



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The Third Quarter Ended 30 September 2019
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30-Sep-19 RM'000	Preceding Year Corresponding Quarter 30-Sep-18 RM'000	Current Year To date 30-Sep-19 RM'000	Preceding Year Corresponding Period 30-Sep-18 RM'000
Revenue		16,803	16,902	73,237	35,896
Direct costs		(16,744)	(15,584)	(70,469)	(31,468)
Gross profit		59	1,318	2,768	4,428
Other operating income		1,739	153	2,339	438
Administrative expenses		(1,912)	(1,981)	(7,409)	(6,152)
Other operating expenses		(269)	(19)	(343)	(39)
Finance costs		(6)	-	(16)	-
Loss after exceptional item before taxation		(389)	(529)	(2,661)	(1,325)
Taxation	B6	-	-	-	-
Loss for the financial period		(389)	(529)	(2,661)	(1,325)
Other comprehensive income		-	-	-	-
Total comprehensive expense		(389)	(529)	(2,661)	(1,325)
Loss attributable to :					
Equity holders of the Company		(382)	(505)	(2,614)	(1,203)
Non-Controlling Interest		(7)	(24)	(47)	(122)
		(389)	(529)	(2,661)	(1,325)
Loss per share (sen)					
- Basic	B15	(0.19)	(0.25)	(1.27)	(0.59)
- Diluted	B15	(0.19)	(0.17)	(1.27)	(0.40)

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019

(The figures have not been audited)

	As at Current Year Quarter 30-Sep-19 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31-Dec-18 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	851	236
Right-of-Use Asset	373	-
	1,224	236
CURRENT ASSETS		
Stocks	198	-
Trade receivables	4,897	14,677
Other receivables, deposits & prepayments	2,638	849
Tax recoverable	168	651
Deposit with licensed banks	768	2,137
Cash and bank balances	4,479	5,763
	13,148	24,077
TOTAL ASSETS	14,372	24,313
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,059	9,764
Treasury shares	(179)	(179)
Warrant reserves	-	1,357
Foreign currency translation reserve	-	(23)
Accumulated losses	(1,790)	(510)
Shareholders' funds	8,090	10,409
Non-controlling interest	(68)	7
Total Equity	8,022	10,416
NON-CURRENT LIABILITIES		
Lease liabilities	164	-
Deferred tax liabilities	5	5
	169	5
CURRENT LIABILITIES		
Trade payables	5,323	12,749
Other payables and accruals	644	1,143
Lease liabilities	214	-
	6,181	13,892
TOTAL EQUITY AND LIABILITIES	14,372	24,313
Net Assets per share (sen)	3.86	5.08

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 Total Equity of RM8,022,000 over the number of ordinary shares of 208,012,945 shares.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Quarterly Report For The Third Quarter Ended 30 September 2019
 (The figures have not been audited)

	Non-distributable				Distributable			Total Equity RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Shareholders' Fund RM'000		Non-Controlling Interests RM'000
At 1 January 2018	20,506	(179)	6,758	1,357	(23)	(16,043)	12,376	107	12,483
Net loss for the financial year	-	-	-	-	-	(1,967)	(1,967)	(100)	(2,067)
Capital reduction	(17,500)	-	-	-	-	17,500	-	-	-
Transfer of share premium in accordance with Section 618(2) of the Companies Act, 2016	6,758	-	(6,758)	-	-	-	-	-	-
At 31 December 2018 (Audited)	9,764	(179)	-	1,357	(23)	(510)	10,409	7	10,416
At 1 January 2019	9,764	(179)	-	1,357	(23)	(510)	10,409	7	10,416
Net loss for the financial period	-	-	-	-	-	(2,614)	(2,614)	(47)	(2,661)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	(28)	(28)
Share issued during period	295	-	-	-	-	-	295	-	295
Warrant reserves	-	-	-	(1,357)	-	1,357	-	-	-
Exchange difference arising from translation of foreign currency	-	-	-	-	23	(23)	-	-	-
At 30 September 2019 (Unaudited)	10,059	(179)	-	-	-	(1,790)	8,090	(68)	8,022

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 2018 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 2019
(The figures have not been audited)

	Current Year To date ended 30-Sep-19 RM'000	Preceding Year Corresponding Period ended 30-Sep-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,661)	(1,325)
Adjustments for:		
Depreciation of plant and equipment	235	78
Impairment on trade receivables	320	-
Gain on disposal of subsidiary company	(1,676)	-
Goodwill written off	82	-
Interest expense	16	-
Net unrealised foreign exchange loss	-	16
Interest income	(54)	(109)
Operating loss before working capital changes	(3,738)	(1,340)
Decrease/(Increase) in inventories	(198)	-
Decrease in trade and other receivables	(9,894)	(1,387)
Decrease in trade and other payables	5,610	2,673
Cash used in operations	(8,220)	(54)
Tax received/(paid)	244	(194)
Interest expense paid	(16)	-
Interest received	54	109
Net cash used in operating activities	(7,938)	(139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in placement of pledge deposits	(281)	-
Purchase of plant and equipment	(832)	(14)
Proceed on disposal of subsidiaries	7,609	-
Cash flow on acquisition of subsidiary company	1	-
Net cash generated from/(used in) investing activities	6,497	(14)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(138)	-
Proceeds from issue of shares	295	-
Net cash generated from financing activities	157	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,284)	(153)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,763	8,982
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16 <u>4,479</u>	<u>8,829</u>

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019

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 2018.

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 2018.

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 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



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 September 2019

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 2020

Amendments to MFRS 2, Share-Based Payment
Amendments to MFRS 3, Business Combinations
Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14, Regulatory Deferral Accounts
Amendments to MFRS 101, Presentation of Financial Statements
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134, Interim Financial Reporting
Amendment to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
Amendment to MFRS 138, Intangible Assets
Amendment to IC Interpretation 12, Service Concession Arrangements
Amendment to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
Amendment to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs

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 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 2020 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 2020; and
- 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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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 September 2019

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 16, Leases

MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has adopted MFRS 16 retrospectively from 1 January 2019 using the simplified transition approach and has not restated comparatives for the 2018 reporting period, as permitted under the standard. The Group also elected to use the recognition exemptions for lease contract at the commencement date have a lease term of 12 months or less, or the underlying assets is of low value. The adoption of MFRS 16 have the following impact on the consolidated financial statements for period ended 30 September 2019.

Group	Unaudited 30/09/2019 Normalised RM'000	Impact of MFRS 16 Adoption RM'000	Unaudited 30/09/2019 with adoption of MFRS 16 RM'000
Right-of-use assets	-	373	373
Lease liabilities	-	(378)	(378)
Depreciation	(93)	(142)	(235)
Finance Cost	-	(16)	(16)

Amendments to MFRS 123, Borrowing Costs

Amendments to MFRS 123 (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.



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

A2 Significant accounting policies (cont'd)

IC Interpretation 23, Uncertainty over Income Tax Treatments

IC Interpretation 23 provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. The effect of uncertainty shall be measured using the method which best predicts the resolution of the uncertainty. IC interpretation 23 will be effective for annual reporting periods beginning on or after 1 January 2019.

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 and the Company.

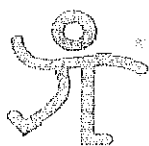
The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16, amendments to MFRS 123, IC Interpretation 23 and amendments to MFRS 10 and MFRS 128.

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.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 September 2019

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

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 2019	9,764	179	9,765
Add: Warrants converted to ordinary shares	295	-	(295)
Add: Share buy backs during the period	-	-	-
Less: Warrant expired	-	-	(9,470)
Balance at 30 September 2019	10,059	179	-

A circular dated 7 January 2019 was sent to all warrant holders of the Company to inform of the expiry of the warrant due on 15 February 2019.

Announcement was made on 28 January 2019, 12 February 2019 and 21 February 2019, that the Company had converted 160,000 units, 93,300 units and 2,700,000 units of warrants at an exercise price of RM0.10 each respectively.

Following the conversion of warrants, the issued share capital of the Company is RM10,058,985 comprising 208,012,945 shares.

The warrant had expired on 16 February 2019. All unexercised warrants will lapse and become void and will cease to be exercisable.

A8 Dividend paid

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 September 2019

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

A9 Segmental information

Segment information based on the group's activities is set out below.

	Unaudited Individual quarter 30-Sep-19 RM'000	Unaudited Individual quarter 30-Sep-18 RM'000	Unaudited Cumulative quarter 30-Sep-19 RM'000	Unaudited Cumulative quarter 30-Sep-18 RM'000
Revenue				
Business Management Systems	438	4,916	4,629	9,437
Converged Infrastructure Solutions	-	11,986	26,698	26,459
Mobile Airtime Reload	16,649	-	41,810	-
E-Sport	600	-	1,388	-
Others	-	-	-	-
	<u>17,687</u>	<u>16,902</u>	<u>74,525</u>	<u>35,896</u>
Adjustment and eliminations	(884)	-	(1,288)	-
	<u>16,803</u>	<u>16,902</u>	<u>73,237</u>	<u>35,896</u>
Loss before taxation				
IT Business Solutions	(594)	(405)	(289)	(585)
Converged Infrastructure Solutions	-	185	-	(466)
Mobile Airtime Reload	(800)	-	(2,052)	-
E-Sport	(109)	-	(567)	-
Others	1,330	(309)	515	(274)
	<u>(173)</u>	<u>(529)</u>	<u>(2,393)</u>	<u>(1,325)</u>
Adjustment and eliminations	(216)	-	(268)	-
	<u>(389)</u>	<u>(529)</u>	<u>(2,661)</u>	<u>(1,325)</u>

No other segmental information such assets and liabilities are presented as the Group is principally engaged in one industry that is the Information Technology ("IT") Solutions and related services.

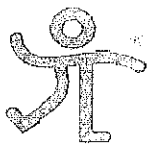
The Group's operations are currently conducted predominantly in Malaysia.

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 other material subsequent event to the end of the current quarter under review to the date of this report.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 September 2019

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

A12 Changes in the composition of the Group

- (a) The Board had announced on 24 October 2018 that MBP Solutions Sdn Bhd ("MBP"), a wholly-owned subsidiary of the Company had entered into a Shareholders Agreement with LMS Technology Distributions Sdn. Bhd. ("LMS") for the acquisition of 375,000 ordinary shares in Jejak Semangat Sdn. Bhd. ("JSSB"), representing 75% of the issued share capital of JSSB for a total consideration of RM1.00 (Ringgit Malaysia One) only from LMS ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, JSSB will become a 75% owned subsidiary of MBP and an indirect subsidiary of the Company. The proposed acquisition has been completed on 21 June 2019.

The fair value of assets acquired and liabilities assumed were as follows:

	RM'000
Cash	1
Other receivables	1
Other payables and accruals	(111)
Goodwill	82
NCI	27
Total purchase price	<u> *</u>
Total purchase price	(*)
Add: cash of subsidiary	1
Cash flow on acquisition net of cash acquired	<u> 1</u>

** less than RM1,000*

- (b) An announcement was made on 11 March 2019 on disposal of 100% equity interest in Tech3 Solutions Sdn Bhd ("Tech3"), a wholly-owned subsidiary company of TFP, comprising 5,000,000 ordinary shares ("Tech3 Shares" Or "Sale Shares") to Cloud Dynamix Sdn Bhd ("Purchaser") for a disposal consideration of RM7,904,000 ("Disposal Consideration") to be satisfied entirely via cash ("Disposal"). On 8 July 2019, it was announced that all conditions precedent set out in the share sale agreement dated 11 March 2019 have been fulfilled and Tech3 has ceased to be a wholly-owned subsidiary company of TFP.

The effect of the disposal of Tech3 on the financial position of the Group as at the date of disposal was follows:

	RM'000
Plant and equipment	124
Inventories	338
Trade and other receivables	17,218
Deposits with licensed banks	1,650
Bank balances	295



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

A12 Changes in the composition of the Group (Cont'd)

	RM'000
Trade and other payables	(13,397)
Net assets/total net assets disposed	6,228
Gain on disposal	1,676
Proceeds from disposal	7,904
Less: Bank balances disposed	(295)
Net cash inflows from disposal	7,609

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 2018.

A14 Capital commitments

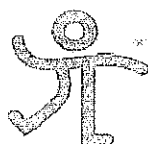
As at 30 September 2019, the Group has no material capital commitments in respect of property, plant and equipment.

A15 Significant related party transactions

The Directors are of the opinion that the Group has no other 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 25 April 2019. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	Current Year Quarter 30-Sep-19 RM'000	Cumulative Year To Date 30-Sep-19 RM'000
(i) Office rental paid to a director	58	154
(ii) Transaction with related company	15,846	40,970



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

A16 Cash and cash equivalents

	Current Period To Date 30-Sep-19 RM'000	Preceding Corresponding Period To Date 30-Sep-18 RM'000
Deposits with licensed banks	768	2,095
Cash and bank balances	4,479	6,734
	<hr/> 5,247	<hr/> 8,829
Less: Pledged deposits	(768)	-
	<hr/> 4,479	<hr/> 8,829

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

B1 Review of performance

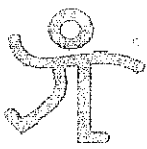
	Current Year Quarter 30-Sep-19 RM'000	Current Year To date 30-Sep-19 RM'000
Revenue	16,803	73,237
Gross profits	59	2,768
Loss before tax	(389)	(2,661)

For the year to date ended 30 September 2019, TFP Group recorded a revenue of RM73.24 million. These are attributed primarily from the Mobile Airtime Reload and Business Management Solutions.

The group's gross profit declined by RM1.26 million or 95.52% from RM1.32 million in the preceding year corresponding quarter of 2018 to RM0.06 million in the current quarter of 2019 is mainly due to the deconsolidate gross profit of RM1.05 million or 83.33% of Tech3 Solutions Sdn Bhd, a wholly-owned subsidiary company in the current quarter.

Other operating income has increased by approximately RM1.59 million from RM0.15 million in the preceding year corresponding quarter of 2018 to RM1.74 million in the current quarter was primarily due to the RM1.68 million gain on disposal for Tech3 Solutions Sdn Bhd which is recognised in the current quarter.

The group's other operating expenses for the current quarter under reviewed has increased by RM0.25 million as compared to the previous year corresponding quarter of 2018 is due to recognise the impairment loss on trade receivables, which are uncollectible provided the outstanding periods exceed 12 months in the current quarter.



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Quarterly Report For The Third Quarter Ended 30 September 2019

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-Sep-19 RM'000	Preceding Quarter 30-Jun-19 RM'000
Revenue	16,803	23,647
Gross profits	59	928
Loss before tax	(389)	(1,797)

Compared to preceding quarter ended 30 June 2019, the Group recorded a decrease in revenue by 29% in the current quarter ended 30 September 2019. The main reason for the lower revenue recorded in the third quarter primarily due to exclude revenue from a wholly-owned subsidiary company, Tech3 Solutions Sdn Bhd. Further, the revenue from Business Management Solutions sales were lower than preceding quarter except for Mobile Airtime Reload.

The group's gross profit declined by RM0.87 million or 93.64% from RM0.93 million in the preceding quarter ended 30 June 2019 to RM0.06 million in the current quarter of 30 September 2019 is primarily due to exclude the gross profit of RM0.66 million or 75.86% of Tech3 Solutions Sdn Bhd, a wholly-owned subsidiary company in the current quarter.

The loss before tax for the current quarter of RM0.39 million has been reduced by the gain on disposal of a wholly-owned subsidiary, Tech3 Solutions which is recognised in the current 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 2019.

The management of TFP will persevere in its business initiatives to secure more projects and continuously looking for new business opportunities to expand its 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 30-Sep-19 RM'000	Cumulative Quarter 30-Sep-19 RM'000
a. interest income	24	54
b. other income including investment income	1,715	2,285
c. interest expense	(6)	(16)
d. depreciation and amortisation	(86)	(235)
e. Impairment of trade receivables	(267)	(320)
f. goodwill written off	-	(82)

B6 Taxation	Current Quarter 30-Sep-19 RM'000	Cumulative Quarter 30-Sep-19 RM'000
Current tax expense	-	-

No tax has been provided for the TFP Group due to losses incurred in the current quarter and year to date.

B7 Unquoted investments and properties

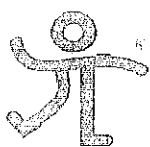
There was no disposal of any unquoted investments or properties in the current quarter under review.

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.



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

B10 Status of utilisation of proceeds from disposal of subsidiary

The status of utilisation of the proceeds of approximately RM4.98 million from the corporate exercise as at 30 September 2019 are as follow:

	Proposed utilisation RM'000	Time frame from utilisation (Months)	Actual utilisation RM'000	Balance unutilised RM'000
Working capital for BMS segment	3,636	Within 12 months from completion	806	2,830
Funding for new business plans	4,068	Within 12 months from completion	4,065	3
Estimated expenses	200	Upon completion	113	87
	<u>7,904</u>		<u>4,984</u>	<u>2,920</u>

B11 Group's borrowings and debt securities

The TFP Group has no borrowings or debt securities as at 30 September 2019.

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 RM5.50 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.



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

B15 Loss per share

	Current Year Quarter 30-Sep-19	Preceding Year Corresponding Quarter 30-Sep-18	Current Year To date 30-Sep-19	Preceding Year Corresponding Period 30-Sep-18
Loss attributable to equity holders of the company (RM'000)	(382)	(505)	(2,614)	(1,203)
Weighted average number of shares in issue ('000)	206,334	205,060	206,334	205,060
Basic loss per share (sen)	(0.19)	(0.25)	(1.27)	(0.59)
Number of shares in issue ('000)	207,613	205,060	207,613	205,060
Number of shares buyback ('000)	(1,279)	(1,279)	(1,279)	(1,279)
Warrants in issue ('000)	-	97,648	-	97,648
	206,334	301,429	206,334	301,429
Diluted loss per share (sen)	(0.19)	(0.17)	(1.27)	(0.40)

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 20 November 2019.

TFP Solutions Berhad

20 November 2019

