



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The First Quarter Ended 31 March 2018
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31 Mar 2018 RM'000	Preceding Year Corresponding Quarter 31 Mar 2017 RM'000	Current Year To date 31 Mar 2018 RM'000	Preceding Year Corresponding Period 31 Mar 2017 RM'000
Revenue		12,894	9,657	12,894	9,657
Direct costs		(10,677)	(7,745)	(10,677)	(7,745)
Gross profit		2,217	1,912	2,217	1,912
Other operating income		115	173	115	173
Administrative expenses		(2,241)	(2,038)	(2,241)	(2,038)
Other operating expenses		(15)	(6)	(15)	(6)
Finance costs		-	-	-	-
Profit after exceptional item before taxation		76	41	76	41
Taxation	B6	-	-	-	-
Profit for the financial period		76	41	76	41
Other comprehensive income		-	-	-	-
Total comprehensive income		76	41	76	41
Profit/(loss) attributable to :					
Equity holders of the Company		128	2	128	2
Minority shareholders		(52)	39	(52)	39
		76	41	76	41
Earnings per share (sen)					
- Basic	B15	0.06	0.00	0.06	0.00
- Diluted	B15	0.04	0.00	0.04	0.00

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2018

(The figures have not been audited)

	As at Current Year Quarter 31 Mar 2018 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31 Dec 2017 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	256	268
	<u>256</u>	<u>268</u>
CURRENT ASSETS		
Trade receivables	13,434	16,546
Other receivables, deposits & prepayments	141	855
Tax recoverable	436	350
Cash and cash equivalents	9,840	8,982
	<u>23,851</u>	<u>26,733</u>
TOTAL ASSETS	<u>24,107</u>	<u>27,001</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	20,506	20,506
Treasury shares	(179)	(179)
Share premium	6,758	6,758
Warrant reserves	1,357	1,357
Exchange fluctuation account	(23)	(23)
Retained profits	(15,915)	(16,043)
Shareholders' funds	<u>12,504</u>	<u>12,376</u>
Minority interests	55	107
Total Equity	<u>12,559</u>	<u>12,483</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	9	9
CURRENT LIABILITIES		
Trade payables	5,636	12,905
Other payables and accruals	5,903	1,604
	<u>11,539</u>	<u>14,509</u>
TOTAL EQUITY AND LIABILITIES	<u>24,107</u>	<u>27,001</u>
Net Assets per share (RM)	<u>0.06</u>	<u>0.06</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 2017 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 RM12,504,000 over the number of ordinary shares of 205,060,000 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 2018

(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 2017	20,506	(179)	6,758	1,357	(15,312)	(27)	13,103	196	13,299
Net (loss)/profit for the financial period	-	-	-	-	(731)	-	(731)	(89)	(820)
Exchange difference arising from translation of foreign currency	-	-	-	-	-	4	4	-	4
At 31 December 2017 (Audited)	20,506	(179)	6,758	1,357	(16,043)	(23)	12,376	107	12,483
At 1 January 2018	20,506	(179)	6,758	1,357	(16,043)	(23)	12,376	107	12,483
Net profit for the financial period	-	-	-	-	128	-	128	(52)	76
Exchange difference arising from translation of foreign currency	-	-	-	-	-	-	-	-	-
At 31 March 2018 (Unaudited)	20,506	(179)	6,758	1,357	(15,915)	(23)	12,504	55	12,559

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 2017 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 2018
(The figures have not been audited)

	Current Year To date ended 31 Mar 2018 RM'000	Preceding Year Corresponding Period ended 31 Mar 2017 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	76	41
Adjustments for:		
Depreciation of plant and equipment	26	24
Reversal of impairment loss on trade receivables	-	(3)
Interest income	(46)	(28)
Operating profit before working capital changes	56	34
Decrease in trade and other receivables	3,399	1,813
Decrease in trade and other payables	(2,505)	(2,017)
Decrease/(increase) in deferred income	(37)	41
Cash generated from/(used in) operations	913	(129)
Tax paid	(87)	(13)
Interest received	46	28
Net cash generated from/(used in) operating activities	872	(114)
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14)	(5)
Net cash used in investing activities	(14)	(5)
CASHFLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	-	1,920
Net cash generated from financing activities	-	1,920
NET INCREASE IN CASH AND CASH EQUIVALENTS	858	1,801
FOREIGN EXCHANGE TRANSACTION DIFFERENCES	-	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	8,982	5,307
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	9,840	7,109
	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 2017 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 2018

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 2017.

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 ("IFRS") and the requirements of the Companies Act 2016 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 2017.

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 2018

Amendments to MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards
(Annual Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Sharebased
Payment Transactions

Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments
with MFRS 4 Insurance Contracts

MFRS 9, Financial Instruments (2014)

MFRS 15, Revenue from Contracts with Customers

Clarifications to MFRS 15, Revenue from Contracts with Customers

Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual
Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 140, Investment Property – Transfers of Investment Property
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2018

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 2019

Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation

Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)

MFRS 16, Leases

Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement

Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long Term Interests in Associates and Joint Ventures

IC Interpretation 23, Uncertainty over Income Tax Treatments

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

MFRS 17, Insurance Contracts

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 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.
- from the annual period beginning on 1 January 2019 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 2019.
- from the annual period beginning on 1 January 2021 for those accounting standards, amendments or interpretations that are applicable to the Company and effective for annual periods beginning on or after 1 January 2021.



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

A2 Significant accounting policies (cont'd)

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.

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 17, Insurance Contracts

MFRS 17 replaces the existing standard on Insurance Contracts MFRS 4. Earlier application is permitted provided the entities have applied MFRS 9, Financial Instruments and MFRS 15, Revenue from Contracts with Customers on or before the date of initial application of MFRS 17.

Amendments to MFRS 3, Business Combinations and MFRS 11, Joint Arrangements

The amendments clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to MFRS 11, Joint Arrangements clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.



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

A2 Significant accounting policies (cont'd)

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 amendments clarify that :-

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

Amendments to MFRS 112, Income Taxes

The amendments clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

Amendments to MFRS 123, Borrowing Costs

The amendments clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9, MFRS 15, MFRS 16, MFRS 17, amendments to MFRS 3 and MFRS 11, amendments to MFRS 10 and MFRS 128, amendments to MFRS 112 and amendments to MFRS 123.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2018

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

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	Share Buy Back RM'000	Warrants RM'000
Balance at 1 January 2018	20,506	179	9,765
Add: Warrants converted to ordinary shares	-	-	-
Add: Share buy backs during the period	-	-	-
Balance at 31 March 2018	<u>20,506</u>	<u>179</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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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 2017.

A14 Capital commitments

As at 31 March 2018, 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 1 June 2017. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	Current Year Quarter 31 Mar 2018 RM'000	Cumulative Year To Date 31 Mar 2018 RM'000
(i) Office rental paid to Directors of the Company	18	18
(ii) Transaction with related company	-	-
A16 Cash and cash equivalents		Preceding Corresponding Period To Date
	Current Period To Date 31 Mar 2018 RM'000	Period To Date 31 Mar 2017 RM'000
Fixed deposits with licensed banks	5,890	4,420
Cash and bank balances	3,950	2,689
	<u>9,840</u>	<u>7,109</u>



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Quarterly Report For The First Quarter Ended 31 March 2018

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

B1 Review of performance

For the current quarter ended 31 March 2018, TFP Group recorded a revenue of RM12.9 million. This is attributed mainly from the IT infrastructure and Enterprise Resources Planning business. The Group recorded a profit before taxation of RM76 thousand for the current quarter.

B2 Variation of results against preceding quarter

	Current Quarter 31 Mar 2018 RM'000	Preceding Quarter 31 Dec 2017 RM'000
Revenue	12,894	17,399
Profit/(loss) before tax	76	(283)

Compared to preceding quarter ended 31 December 2017, the Group recorded a decrease in revenue in the current quarter ended 31 March 2018, due mainly to decreased orders from customers. However, the current quarter recorded a profit before tax, as compared to the previous quarter, due to better margins.

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 2018.

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)

B5 Statement of Comprehensive Income	Current Quarter 31 Mar 2018 RM'000	Cumulative Quarter 31 Mar 2018 RM'000
a. interest income	46	46
b. other income including investment income	64	64
c. foreign exchange gain	-	-
d. interest expense	-	-
e. depreciation and amortisation	(26)	(26)
f. provision for and write off of receivables	-	-
g. provision for and write off of inventories	-	-
h. impairment of assets	-	-
i. foreign exchange loss	(7)	(7)
j. gain/(loss) on derivatives	-	-
k. exceptional items	-	-
B6 Taxation	Current Quarter 31 Mar 2018 RM'000	Cumulative Quarter 31 Mar 2018 RM'000
Current tax expense	-	-

No tax has been provided for the TFP Group due to available brought forward tax losses to offset the current quarter profits.

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.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First Quarter Ended 31 March 2018

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

B11 Group's borrowings and debt securities

The TFP Group has no borrowings or debt securities as at 31 March 2018.

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 RM15.6 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 31 Mar 2018	Preceding Year Corresponding Quarter 31 Mar 2017	Current Year To date 31 Mar 2018	Preceding Year Corresponding Period 31 Mar 2017
Profit attributable to equity holders of the company (RM'000)	128	2	128	2
Weighted average number of shares in issue ('000)	205,060	205,060	205,060	205,060
Basic earnings per share (sen)	0.06	0.00	0.06	0.00



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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)

	Current Year Quarter 31 Mar 2018	Preceding Year Corresponding Quarter 31 Mar 2017	Current Year To date 31 Mar 2018	Preceding Year Corresponding Period 31 Mar 2017
Number of shares in issue ('000)	205,060	205,060	205,060	205,060
Number of shares buyback ('000)	(1,279)	(1,279)	(1,279)	(1,279)
Warrants in issue ('000)	97,648	97,648	97,648	97,648
	301,429	301,429	301,429	301,429
Diluted earnings per share (sen)	0.04	0.00	0.04	0.00

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 30 May 2018.

TFP Solutions Berhad
30 May 2018