



**TFP SOLUTIONS BERHAD (773550-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Quarterly Report For The First Quarter Ended 31 March 2011**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31 Mar 2011 RM'000	Preceding Year Corresponding Quarter 31 Mar 2010 RM'000	Current Year To date 31 Mar 2011 RM'000	Preceding Year Corresponding Period 31 Mar 2010 RM'000
Revenue		5,794	9,559	5,794	9,559
Direct costs		(4,642)	(9,079)	(4,642)	(9,079)
Gross profit		1,152	480	1,152	480
Other operating income		31	283	31	283
Other income		-	908	-	908
Administrative expenses		(1,107)	(1,031)	(1,107)	(1,031)
Other operating expenses		(1)	(218)	(1)	(218)
Finance costs		-	-	-	-
<b>Profit before taxation</b>		75	422	75	422
Taxation	B5	-	(23)	-	(23)
<b>Profit for the financial period</b>		75	399	75	399
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income</b>		75	399	75	399
<b>Profit/(loss) attributable to :</b>					
Equity holders of the Company		131	441	131	441
Minority shareholders		(56)	(42)	(56)	(42)
		75	399	75	399
<b>Basic earnings per share (sen)</b>	B14	0.09	0.31	0.09	0.31

**Note:**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2011**

(The figures have not been audited)

	<b>As at Current Year Quarter 31 Mar 2011 RM'000 (Unaudited)</b>	<b>As at Preceding Financial Year Ended 31 Dec 2010 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	304	404
Development costs	1,812	1,799
Goodwill on consolidation	255	255
	<u>2,371</u>	<u>2,458</u>
<b>CURRENT ASSETS</b>		
Stocks	2,369	2,382
Trade receivables	6,390	14,801
Other receivables, deposits & prepayments	1,363	514
Tax recoverable	437	411
Cash and cash equivalents	5,434	5,530
	<u>15,993</u>	<u>23,638</u>
<b>TOTAL ASSETS</b>	<u>18,364</u>	<u>26,096</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	14,007	14,007
Share premium	2,946	2,946
Accumulated losses	(2,216)	(2,347)
Shareholders' funds	<u>14,737</u>	<u>14,606</u>
Minority interests	<u>(148)</u>	<u>(92)</u>
<b>Total Equity</b>	<u>14,589</u>	<u>14,514</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<u>37</u>	<u>37</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,873	6,779
Other payables and accruals	828	2,824
Deferred income	37	94
Bank Borrowings (Secured)	-	1,848
	<u>3,738</u>	<u>11,545</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>18,364</u>	<u>26,096</u>
Net Assets per share (RM)	<u>0.11</u>	<u>0.10</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 2010 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 RM14,737,000 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 2011

(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 2010	14,007	2,946	-	(47)	16,906	42	16,948
Minority investment in shares of subsidiary	-	-	-	-	-	-	-
Net loss for the financial period	-	-	-	(2,300)	(2,300)	(134)	(2,434)
At 31 December 2010 (Audited)	14,007	2,946	-	(2,347)	14,606	(92)	14,514
At 1 January 2011	14,007	2,946	-	(2,347)	14,606	(92)	14,514
Net profit/(loss) for the financial period	-	-	-	131	131	(56)	75
At 31 March 2011 (Unaudited)	14,007	2,946	-	(2,216)	14,737	(148)	14,589

**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 2010 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 2011**  
(The figures have not been audited)

	<b>Current Year To date ended 31 Mar 2011 RM'000 (Unaudited)</b>	<b>Preceding Corresponding Year To date ended 31 Dec 2010 RM'000 (Audited)</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	75	(2,282)
Adjustments for:		
Amortisation of development costs	125	498
Depreciation of plant and equipment	57	247
Impairment loss on trade receivables	-	119
Reversal of impairment loss on trade receivables	(7)	(240)
Loss on disposal of plant and equipment	38	6
Gain on disposal of assets held for sale	-	(900)
Plant and equipment written off	6	2
Allowance for slow-moving inventories	-	2,366
Net unrealised foreign exchange loss	-	103
Finance costs	-	41
Interest income	(20)	(62)
Operating profit/(loss) before working capital changes	274	(102)
Decrease/(Increase) in inventories	13	(8)
Decrease/(Increase) in trade and other receivables	7,759	(9,693)
(Decrease)/Increase in trade and other payables	(6,092)	3,844
Decrease in deferred income	(57)	(421)
Cash generated from/(used in) operations	1,897	(6,380)
Tax paid	(26)	(46)
Finance costs paid	-	(41)
Interest received	20	62
Net cash generated from/(used in) operating activities	1,891	(6,405)
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Internally developed intangible assets	(138)	(547)
Purchase of property, plant and equipment	(1)	(60)
Proceeds from disposal of plant and equipment	-	1
Net proceeds from disposal of properties	-	4,916
Net cash (used in)/generated from investing activities	(139)	4,310
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	-	(368)
(Repayment)/drawdown of bills payable	(1,848)	1,848
Net cash (used in)/generated from financing activities	(1,848)	1,480
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(96)	(615)
<b>FOREIGN EXCHANGE TRANSACTION DIFFERENCES</b>	-	(103)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	5,530	6,248
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A16 5,434	5,530

**Note:**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2011**

**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 2010.

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 2010.

Save as disclosed below, 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:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclo	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirem	1 January 2011
Annual Improvements to FRSs (2010)	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**A2 Significant accounting policies (cont'd)**

FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)	Effective date
FRS 124 (Revised) Related Party Disclosures	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.

**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.



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**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.

**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 2010.

**A14 Capital commitments**

As at 31 March 2011, the Group has no material capital commitments in respect of property, plant and equipment.



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**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 2010. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	<b>Current Year Quarter 31.03.2011 RM'000</b>	<b>Cumulative Year To Date 31.03.2011 RM'000</b>
(i) Office rental paid to Directors of the Company	12	12

**A16 Cash and cash equivalents**

	<b>Current Year To Date 31 Mar 2011 RM'000</b>	<b>Preceding Corresponding Year To Date 31 Dec 2010 RM'000</b>
Fixed deposits with licensed banks	4,816	4,928
Cash and bank balances	618	602
	5,434	5,530

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

**B1 Review of performance**

For the current quarter ended 31 March 2011, TFP Group recorded revenue of RM5.794 million. This is attributed mainly from the sale of infrastructure and turnkey projects and Enterprise Resource Planning ("ERP") solutions. The Group recorded a marginal profit before taxation of RM0.075 million for the current quarter.

The Group is striving hard to overcome the challenging market conditions and are pleased to announce that we are gaining a healthier profit margins, for billings in infrastructure projects and ERP solutions.





**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**B2 Variation of results against preceding quarter**

	<b>Current Quarter 31 Mar 2011 RM'000</b>	<b>Preceding Quarter 31 Dec 2010 RM'000</b>
Revenue	5,794	12,356
Profit/(loss) before tax	75	(2,570)

Compared to preceding quarter 31 December 2010, the Group recorded a decrease in revenue in the current quarter 31 March 2011. The Group achieved a marginal profit before tax in the current quarter, as compared to the previous quarter, mainly due to better profit margins of infrastructure projects and ERP sales that were billed in the current quarter.

**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 2011.

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**

	<b>Current Quarter 31 Mar 2011 RM'000</b>	<b>Cumulative Quarter 31 Mar 2011 RM'000</b>
Current tax expense	-	-

There is no tax on the current quarter due to the availability of unutilised business losses brought forward.

**B6 Unquoted investments and properties**

There were no disposal of any unquoted investments or properties in the current quarter under review.



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**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.

**B9 Status of utilisation of proceeds from public issue**

TFP was listed on 22 February 2008 on the ACE Market (formerly known as MESDAQ Market).

On 4 April 2011, the company made the following announcement:-

- (i) the redeployment of part of its IPO proceeds of RM2.68 million, originally allocated for business expansion and capital expenditure to be used as working capital for TFP and its subsidiaries ("TFP Group" or the "Group") ("Proposed Revision"); and
- (ii) the extension of time for full utilisation of its remaining IPO proceeds as at 28 February 2011 amounted to RM3.76 million, made up of working capital of RM2.68 million by one (1) year to 21 February 2012 and research and development ("R&D") expenditure of RM1.08 million by one and half (1½) years to 21 August 2012 ("Extension of Time").

The utilisation of gross proceeds of RM11,520,000 from the public issue by the Group as at 31 March 2011 were as follows:-

<b>Purpose</b>	<b>Revised Proposed Amount RM'000</b>	<b>Amount Utilised RM'000</b>	<b>Amount Unutilised RM'000</b>	<b>Time frame for utilisation</b>
Working Capital	6,401	3,795	2,606	To be utilised by Feb 2012
Expansion	319	319	-	To be utilised by Feb 2011
R&D Expenditure	3,300	2,560	740	To be utilised by Aug 2012
Listing Expenses	1,500	1,505	(5) *	
	<u>11,520</u>	<u>8,179</u>	<u>3,341</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.



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**B10 Group's borrowings and debt securities**

The TFP Group has no borrowings or debt securities as at 31 March 2011.

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 RM14.9 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.

**B13 Dividends**

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

**B14 Earnings per share**

	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>To date</b>	<b>Corresponding</b>
	<b>31 Mar 2011</b>	<b>Quarter</b>	<b>31 Mar 2011</b>	<b>Period</b>
		<b>31 Mar 2010</b>		<b>31 Mar 2010</b>
Profit after taxation and minority interests (RM'000)	131	441	131	441
Weighted average number of shares in issue ('000)	140,077	140,077	140,077	140,077
Basic earnings per share (sen)	0.09	0.31	0.09	0.31

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



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The First Quarter Ended 31 March 2011**

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

**B15 Realised and Unrealised Losses Disclosure**

The accumulated losses as at 31 March 2011 and 31 December 2010 is analysed as follows:-

	<b>Current Quarter 31 Mar 2011 RM'000</b>	<b>Preceding Quarter 31 Dec 2010 RM'000</b>
Total accumulated losses of TFP Group:		
- Realised	(667)	(320)
- Unrealised	(37)	(140)
	<u>(704)</u>	<u>(460)</u>
Less : Consolidation adjustments	(1,512)	(1,887)
Total group accumulated losses as per statement of financial position	<u>(2,216)</u>	<u>(2,347)</u>

**B16 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 18 May 2011.

**TFP Solutions Berhad**  
18 May 2011