



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The First Quarter Ended 31 March 2010
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31 Mar 2010 RM'000	Preceding Year Corresponding Quarter 31 Mar 2009 RM'000	Current Year To date 31 Mar 2010 RM'000	Preceding Year Corresponding Period 31 Mar 2009 RM'000
Revenue		9,559	2,572	9,559	2,572
Direct costs		(9,079)	(2,081)	(9,079)	(2,081)
Gross profit		480	491	480	491
Other operating income		283	143	283	143
Other income		908	-	908	-
Administrative expenses		(1,031)	(1,331)	(1,031)	(1,331)
Other operating expenses		(218)	(2)	(218)	(2)
Finance costs		-	-	-	-
Profit/(loss) from operations		422	(699)	422	(699)
Share of loss in associated company		-	(47)	-	(47)
Profit/(loss) before taxation		422	(746)	422	(746)
Taxation	B5	(23)	-	(23)	-
Profit/(loss) for the financial period		399	(746)	399	(746)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		399	(746)	399	(746)
Profit/(loss) attributable to :					
Equity holders of the Company		441	(686)	441	(686)
Minority shareholders		(42)	(60)	(42)	(60)
		399	(746)	399	(746)
Basic earnings/(loss) per share (sen)	B14	0.31	(0.49)	0.31	(0.49)

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

(The figures have not been audited)

	As at Current Year Quarter 31 Mar 2010 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31 Dec 2009 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	543	600
Development costs	1,777	1,750
Goodwill on consolidation	255	255
	<u>2,575</u>	<u>2,605</u>
CURRENT ASSETS		
Stocks	4,736	4,740
Trade receivables	6,971	5,127
Other receivables, deposits & prepayments	260	374
Asset held for sale	-	4,016
Tax recoverable	468	517
Cash and cash equivalents	5,980	6,248
	<u>18,415</u>	<u>21,022</u>
TOTAL ASSETS	<u>20,990</u>	<u>23,627</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	394	(47)
Shareholders' funds	<u>17,347</u>	<u>16,906</u>
Minority interests	-	42
Total Equity	<u>17,347</u>	<u>16,948</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>37</u>	<u>37</u>
CURRENT LIABILITIES		
Trade payables	2,241	3,595
Other payables and accruals	1,308	2,164
Deferred income	57	515
Term loan (Secured)	-	368
	<u>3,606</u>	<u>6,642</u>
TOTAL EQUITY AND LIABILITIES	<u>20,990</u>	<u>23,627</u>
Net Assets per share (RM)	<u>0.12</u>	<u>0.12</u>

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 RM17,347,000 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 First Quarter Ended 31 March 2010

(The figures have not been audited)

	←----- Non-distributable ----->			Distributable Retained profits RM'000	Shareholders' Fund RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000				
At 1 January 2009	14,007	2,946	-	2,319	19,272	-	19,272
Minority investment in shares of subsidiary	-	-	-	-	-	246	246
Net loss for the financial period	-	-	-	(2,366)	(2,366)	(204)	(2,570)
At 31 December 2009 (Audited)	14,007	2,946	-	(47)	16,906	42	16,948
At 1 January 2010	14,007	2,946	-	(47)	16,906	42	16,948
Net profit/(loss) for the financial period	-	-	-	441	441	(42)	399
At 31 March 2010 (Unaudited)	14,007	2,946	-	394	17,347	-	17,347

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 2009 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Quarterly Report For The First Quarter Ended 31 March 2010
(The figures have not been audited)

	Current Year To date ended 31 Mar 2010 RM'000 (Unaudited)	Preceding Corresponding Year To date ended 31 Dec 2009 RM'000 (Audited)
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	422	(2,457)
Adjustments for:		
Depreciation of plant and equipment	64	54
Depreciation of asset held for sale	8	200
Amortisation of development costs	109	396
Loss on disposal of plant and equipment	2	-
Exceptional gain on disposal of properties	-	-
Plant and equipment written off	(908)	25
Share of loss in associated company	-	137
Finance costs	-	15
Interest income	(8)	(67)
Operating loss before working capital changes	(311)	(1,697)
Decrease/(Increase) in inventories	4	(4,740)
(Increase)/Decrease in trade and other receivables	(2,787)	1,520
Increase/(Decrease) in trade and other payables	(1,153)	891
Increase/(Decrease) in deferred income	(458)	359
Cash used in operations	(4,705)	(3,667)
Tax paid	26	(273)
Finance costs paid	-	(15)
Interest received	8	67
Net cash used in operating activities	(4,671)	(3,888)
CASHFLOWS FROM INVESTING ACTIVITIES		
Internally developed intangible assets	(136)	(614)
Purchase of property, plant and equipment	(9)	(74)
Proceeds from disposal of plant and equipment	1	4
Net proceeds from disposal of properties	4,915	-
Acquisition of subsidiary, net of cash equivalents	-	(833)
Capital contribution from minority shareholders	-	246
Net cash generated from/(used in) investing activities	4,771	(1,271)
CASHFLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(368)	(12)
Net cash used in financing activities	(368)	(12)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(268)	(5,171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,248	11,419
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16 5,980	6,248

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 First Quarter Ended 31 March 2010

A NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Financial Reporting Standards ("FRS") No. 134: Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("AMLR") and should be read in conjunction with the audited financial statements of the Company and its subsidiary companies ("TFP Group" or "TFP") for the financial year ended 31 December 2009.

The interim financial statements are prepared based on the historical cost convention and in compliance with the applicable Approved Accounting Standards in Malaysia.

A2 Significant accounting policies

The accounting policies and methods of computation adopted by TFP and its subsidiary companies ("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 2009.

The Directors anticipate that the application of the following new/revised FRSs, Issues Committee ("IC") Interpretations, amendments to FRSs and IC Interpretations, issued by the Malaysian Accounting Standards Board ("MASB"), which are mandatory and will be effective for the financial periods as stated below, will have no material impact on the financial statements of the Group and of the Company:

Effective date for financial periods beginning on or after 1 July 2009

FRS 8 Operating Segments

Effective date for financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Improvements to FRSs (2009)	Amendments to FRSs
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2010

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

A2 Significant accounting policies (cont'd)

Effective date for financial periods beginning on or after 1 January 2010 (cont'd)

IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
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Effective date for financial periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation
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Effective date for financial periods beginning on or after 1 July 2010

FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Agreements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The adoption of the above did not have any significant effects on the interim financial report upon their initial applications, other than as discussed below:

- a) FRS 7: Financial Instruments: Disclosures
FRS 7 requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed and how these risks are managed. This standard requires both qualitative disclosures describing management's objectives, policies and processes for managing those risks, and quantitative disclosures providing information about the extent to which an entity is exposed to risk, based on information provided internally to the entity's key management personnel.

- b) FRS 139: Financial Instruments: Recognition and Measurement (Revised)
FRS139 establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2010

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

c) **FRS 101: Presentation of Financial Statements (Revised)**

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

A3 Audit report of preceding annual financial statements

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

A4 Seasonal or cyclical factors

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

A5 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.

A6 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.

A7 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.

A8 Dividend paid

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

A9 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 First Quarter Ended 31 March 2010

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

A10 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current financial quarter.

A12 Changes in the composition of the Group

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

A13 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 2009.

A14 Capital commitments

As at 31 March 2010, the Group has no material capital commitments in respect of property, plant and equipment.

A15 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 23 June 2009. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	Current Year Quarter 31.03.2010 RM'000	Cumulative Year To Date 31.03.2010 RM'000
(i) Office rental paid to Directors of the Company	12	12



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2010

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

A16 Cash and cash equivalents

	Current Year To Date 31 Mar 2010 RM'000	Preceding Corresponding Year To Date 31 Dec 2009 RM'000
Fixed deposits with licensed banks	4,120	3,546
Cash and bank balances	1,860	2,702
	5,980	6,248

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

For the current quarter ended 31 March 2010, TFP Group recorded revenue of RM9.559 million. This is attributed mainly from the sale of infrastructure and turnkey projects and Enterprise Resource Planning ("ERP") solutions. The Group recorded a profit before taxation of RM0.422 million for the current quarter. An exceptional gain due to the disposal of properties, as approved by an Extraordinary General Meeting on 16 October 2009, resulted in a gain of RM0.908 million in 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 31 Mar 2010 RM'000	Preceding Quarter 31 Dec 2009 RM'000
Revenue	9,559	32,745
Profit/(loss) before tax	422	(695)

Compared to preceding quarter 31 December 2009, the Group recorded a decrease in revenue in the current quarter 31 March 2010. The profit before taxation was mainly due to a gain on disposal of RM0.908 million on the disposal of properties during the quarter.



TFP SOLUTIONS BERHAD (773550-A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The First Quarter Ended 31 March 2010

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

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 2010.

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

	Current Quarter 31 Mar 2010 RM'000	Cumulative Quarter 31 Mar 2010 RM'000
Current tax expense	23	23

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

On 25 August 2009, the Group had announced that the Company and its wholly-owned subsidiary disposed two (2) units of four (4) storey shop offices for a total cash consideration of RM5,100,000. The disposal has resulted in a gain on disposal of RM0.908 million to the TFP Group based on the consolidated net book value of the properties, which amounted to RM4.091 million as at 31 December 2009. The disposal was completed on 23 February 2010.

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

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 First Quarter Ended 31 March 2010

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B9 Status of utilisation of proceeds from public issue

TFP was listed on 22 February 2008 on the MESDAQ Market. The utilisation of gross proceeds of RM11,520,000 from the public issue by the Group as at 31 March 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	3,715	5	To be utilised by Feb 2011
Expansion	3,000	289	2,711	To be utilised by Feb 2011
R&D Expenditure	3,300	1,770	1,530	To be utilised by Feb 2011
Listing Expenses	1,500	1,505	(5) *	
	<u>11,520</u>	<u>7,279</u>	<u>4,241</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 31 March 2010.

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 RM5.4 million.

B12 Material litigation

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 Group 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 Group.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2010

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (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 Quarter 31 Mar 2010	Preceding Year Corresponding Quarter 31 Mar 2009	Current Year To date 31 Mar 2010	Preceding Year Corresponding Period 31 Mar 2009
Profit/(loss) after taxation and minority interests (RM'000)	441	(686)	441	(686)
Weighted average number of shares in issue ('000)	140,077	140,077	140,077	140,077
Basic earnings/(loss) per share (sen)	0.31	(0.49)	0.31	(0.49)

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 19 May 2010.

TFP Solutions Berhad
21 May 2010