



TFP SOLUTIONS BERHAD (773550-A)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**Quarterly Report For The Third Quarter Ended 30 September 2016**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30 Sep 2016 RM'000	Preceding Year Corresponding Quarter 30 Sep 2015 RM'000	Current Year To date 30 Sep 2016 RM'000	Preceding Year Corresponding Period 30 Sep 2015 RM'000
Revenue		13,250	16,807	39,622	62,046
Direct costs		(10,823)	(14,595)	(33,809)	(55,125)
Gross profit		2,427	2,212	5,813	6,921
Other operating income		154	274	661	795
Administrative expenses		(2,392)	(2,218)	(6,120)	(6,315)
Other operating expenses		(16)	(5)	(62)	(42)
<b>Profit before taxation</b>		173	263	292	1,359
Taxation	B6	-	33	(117)	(255)
<b>Profit for the financial period</b>		173	296	175	1,104
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income</b>		173	296	175	1,104
<b>Profit attributable to :</b>					
Equity holders of the Company		262	78	310	813
Minority shareholders		(89)	218	(135)	291
		173	296	175	1,104
<b>Earnings per share (sen)</b>					
- Basic	B15	0.13	0.04	0.15	0.40
- Diluted	B15	0.09	0.03	0.10	0.27

**Note:**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 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 September 2016**

(The figures have not been audited)

	<b>As at Current Year Quarter 30 Sep 2016 RM'000 (Unaudited)</b>	<b>As at Preceding Financial Year Ended 31 Dec 2015 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	305	228
	<u>305</u>	<u>228</u>
<b>CURRENT ASSETS</b>		
Trade receivables	20,602	12,685
Other receivables, deposits & prepayments	662	1,279
Tax recoverable	816	401
Cash and cash equivalents	7,287	12,094
	<u>29,367</u>	<u>26,459</u>
<b>TOTAL ASSETS</b>	<u>29,672</u>	<u>26,687</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	20,506	20,506
Treasury shares	(93)	-
Share premium	6,758	6,758
Warrant reserves	1,357	1,357
Exchange fluctuation account	(24)	(24)
Retained profits	(12,323)	(12,633)
Shareholders' funds	<u>16,181</u>	<u>15,964</u>
Minority interests	142	277
<b>Total Equity</b>	<u>16,323</u>	<u>16,241</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<u>43</u>	<u>43</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	11,574	8,487
Other payables and accruals	1,182	1,700
Deferred income	-	-
Bank Borrowings (Secured)	550	-
Provision for taxation	-	216
	<u>13,306</u>	<u>10,403</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>29,672</u>	<u>26,687</u>
Net Assets per share (RM)	<u>0.08</u>	<u>0.08</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 2015 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 RM16,323,000 over the number of ordinary shares of 204,389,645 shares of RM0.10 each.



TFP SOLUTIONS BERHAD (773550-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Quarterly Report For The Third Quarter Ended 30 September 2016

(The figures have not been audited)

	<----- Non-distributable ----->				Distributable Retained Profits RM'000	Exchange Fluctuation Account RM'000	Shareholders' Fund RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000					
At 1 January 2015	20,506	-	6,758	1,357	(13,156)	(7)	15,458	160	15,618
Net profit/(loss) for the financial period	-	-	-	-	523	-	523	362	885
Dividend paid by subsidiary to non-controlling interest during period	-	-	-	-	-	-	-	(245)	(245)
Exchange difference arising from translation of foreign currency	-	-	-	-	-	(17)	(17)	-	(17)
At 31 December 2015 (Audited)	20,506	-	6,758	1,357	(12,633)	(24)	15,964	277	16,241
At 1 January 2016	20,506	-	6,758	1,357	(12,633)	(24)	15,964	277	16,241
Net profit for the financial period	-	-	-	-	310	-	310	(135)	175
Share buy back during period	-	(93)	-	-	-	-	(93)	-	(93)
At 30 September 2016 (Unaudited)	20,506	(93)	6,758	1,357	(12,323)	(24)	16,181	142	16,323

**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 2015 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 Third Quarter Ended 30 September 2016**  
(The figures have not been audited)

	<b>Current Year To date ended 30 Sep 2016 RM'000</b>	<b>Preceding Year Corresponding Period ended 30 Sep 2015 RM'000</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	292	1,359
Adjustments for:		
Depreciation of plant and equipment	37	47
Reversal of impairment loss on trade receivables	(115)	(94)
Interest income	(110)	(65)
Operating profit before working capital changes	104	1,247
(Increase)/Decrease in trade and other receivables	(7,383)	1,181
Increase/(Decrease) in trade and other payables	2,767	2,918
Decrease in deferred income	-	(56)
Cash generated from operations	(4,512)	5,290
Tax paid	(748)	(154)
Interest received	110	65
Net cash generated from operating activities	(5,150)	5,201
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(114)	(104)
Dividend paid by subsidiary to non-controlling interests	-	-
Net cash used in investing activities	(114)	(104)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowing	550	-
Payment for share buy back	(93)	-
Net cash generated from financing activities	457	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,807)	5,097
<b>FOREIGN EXCHANGE TRANSACTION DIFFERENCES</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	12,094	4,192
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	7,287	9,289
	A16	

**Note:**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 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 Third Quarter Ended 30 September 2016**

**A NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A1 Basis of preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") 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 2015.

The interim financial statements are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 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 2015.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

MFRS 14, Regulatory Deferral Accounts

Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants

Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements

Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The Third Quarter Ended 30 September 2016**

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

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9, Financial Instruments (2014)

MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2016; and
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below :

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurements on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Arrangements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interest in Other Entities and MFRS 128, Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception

The amendments to MFRS 10, MFRS 12 and MFRS 128 require an investment entity parent to fair value a subsidiary providing investment-related services that is itself an investment entity, an intermediate parent owned by an investment entity group can be exempted from preparing consolidated financial statements and a non-investment entity investor can retain the fair value accounting applied by its investment entity associate or joint venture.



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

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

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9, 15 and amendments to MFRS 10, MFRS 12 and MFRS 128.

**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, save as disclosed below:-

	Ordinary Share Capital RM'000	Warrants RM'000
Balance at 1 January 2016	20,506	9,765
Add: Warrants converted to ordinary shares	-	-
Balance at 30 September 2016	<u>20,506</u>	<u>9,765</u>

**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.





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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
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**A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)**

**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 2015.

**A14 Capital commitments**

As at 30 September 2016, 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 8 June 2016. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	<b>Current Year Quarter 30 Sep 2016 RM'000</b>	<b>Cumulative Year To Date 30 Sep 2016 RM'000</b>
(i) Office rental paid to Directors of the Company	18	55
(ii) Transaction with related company	-	-
<b>A16 Cash and cash equivalents</b>		<b>Preceding Corresponding Period To Date</b>
	<b>Current Period To Date 30 Sep 2016 RM'000</b>	<b>30 Sep 2015 RM'000</b>
Fixed deposits with licensed banks	5,128	5,699
Cash and bank balances	2,159	3,590
	<u>7,287</u>	<u>9,289</u>





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

**B1 Review of performance**

For the current quarter ended 30 September 2016, TFP Group recorded a revenue of RM13.250million. This is attributed mainly from the IT infrastructure business and Enterprise Resource Planning ("ERP") solutions. The Group recorded a profit before taxation of RM173 thousand for the current quarter.

**B2 Variation of results against preceding quarter**

	<b>Current Quarter 30 Sep 2016 RM'000</b>	<b>Preceding Quarter 30 Jun 2016 RM'000</b>
Revenue	13,250	16,434
Profit before tax	173	132

Compared to preceding quarter ended 30 June 2016, although the Group recorded a decrease in revenue in the current quarter ended 30 September 2016, these sales yielded better gross margin. As a result, the current quarter recorded a marginal increase in profit before tax, as compared to the previous quarter.

**B3 Prospects**

TFP is fully aware of the continuing global economic challenges and its impact on the local economy. Barring unforeseen circumstances, the Board of Directors are of the opinion that the performance of the existing business of the TFP Group will remain cautiously optimistic for the financial year 2016.

The management of TFP will persevere in its business initiatives to secure more projects and continuously looking for new business opportunities to expand our business portfolios.

**B4 Variation of actual profit from forecast profit**

Not applicable for the current financial quarter.



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

<b>B5 Statement of Comprehensive Income</b>	<b>Current Quarter 30 Sep 2016 RM'000</b>	<b>Cumulative Quarter 30 Sep 2016 RM'000</b>
a. interest income	31	110
b. other income including investment income	123	550
c. foreign exchange gain	-	-
d. interest expense	(5)	(5)
e. depreciation and amortisation	(9)	(37)
f. provision for and write off of receivables	-	-
g. provision for and write off of inventories	-	-
h. impairment of assets	-	-
i. foreign exchange loss	(2)	(22)
j. gain/(loss) on derivatives	-	-
k. exceptional items	-	-
	<hr/>	<hr/>
<b>B6 Taxation</b>	<b>Current Quarter 30 Sep 2016 RM'000</b>	<b>Cumulative Quarter 30 Sep 2016 RM'000</b>
Current tax expense	-	117
	<hr/>	<hr/>

The effective tax rate is higher as the MSC status subsidiary company 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.

**B7 Unquoted investments and properties**

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

**B8 Quoted securities**

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

**B9 Status of corporate proposals**

There are no corporate proposals announced but not yet completed as at the date of this announcement.

**B10 Status of utilisation of proceeds from public issue**

There were no proceeds raised by the Company from any corporate proposal during the period.



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**Quarterly Report For The Third Quarter Ended 30 September 2016**

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

**B11 Group's borrowings and debt securities**

As at 30 September 2016, the Group's borrowings amounted to RM 0.55 million.

	As at 30 Sep 2016 RM'000	As at 30 Jun 2016 RM'000
Bankers Acceptances		
Short-term	550	1,649
Long-term	-	-
	550	1,649

The bankers acceptances were drawdown as payment to trade suppliers. The TFP Group has no other borrowings or debt securities as at 30 September 2016.

The TFP Group does not have any foreign currency borrowings.

**B12 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 RM9.1 million.

**B13 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.

**B14 Dividends**

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

**B15 Earnings per share**

	Current Year Quarter 30 Sep 2016	Preceding Year Corresponding Quarter 30 Sep 2015	Current Year To date 30 Sep 2016	Preceding Year Corresponding Period 30 Sep 2015
Profit after taxation and minority interests (RM'000)	262	78	310	813
Weighted average number of shares in issue ('000)	204,873	205,059	204,873	205,059
Basic earnings per share (sen)	0.13	0.04	0.15	0.40



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

**B15 Earnings per share (Cont'd)**

	<b>Current Year Quarter 30 Sep 2016</b>	<b>Preceding Year Corresponding Quarter 30 Sep 2015</b>	<b>Current Year To date 30 Sep 2016</b>	<b>Preceding Year Corresponding Period 30 Sep 2015</b>
Number of shares in issue ('000)	205,060	205,060	205,060	205,060
Number of shares buyback ('000)	(670)	-	(670)	-
Warrants in issue ('000)	97,648	97,648	97,648	97,648
	<u>302,038</u>	<u>302,708</u>	<u>302,038</u>	<u>302,708</u>
 Diluted earnings per share (sen)	 <u>0.09</u>	 <u>0.03</u>	 <u>0.10</u>	 <u>0.27</u>

**B16 Realised and Unrealised Profits/(Losses) Disclosure**

The retained profits/(accumulated losses) as at 30 September 2016 and 30 June 2016 are analysed as follows:-

	<b>Current Quarter 30 Sep 2016 RM'000</b>	<b>Preceding Quarter 30 Jun 2016 RM'000</b>
Total retained profits/(accumulated losses) of TFP Group:		
- Realised	(11,148)	(11,410)
- Unrealised	(43)	(43)
	<u>(11,191)</u>	<u>(11,453)</u>
Less : Consolidation adjustments	(1,132)	(1,132)
Total group (accumulated losses)/retained profits as per statement of financial position	<u>(12,323)</u>	<u>(12,585)</u>

**B17 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 17 November 2016.

**TFP Solutions Berhad**

17 November 2016