

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)
Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	(Unaudited)		(Unaudited)	(Audited)
	3 months ended (Quarter)		12 months ended (Cumulative)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	4,956	4,772	19,681	20,277
Operating expenses	(4,364)	(5,395)	(17,079)	(18,646)
Other operating income	(23)	648	1,243	1,173
	<u>569</u>	<u>25</u>	<u>3,845</u>	<u>2,804</u>
Finance costs	(4)	(6)	(18)	(25)
Profit/(Loss) before taxation	565	19	3,827	2,779
Income tax expense	(74)	(107)	(1,148)	(935)
Net profit/(loss) after taxation	<u>491</u>	<u>(88)</u>	<u>2,679</u>	<u>1,844</u>
Other comprehensive income:	-	-	-	-
Total comprehensive income/(expense)	<u>491</u>	<u>(88)</u>	<u>2,679</u>	<u>1,844</u>
Profit/(loss) attributable to:				
Owners of the Company	432	(314)	2,358	151
Non-controlling interests	59	226	321	1,693
	<u>491</u>	<u>(88)</u>	<u>2,679</u>	<u>1,844</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	432	(314)	2,358	151
Non-controlling interests	59	226	321	1,693
	<u>491</u>	<u>(88)</u>	<u>2,679</u>	<u>1,844</u>
Earnings/(loss) per share attributable to owners of the parent:				
Basic (sen)	0.27	(0.20)	1.49	0.10
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 2014 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 DECEMBER 2015**

	(Unaudited) As at 31.12.2015 RM'000	(Audited) As at 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,292	8,231
Goodwill on acquisition	1,110	1,110
	<u>8,402</u>	<u>9,341</u>
Current assets		
Inventories	2,836	2,672
Trade and other receivables	6,376	6,241
Tax recoverable	44	60
Fixed deposits with licensed banks	128	66
Short term investment	3,737	1,892
Cash and bank balances	3,955	4,739
	<u>17,076</u>	<u>15,670</u>
TOTAL ASSETS	<u>25,478</u>	<u>25,011</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,111	15,591
Treasury shares	(416)	(416)
Share premium	11,270	9,978
Accumulated losses	(7,236)	(9,594)
	<u>20,729</u>	<u>15,559</u>
Non-controlling interests	945	804
Total equity	<u>21,674</u>	<u>16,363</u>
Non-current liabilities		
Hire purchase creditors	113	329
Deferred taxation	511	744
	<u>624</u>	<u>1,073</u>
Current liabilities		
Trade and other payables	2,761	7,395
Hire purchase creditors	217	180
Tax payable	202	-
Borrowings	-	-
	<u>3,180</u>	<u>7,575</u>
Total liabilities	<u>3,804</u>	<u>8,648</u>
TOTAL EQUITY AND LIABILITIES	<u>25,478</u>	<u>25,011</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>13.1</u>	<u>10.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	← 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	Non- Controlling Interests RM'000	
				Retained Earnings/ (Accumu- lated Losses) RM'000	Total RM'000		
Balance at 1 January 2014	15,591	(72)	9,978	(522)	24,975	3,355	28,330
Net profit/(loss) for the period	-	-	-	150	150	1,693	1,843
Other comprehensive income	-	-	-	-	-	-	-
Purchase of own shares	-	(344)	-	-	(344)	-	(344)
Dividends paid to non- controlling interests	-	-	-	(764)	(764)	(542)	(1,306)
Purchase of additional shares in subsidiary companies	-	-	-	(8,458)	(8,458)	(3,702)	(12,160)
Balance as at 31 December 2014	15,591	(416)	9,978	(9,594)	15,559	804	16,363
Balance at 1 January 2015	15,591	(416)	9,978	(9,594)	15,559	804	16,363
Net profit/(loss) for the period	-	-	-	2,358	2,358	321	2,679
Dividends paid	-	-	-	-	-	(180)	(180)
Private placement of new shares	1,520	-	1,292	-	2,812	-	2,812
Balance as at 31 December 2015	17,111	(416)	11,270	(7,236)	20,729	945	21,674

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 YEAR ENDED 31 DECEMBER 2015**

	(Unaudited) 12 Months Ended 31.12.2015 RM'000	(Audited) 12 Months Ended 31.12.2014 RM'000
Cash Flows From Operating Activities		
Profit before taxation	3,827	2,779
<u>Adjustments for:</u>		
Non-cash items	1,031	858
Non-operating items	(128)	(268)
Operating profit before working capital changes	<u>4,730</u>	<u>3,369</u>
<u>Changes in working capital:</u>		
Net change in current assets	(194)	947
Net change in current liabilities	(4,636)	(329)
Cash generated from/(used in) operations	(100)	3,987
Interest paid	(18)	(25)
Tax (paid)/refunded	(1,161)	(1,090)
Net cash generated from/(used in) operating activities	<u>(1,279)</u>	<u>2,872</u>
Cash Flows From Investing Activities		
Interest received	128	267
Purchase of property, plant and equipment	(164)	(61)
Acquisition of additional equity stake in subsidiaries	-	(7,600)
Net cash used in investing activities	<u>(36)</u>	<u>(7,394)</u>
Cash Flow From Financing Activities		
Purchase of own shares	-	(344)
Proceeds from private placement shares	2,812	-
Net repayment of hire purchase creditors	(181)	(173)
Dividends paid	(180)	(1,306)
Net cash generated from/(used in) financing activities	<u>2,451</u>	<u>(1,823)</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	1,136	(6,345)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>6,631</u>	<u>12,989</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>7,767</u>	<u>6,644</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	128	66
Short term investment	3,737	1,892
Cash and bank balances	3,955	4,737
	<u>7,820</u>	<u>6,695</u>
Less : Fixed deposits pledged to licensed banks	(53)	(51)
	<u>7,767</u>	<u>6,644</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015

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 2014 and the accompanying explanatory notes attached to the interim financial reports. These explanatory notes 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 2014.

The significant accounting policies and methods of computation adopted by the Group in preparing this condensed report are consistent with those of the audited financial statements for the financial year ended 31 December 2014.

A2. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2014 was not qualified.

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. Significant Estimates and Changes in Estimates

There were no significant estimates nor changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Changes in Debt and Equity Securities

Share buybacks / Treasury shares of the Company

There were no share buy-back transactions during the quarter ended 31 December 2015. As at the end of the quarter under review, a total of 2,994,400 shares of RM0.10 each, which were repurchased previously, were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015**A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING****A7. Dividend Paid**

No dividend was paid during the current quarter under review.

A8. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
12 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000
<u>31.12.2015</u>					
Revenue from external customers	6,489	13,138	54	-	19,681
Inter-segment revenue	-	2,801	3,060	(5,861)	-
Total segment revenue	<u>6,489</u>	<u>15,939</u>	<u>3,114</u>	<u>(5,861)</u>	<u>19,681</u>
Operating segment profit/(loss)	(106)	4,407	1,159	(1,615)	3,845
Finance cost	(8)	(9)	-	(1)	(18)
Profit/(loss) before taxation	(114)	4,398	1,159	(1,616)	3,827
Income tax	4	(1,152)	-	-	(1,148)
Net profit/(loss) after taxation	<u>(110)</u>	<u>3,246</u>	<u>1,159</u>	<u>(1,616)</u>	<u>2,679</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 2014.

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 that occurred in quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015

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

A12. 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.

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

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

Significant Related Party Transactions	(Unaudited) 3 months ended (Quarter)		(Unaudited) 12 months ended (Cumulative)	(Audited) 12 months ended (Cumulative)
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	-	-	21	17
Firms connected to directors				
Professional fee payable to:				
- Michael Lim & Co.	-	-	59	74
- A.T. Aun & Associates	-	8	5	28

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015

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

B1. Review of Performance

4th Quarter 2015 vs 4th Quarter 2014

The Group revenue for the current quarter increased to RM4.96 million from RM4.77 million in the corresponding quarter in the previous year. Unaudited profit before taxation ("PBT") for the quarter ended 31 December 2015 was also higher at RM0.57 million compared to RM0.02 million during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener ("SCF") segment made a loss before tax of RM0.04 million compared to a loss before tax of RM0.47 million in the corresponding quarter in the previous year. The financial result for the current quarter ended 31 December 2015 was improved mainly due to the production and sales of higher profit margin products coupled with a weaker Ringgit Malaysia which was favourable to export sales.

The mould cleaning rubber sheets ("rubber sheets") and LED epoxy encapsulant ("epoxy") material segment recorded a PBT of RM0.79 million which was marginally lower than RM0.86 million recorded in the corresponding quarter in the previous year. The lower PBT was mainly due to lower sales in the epoxy material segment coupled with higher administrative expenses.

4th Quarter YTD 2015 vs 4th Quarter 2014 YTD

For the year ended 31 December 2015, total turnover of the Group of RM19.68 million was lower compared to RM20.28 million recorded during the same period last year. However, the Group recorded a higher PBT of RM3.83 million for the year ended 31 December 2015 compared to RM2.78 million recorded in the previous year, despite the lower turnover.

The holding company achieved improved financial results for the financial year ended 31 December 2015 compared to the previous corresponding year by about RM0.60 million as there were no expenses incurred for the voluntary take over offer that occurred last year.

The SCF segment recorded a loss before tax of RM0.11 million for the year ended 31 December 2015 compared to loss before taxation of RM0.80 million for the previous year. The improved result for the financial year was mainly due to the production and sales of higher profit margin products and the effect of the weaker Ringgit Malaysia which was favourable for export sales.

The rubber sheets and epoxy segment recorded lower PBT of RM4.40 million for the financial year ended 31 December 2015 compared to RM4.63 million in the previous year. This segment delivered marginally lower results in the current financial year mainly due to lower sales experienced in the epoxy segment coupled with higher administrative expenses.

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 PBT of RM0.56 million compared to RM1.70 million compared in the preceding quarter ended 30 September 2015. The financial performance of the Group was lower in the current quarter under review mainly due to lower sales coupled with higher administrative charges incurred compared with the immediate preceding quarter.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015

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

B3. Current Year's Prospects

The operating environment going forward remain challenging in view of the uncertainty in the macro economy. However, barring any unforeseen circumstances, the Board expects the performance of the Group for the financial year ending 31 December 2016 to be satisfactory.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	(Unaudited) 3 months ended (Quarter)		(Unaudited) 12 months ended	(Audited) 12 months ended (Cumulative)
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Current tax:				
Malaysian income tax	306	224	1,379	1,085
Deferred taxation	(232)	(103)	(232)	(104)
	<u>74</u>	<u>121</u>	<u>1,147</u>	<u>981</u>
Under/(Over)provision of tax	-	(14)	1	(46)
Total income tax expense	<u>74</u>	<u>107</u>	<u>1,148</u>	<u>935</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 31.12.2015 RM '000	As at 31.12.2014 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	217	180
Repayable after one year denominated in Ringgit Malaysia	<u>113</u>	<u>329</u>
	<u>330</u>	<u>509</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 during the current financial quarter under review.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B10. Earnings Per Share (“EPS”)**

(a) Basic earnings / (loss) per share

	(Unaudited) 3 months ended (Quarter)		(Unaudited) (Audited) 12 Months Ended (Cumulative)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net profit/(loss) attributable to owners of the Company (RM '000)	432	(314)	2,358	151
Weighted average number of ordinary shares in issue ('000)	158,581	154,491	158,581	154,491
Basic earnings/(loss) per share (sen)	0.27	(0.20)	1.49	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.

B11. Notes to the Statement of Comprehensive Income

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

	(Unaudited) 3 months ended (Quarter)		(Unaudited) (Audited) 12 Months Ended (Cumulative)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	49	42	128	267
Interest expense	(4)	(6)	(18)	(25)
Depreciation and amortisation	(266)	(297)	(1,148)	(1,215)
Foreign exchange gain/(loss)	(113)	583	994	954

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2015**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 accumulated losses of the Group as at the reporting date, into realised and unrealised profits is as follows:

	(Unaudited) As at 31.12.2015 RM '000	(Audited) As at 31.12.2014 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	7,665	9,374
Unrealised	(450)	(574)
	<u>7,215</u>	<u>8,800</u>
Less: Consolidation adjustments	(14,451)	(9,322)
	<u>(7,236)</u>	<u>(522)</u>
Total accumulated losses as per consolidated accounts	<u>(7,236)</u>	<u>(522)</u>

Dated: 24 February 2016