



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The Second Quarter Ended 30 June 2011
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30 Jun 2011 RM'000	Preceding Year Corresponding Quarter 30 Jun 2010 RM'000	Current Year To date 30 Jun 2011 RM'000	Preceding Year Corresponding Period 30 Jun 2010 RM'000
Revenue		11,686	4,492	17,480	14,051
Direct costs		(10,337)	(3,763)	(14,979)	(12,842)
Gross profit		1,349	729	2,501	1,209
Other operating income		144	127	175	410
Other income		-	-	-	908
Administrative expenses		(1,281)	(1,194)	(2,388)	(2,225)
Other operating expenses		(10)	(5)	(11)	(223)
Finance costs		-	(5)	-	(5)
Profit before taxation		202	(348)	277	74
Taxation	B5	(89)	(34)	(89)	(57)
Profit for the financial period		113	(382)	188	17
Other comprehensive income		-	-	-	-
Total comprehensive income		113	(382)	188	17
Profit/(loss) attributable to :					
Equity holders of the Company		155	(382)	286	59
Minority shareholders		(42)	-	(98)	(42)
		113	(382)	188	17
Basic earnings per share (sen)	B14	0.11	(0.27)	0.20	0.04

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 30 June 2011

(The figures have not been audited)

	As at Current Year Quarter 30 Jun 2011 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31 Dec 2010 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	271	404
Development costs	1,804	1,799
Goodwill on consolidation	255	255
	<u>2,330</u>	<u>2,458</u>
CURRENT ASSETS		
Stocks	19	2,382
Trade receivables	9,768	14,801
Other receivables, deposits & prepayments	178	514
Tax recoverable	320	411
Cash and cash equivalents	7,912	5,530
	<u>18,197</u>	<u>23,638</u>
TOTAL ASSETS	<u>20,527</u>	<u>26,096</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	14,007	14,007
Share premium	2,946	2,946
Accumulated losses	(2,061)	(2,347)
Shareholders' funds	<u>14,892</u>	<u>14,606</u>
Minority interests	<u>(190)</u>	<u>(92)</u>
Total Equity	<u>14,702</u>	<u>14,514</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>37</u>	<u>37</u>
CURRENT LIABILITIES		
Trade payables	4,569	6,779
Other payables and accruals	1,148	2,824
Deferred income	71	94
Bank Borrowings (Secured)	-	1,848
	<u>5,788</u>	<u>11,545</u>
TOTAL EQUITY AND LIABILITIES	<u>20,527</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 RM14,892,000 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 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	-	-	-	286	286	(98)	188
At 30 June 2011 (Unaudited)	14,007	2,946	-	(2,061)	14,892	(190)	14,702

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 Second Quarter Ended 30 June 2011
(The figures have not been audited)

	Current Year To date ended 30 Jun 2011 RM'000 (Unaudited)	Preceding Corresponding Year To date ended 31 Dec 2010 RM'000 (Audited)
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	277	(2,282)
Adjustments for:		
Amortisation of development costs	247	498
Depreciation of plant and equipment	95	247
Impairment loss on trade receivables	6	119
Reversal of impairment loss on trade receivables	(75)	(240)
Loss on disposal of plant and equipment	38	6
Gain on disposal of assets held for sale	-	(900)
Plant and equipment written off	9	2
Allowance for slow-moving inventories	-	2,366
Net unrealised foreign exchange loss	4	103
Finance costs	-	41
Interest income	(48)	(62)
Operating profit/(loss) before working capital changes	553	(102)
Decrease/(Increase) in inventories	2,363	(8)
Decrease/(Increase) in trade and other receivables	5,620	(9,693)
(Decrease)/Increase in trade and other payables	(4,072)	3,844
Decrease in deferred income	(23)	(421)
Cash generated from/(used in) operations	4,441	(6,380)
Tax refund/(paid)	2	(46)
Finance costs paid	-	(41)
Interest received	48	62
Net cash generated from/(used in) operating activities	4,491	(6,405)
CASHFLOWS FROM INVESTING ACTIVITIES		
Internally developed intangible assets	(252)	(547)
Purchase of property, plant and equipment	(9)	(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	(261)	4,310
CASHFLOWS FROM FINANCING ACTIVITIES		
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
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,382	(615)
FOREIGN EXCHANGE TRANSACTION DIFFERENCES	-	(103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,530	6,248
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16 7,912	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 Second Quarter Ended 30 June 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



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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.



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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 30 June 2011, the Group has no material capital commitments in respect of property, plant and equipment.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Second Quarter Ended 30 June 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 28 June 2011. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	Current Year Quarter 30.06.2011 RM'000	Cumulative Year To Date 30.06.2011 RM'000
(i) Office rental paid to Directors of the Company	13	25

A16 Cash and cash equivalents

	Current Year To Date 30 Jun 2011 RM'000	Preceding Corresponding Year To Date 31 Dec 2010 RM'000
Fixed deposits with licensed banks	6,463	4,928
Cash and bank balances	1,449	602
	7,912	5,530

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

B1 Review of performance

For the current quarter ended 30 June 2011, TFP Group recorded revenue of RM11.686 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 RM0.202 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.



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

B2 Variation of results against preceding quarter

	Current Quarter 30 Jun 2011 RM'000	Preceding Quarter 31 Mar 2011 RM'000
Revenue	11,686	5,794
Profit/(loss) before tax	202	75

Compared to preceding quarter 31 March 2011, the Group recorded an increase in revenue in the current quarter 30 June 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

	Current Quarter 30 Jun 2011 RM'000	Cumulative Quarter 30 Jun 2011 RM'000
Current tax expense	89	89

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 disposal of any unquoted investments or properties in the current quarter under review.



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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 30 June 2011 were as follows:-

Purpose	Revised Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Time frame for utilisation
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	2,674	626	To be utilised by Aug 2012
Listing Expenses	1,500	1,505	(5) *	
	<u>11,520</u>	<u>8,293</u>	<u>3,227</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.



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Quarterly Report For The Second Quarter Ended 30 June 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 30 June 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

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To date	Corresponding
	30 Jun 2011	Quarter	30 Jun 2011	Period
		30 Jun 2010		30 Jun 2010
Profit after taxation and minority interests (RM'000)	155	(382)	286	59
Weighted average number of shares in issue ('000)	140,077	140,077	140,077	140,077
Basic earnings per share (sen)	0.11	(0.27)	0.20	0.04

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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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 30 June 2011 and 31 March 2011 is analysed as follows:-

	Current Quarter 30 Jun 2011 RM'000	Preceding Quarter 31 Mar 2011 RM'000
Total accumulated losses of TFP Group:		
- Realised	(268)	(667)
- Unrealised	(4)	(37)
	<u>(272)</u>	<u>(704)</u>
Less : Consolidation adjustments	(1,789)	(1,512)
Total group accumulated losses as per statement of financial position	<u>(2,061)</u>	<u>(2,216)</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 23 August 2011.

TFP Solutions Berhad
24 August 2011