current assets	390	697
Net change in current liabilities	(1,674)	(563)
Cash generated from/(used in) operations	<u>(405)</u>	<u>617</u>
Interest paid	(7)	(11)
Tax (paid)/refunded	(171)	(130)
Net cash generated from/(used in) operating activities	<u>(583)</u>	<u>476</u>
Cash Flows From Investing Activities		
Interest received	71	56
Purchase of property, plant and equipment	(18)	(105)
Net cash generated from/(used in) investing activities	<u>53</u>	<u>(49)</u>
Cash Flow From Financing Activities		
Purchase of own shares	(343)	-
Net repayment of hire purchase creditors	(48)	(41)
Dividends paid	-	(600)
Drawdown/(Repayment) of term loans	-	(174)
Net cash used in financing activities	<u>(391)</u>	<u>(815)</u>
NET DECREASE CASH AND CASH EQUIVALENTS	(921)	(388)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>12,989</u>	<u>12,806</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>12,068</u>	<u>12,418</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	2,000	3,610
Short term investment	7,827	6,013
Cash and bank balances	<u>2,294</u>	<u>2,846</u>
	12,121	12,469
Less : Fixed deposits pledged to licensed banks	(53)	(51)
	<u>12,068</u>	<u>12,418</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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

A1. Basis of Preparation

The interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“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”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes attached to the interim financial reports. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted for this interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2013 except for the following MFRS, Amendments to MFRSs and Issues Committee (“IC”) Interpretations that were issued but not yet effective:

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132	Offsetting of Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Effective for financial periods beginning on or after 1 July 2014

Amendments to MFRS 119	Defined Benefit Plans: Employee Contribution
Annual improvements to MFRSs 2010 – 2012 Cycle	
Annual improvements to MFRSs 2011 – 2013 Cycle	

A3. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2013 was not qualified.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is generally not affected by seasonal and cyclical factors.

A5. 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.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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

A6. 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.

A7. 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 2014.

A8. Dividend Paid

No dividend was paid during the current quarter under review.

A9. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 31.03.2014					
Revenue from external customers	1,623	3,239	60	-	4,922
Inter-segment revenue	-	724	225	(949)	-
Total segment revenue	<u>1,623</u>	<u>3,963</u>	<u>285</u>	<u>(949)</u>	<u>4,922</u>
Operating segment profit/(loss)	(284)	1,088	(36)	(28)	740
Finance cost	(4)	(3)	-	-	(7)
Profit/(loss) before taxation	(288)	1,085	(36)	(28)	733
Income tax	-	(214)	-	-	(214)
Net profit/(loss) after taxation	<u>(288)</u>	<u>871</u>	<u>(36)</u>	<u>(28)</u>	<u>519</u>

A10. 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 2013.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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

A11. 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.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group that occurred in quarter under review.

A13. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM2.40 million granted to the subsidiary companies. As at the end of the current quarter under review, the subsidiary companies did not utilise any of the said banking facilities.

A14. 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.

A15. Significant Related Party Transactions

There were no related party transactions which would have a material impact on the financial position and the business of the Group during the current quarter.

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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

B1. Review of Performance

1st Quarter 2014 vs 1st Quarter 2013

The Group revenue for the current quarter increased to RM4.92 million with an unaudited profit before taxation of RM0.73 million. The revenue was 9.6% higher than total revenue of RM4.49 million recorded during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a loss before tax of RM0.29 million compared to a loss before tax of RM0.04 million in the corresponding quarter in the previous year. The loss in the SCF segment this quarter was a temporary set back in sales from customers located in the regions of the United States of America that was affected by snow storms earlier this year.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) materials segment recorded a profit before taxation of RM1.09 million which was higher than RM0.36 million recorded in the corresponding quarter in the previous year. The better performance this quarter was due to the continued improvement in the semi conductor business which has reflected positively for subsidiary companies, Cape Technology Sdn Bhd and Oriem Technology Sdn Bhd.

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

In the current quarter under review, the Group made a profit before taxation of RM0.73 million compared to RM0.82 million in the preceding quarter ended 31 December 2013. The Group performance was lower quarter-to-quarter mainly due to the less than stellar performance from the SCF business segment.

B3. Current Year’s Prospects

Based on the current economic conditions and barring unforeseen circumstances, the Group is expected to turn in positive results for the year 2014 as the rubber sheets and epoxy businesses are expected to perform well amidst the continued upward trend of the semi conductor industry while the fasteners segment will endeavour to achieve a positive result.

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)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	214	33	214	33
Total income tax expense	<u>214</u>	<u>33</u>	<u>214</u>	<u>33</u>

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NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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

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 31.03.2014 RM '000	As at 31.12.2013 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	148	170
Repayable after one year denominated in Ringgit Malaysia	486	512
	<u>634</u>	<u>682</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

The shareholders have approved a final single tier dividend of 5% per ordinary share of RM0.10 each amounting to RM764,587 in respect of the financial year ended 31 December 2013 at the Annual General Meeting on 16 May 2014.

The dividend will be paid on 9 June 2014 to the depositors whose names appear in the record of depositors of the Company at the close of business on 26 May 2014.

B10. Earnings Per Share ("EPS")

(a) Basic earnings / (loss) per share

	<u>3 months ended (Quarter)</u>		<u>3 Months Ended (Cumulative)</u>	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Net profit/(loss) attributable to owners of the Company (RM '000)	97	(12)	97	(12)
Weighted average number of ordinary shares in issue ('000)	154,491	155,912	154,491	155,912
Basic earnings/(loss) per share (sen)	0.06	(0.01)	0.06	(0.01)

(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 2014

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/(Loss) before taxation is arrived at after crediting/(charging) the following income/(expense) items:

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Interest income	71	56	71	56
Interest expense	(7)	(11)	(7)	(11)
Depreciation and amortisation	(309)	(378)	(309)	(378)
Foreign exchange gain/(loss)	(12)	1	(12)	1

B12. Realised and Unrealised Profit / Losses

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

	(Unaudited) As at 31.03.2014 RM '000	(Audited) As at 31.12.2013 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	9,259	9,374
Unrealised	88	(574)
	<u>9,347</u>	<u>8,800</u>
Less: Consolidation adjustments	(9,772)	(9,322)
	<u>(425)</u>	<u>(522)</u>
Total accumulated losses as per consolidated accounts		

Dated: 16 May 2014