



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED INCOME STATEMENT
Quarterly Report For The Second Quarter Ended 30 June 2009
(The figures have not been audited)

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--|---|--|--|
| | | Current Year Quarter 30 Jun 2009 RM'000 | Preceding Year Corresponding Quarter 30 Jun 2008 RM'000 | Current Year To date 30 Jun 2009 RM'000 | Preceding Year Corresponding Period 30 Jun 2008 RM'000 |
| Revenue | | 3,099 | 2,481 | 5,671 | 6,107 |
| Direct costs | | (2,782) | (1,167) | (4,863) | (3,271) |
| Gross profit | | 317 | 1,314 | 808 | 2,836 |
| Other operating income | | 152 | 108 | 295 | 213 |
| Administrative expenses | | (782) | (1,062) | (2,113) | (1,866) |
| Other operating expenses | | (1) | - | (3) | - |
| (Loss)/profit from operations | | (314) | 360 | (1,013) | 1,183 |
| Share of (loss)/profit in associated company | | (86) | 31 | (133) | 35 |
| Pre-Acquisition Profits | | - | - | - | - |
| Negative goodwill realised | | - | - | - | - |
| (Loss)/profit before taxation | | (400) | 391 | (1,146) | 1,218 |
| Taxation | B5 | - | (160) | - | (201) |
| (Loss)/profit for the financial period | | (400) | 231 | (1,146) | 1,017 |
| (Loss)/profit attributable to : | | | | | |
| Equity holders of the Company | | (339) | 231 | (1,025) | 1,017 |
| Minority shareholders | | (61) | - | (121) | - |
| | | (400) | 231 | (1,146) | 1,017 |
| Basic (loss)/earnings per share (sen) | B14 | (0.24) | 0.18 | (0.73) | 0.78 |

Note:

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2009

(The figures have not been audited)

| | As at Current Year Quarter 30 Jun 2009 RM'000 (Unaudited) | As at Preceding Financial Year Ended 31 Dec 2008 RM'000 (Audited) |
|---|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 459 | 485 |
| Development costs | 1,753 | 1,532 |
| Investment property | 2,033 | 2,055 |
| Investment in associated company | 938 | 1,071 |
| Deferred tax assets | 71 | 84 |
| | <u>5,254</u> | <u>5,227</u> |
| CURRENT ASSETS | | |
| Stocks | 7,713 | - |
| Trade receivables | 5,606 | 5,198 |
| Other receivables, deposits & prepayments | 495 | 1,022 |
| Tax recoverable | 174 | 177 |
| Cash and cash equivalents | 5,058 | 11,419 |
| | <u>19,046</u> | <u>17,816</u> |
| TOTAL ASSETS | <u>24,300</u> | <u>23,043</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 14,007 | 14,007 |
| Share Premium | 2,946 | 2,946 |
| Retained profits | 1,294 | 2,319 |
| Shareholders' funds | <u>18,247</u> | <u>19,272</u> |
| Minority interests | 124 | - |
| Total Equity | <u>18,371</u> | <u>19,272</u> |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities | - | 13 |
| CURRENT LIABILITIES | | |
| Trade payables | 5,343 | 2,707 |
| Other payables and accruals | 485 | 745 |
| Deferred income | 101 | 156 |
| Provision for taxation | - | 150 |
| | <u>5,929</u> | <u>3,758</u> |
| TOTAL EQUITY AND LIABILITIES | <u>24,300</u> | <u>23,043</u> |
| Net Assets per share (RM) | <u>0.13</u> | <u>0.14</u> |

Note:

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

Net Assets per share for the current quarter is arrived at based on the Group's Net Assets of RM18,371,000 over the number of ordinary shares of 140,077,200 shares of RM0.10 each.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Quarterly Report For The Second Quarter Ended 30 June 2009
(The figures have not been audited)

| | <----- Non-distributable -----> | | | Distributable | Shareholders' | Minority | Total |
|---|---------------------------------|----------------------------|---------------------------------------|---------------|---------------|------------|---------------|
| | Share Capital RM'000 | Share Premium RM'000 | Reserve on Consolidation RM'000 | | | | |
| At 1 January 2008 | 6,938 | - | - | 3,148 | 10,086 | - | 10,086 |
| Public issue on 22 February 2008 | 2,400 | 9,120 | - | - | 11,520 | - | 11,520 |
| Amount capitalised for Bonus Issue | 4,669 | (4,669) | - | - | - | - | - |
| Listing expenses | - | (1,505) | - | - | (1,505) | - | (1,505) |
| Net profit for the financial year | - | - | - | 222 | 222 | - | 222 |
| Dividend paid during the financial year | - | - | - | (1,051) | (1,051) | - | (1,051) |
| At 31 December 2008 (Audited) | <u>14,007</u> | <u>2,946</u> | <u>-</u> | <u>2,319</u> | <u>19,272</u> | <u>-</u> | <u>19,272</u> |
| At 1 January 2009 | 14,007 | 2,946 | - | 2,319 | 19,272 | - | 19,272 |
| Minority investment in shares of subsidiary | - | - | - | - | - | 245 | 245 |
| Net loss for the financial period | - | - | - | (1,025) | (1,025) | (121) | (1,146) |
| At 30 June 2009 (Unaudited) | <u>14,007</u> | <u>2,946</u> | <u>-</u> | <u>1,294</u> | <u>18,247</u> | <u>124</u> | <u>18,371</u> |

Note:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED CASHFLOW STATEMENT
Quarterly Report For The Second Quarter Ended 30 June 2009
(The figures have not been audited)

| | Current Year To date ended 30 Jun 2009 RM'000 (Unaudited) | Preceding Year To date ended 31 Dec 2008 RM'000 (Audited) |
|---|--|--|
| CASHFLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | (1,146) | 367 |
| Adjustments for: | | |
| Amortisation of development costs | 114 | 196 |
| Depreciation of investment property | 10 | 42 |
| Depreciation of plant and equipment | 90 | 116 |
| Interest income | (43) | (278) |
| Loss on disposal of plant and equipment | - | 7 |
| Share of loss in associated company | 133 | 33 |
| Operating profit before working capital changes | (842) | 483 |
| (Decrease) in deferred income | (55) | (49) |
| Increase in trade and other payables | 5,275 | 234 |
| (Increase) in trade and other receivables | (10,493) | (248) |
| Cash generated from operations | (6,115) | 420 |
| Interest received | 43 | 278 |
| Tax paid | (147) | (327) |
| Net cash (used in)/generated from operating activities | (6,219) | 371 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (52) | (291) |
| Proceeds from disposal of plant and equipment | - | 4 |
| Internally developed intangible assets | (335) | (909) |
| Minority share of increase in share capital of subsidiary | 245 | - |
| Net cash used in investing activities | (142) | (1,196) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid during the year | - | (1,051) |
| Proceeds from public issue of shares | - | 11,520 |
| Payment of listing expenses | - | (1,505) |
| Dividends received from associate | - | 331 |
| Net cash generated from financing activities | - | 9,295 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (6,361) | 8,470 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 11,419 | 2,949 |
| CASH AND CASH EQUIVALENTS AT END OF THE QUARTER | 5,058 | 11,419 |
| | A15 | |

Note:

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Second Quarter Ended 30 June 2009

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market ("AMLR").

The accounting policies and methods of computation adopted by TFP, its subsidiary companies and its associated company ("TFP Group" or "Group") in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2008 as well as those for the annual period beginning 1 January 2009 as disclosed therein.

A2 Audit report of preceding annual financial statements

The preceding year's annual audited financial statements were not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter, except for the completion of the listing of and quotation for the entire issued and paid-up share capital of the Company on the ACE Market of Bursa Securities.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review.

A6 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current quarter under review.

A7 Dividend paid

There were no dividends paid during the current quarter under review.

A8 Segmental information

Segmental information is not presented as the Group is primarily engaged in only one business segment which is to provide information technology ("IT") solutions and related services.

The Group's operations are currently conducted predominantly in Malaysia.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Second Quarter Ended 30 June 2009

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A9 Valuation of property, plant and equipment

There was a valuation report dated 25 June 2009 performed by Henry Butcher Malaysia (Sel) Sdn Bhd on two (2) properties of the Group for purposes of the proposed disposal as further detailed in Note A10 below.

A10 Material events subsequent to the end of the quarter

On 25 August 2009, the Board of Directors of TFP had announced that it proposed to dispose two (2) units of 4 storey shop offices for a total cash consideration of RM5.1 million ("Proposed Disposal"). The Proposed Disposal is subject to the approval of shareholders of TFP at an extraordinary general meeting to be convened.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter .

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date, other than that disclosed in the audited financial statements for the financial year ended 31 December 2008.

A13 Capital commitments

As at 30 June 2009, the Group has no material capital commitments in respect of property, plant and equipment.

A14 Significant related party transactions

During the current financial quarter, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group save as disclosed below.

Shareholders' mandate for the Recurrent Related Party Transactions ("RRPTs") entered into by the Company was obtained at the Annual General Meeting held on 24 June 2008. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

| | Current Year Quarter 30.06.2009 RM'000 | Cumulative Year To Date 30.06.2009 RM'000 |
|---|---|--|
| (i) Office rental paid to Lim Lung Wen, a Director of the Company | 10 | 20 |
| (ii) Training and consultancy services provided by Adaptive Training & Consulting Sdn Bhd | - | 14 |



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Second Quarter Ended 30 June 2009

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A15 Cash and cash equivalents

| | Current Year To Date 30 Jun 2009 RM'000 | Preceding Year To Date 31 Dec 2008 RM'000 |
|------------------------------------|--|--|
| Fixed deposits with licensed banks | 4,183 | 3,681 |
| Cash and bank balances | 875 | 7,738 |
| | 5,058 | 11,419 |

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Review of performance

For the current quarter ended 30 June 2009, TFP Group recorded revenue of RM3.099 million. This is attributed mainly from the sale of turnkey projects and Enterprise Resource Planning ("ERP") solutions. The Group incurred loss before and after taxation of RM0.400 million for the current quarter.

The Group's overall profit margin has been depressed due to highly competitive market conditions and higher inflationary costs. These factors have been aggravated by the regional financial crisis and lacklustre economic performance in most business sectors.

B2 Variation of results against preceding quarter

| | Current Quarter 30 Jun 2009 RM'000 | Preceding Quarter 31 Mar 2009 RM'000 |
|--------------------------|---|---|
| Revenue | 3,099 | 2,572 |
| Profit/(loss) before tax | (400) | (746) |

Compared to preceding quarter 31 March 2009, the Group recorded a slight increase in revenue in the current quarter 30 June 2009. The Group recorded a lesser loss for the quarter mainly due to decrease in operating expenses as well as commencement of cost savings activities.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Second Quarter Ended 30 June 2009

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET (Cont'd)

B3 Prospects

TFP is fully aware of the impact of the global economic downturn. Barring unforeseen circumstances, the Board of Directors are of the opinion that the performance of the existing business of the TFP Group is expected to be challenging for the financial year ending 2009.

The management of TFP is currently implementing new business initiatives to secure more projects and embarking on cost-cutting measures to optimise operational costs.

B4 Variation of actual profit from forecast profit

Not applicable for the current financial quarter.

B5 Taxation

There were no tax for the current quarter, due to losses incurred before taxation. The effective tax rate is higher as the MSC status subsidiary companies within the TFP Group incurred a loss during the period and its accompanying tax benefit has not been optimised for the TFP Group's overall tax commitment.

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group for the current financial quarter and financial year-to-date.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current financial quarter and financial year-to-date.

B8 Status of corporate proposals

Save as disclosed in Note A10, there are no corporate proposals announced but not yet completed as at the date of this announcement.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Second Quarter Ended 30 June 2009

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET (Cont'd)

B9 Status of utilisation of proceeds from public issue

TFP was listed on 22 February 2008 on the MESDAQ Market (now known as ACE Market). The utilisation of gross proceeds of RM11,520,000 from the public issue by the Group as at 30 June 2009 were as follows:-

| Purpose | Proposed Amount RM'000 | Amount Utilised RM'000 | Amount Unutilised RM'000 | Time frame for utilisation |
|------------------|---------------------------------------|---------------------------------------|---|---------------------------------------|
| Working Capital | 3,720 | 2,885 | 835 | To be utilised by Feb 2011 |
| Expansion | 3,000 | 265 | 2,735 | To be utilised by Feb 2011 |
| R&D Expenditure | 3,300 | 1,111 | 2,189 | To be utilised by Feb 2011 |
| Listing Expenses | 1,500 | 1,505 | (5) * | |
| | <u>11,520</u> | <u>5,766</u> | <u>5,754</u> | |

* In view that the actual listing expenses was higher than estimated, the deficit had been funded out of proceeds allocated for working capital. TFP management team continue to be vigilante and prudent in managing the proceeds raised from the public issue as the overall economic climate in ASEAN continues to be uncertain.

B10 Group's borrowings and debt securities

The TFP Group has no borrowings or debt securities as at 30 June 2009.

The TFP Group does not have any foreign currency borrowings.

B11 Off balance sheet financial instruments

As at reporting date, TFP issued corporate guarantees in favour of vendor companies for the supply of goods and services to its subsidiary companies up to approximately RM4.7 million.

B12 Material litigation

Save as disclosed below, neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies:-

- (i) On 6 September 2007, a subsidiary received a letter of demand from a former customer for the refund of the contract sum for the implementation of an ERP system. At present, no legal proceedings have been initiated by either party. The directors are of the opinion that the likelihood of a potential liability arising from the demand is remote.



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Quarterly Report For The Second Quarter Ended 30 June 2009

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET (Cont'd)

B13 Dividends

No dividend has been declared by the Company in the current financial quarter under review.

B14 Earnings per share

| | Current Year | Preceding Year | Current Year | Preceding Year |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Quarter | Corresponding | To date | Corresponding |
| | 30 Jun 2009 | 30 Jun 2008 | 30 Jun 2009 | 30 Jun 2008 |
| Profit/(loss) after taxation and minority interests (RM'000) | (339) | 231 | (1,025) | 1,017 |
| Weighted average number of shares in issue ('000) | 140,077 | 130,006 | 140,077 | 130,006 |
| Basic earnings/(loss) per share (sen) | (0.24) | 0.18 | (0.73) | 0.78 |

Diluted earnings per share is not disclosed herein as there are no options granted as at the date of this announcement.

B15 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 August 2009.

TFP Solutions Berhad
28 August 2009